



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

Annual Report

2006 - 2007

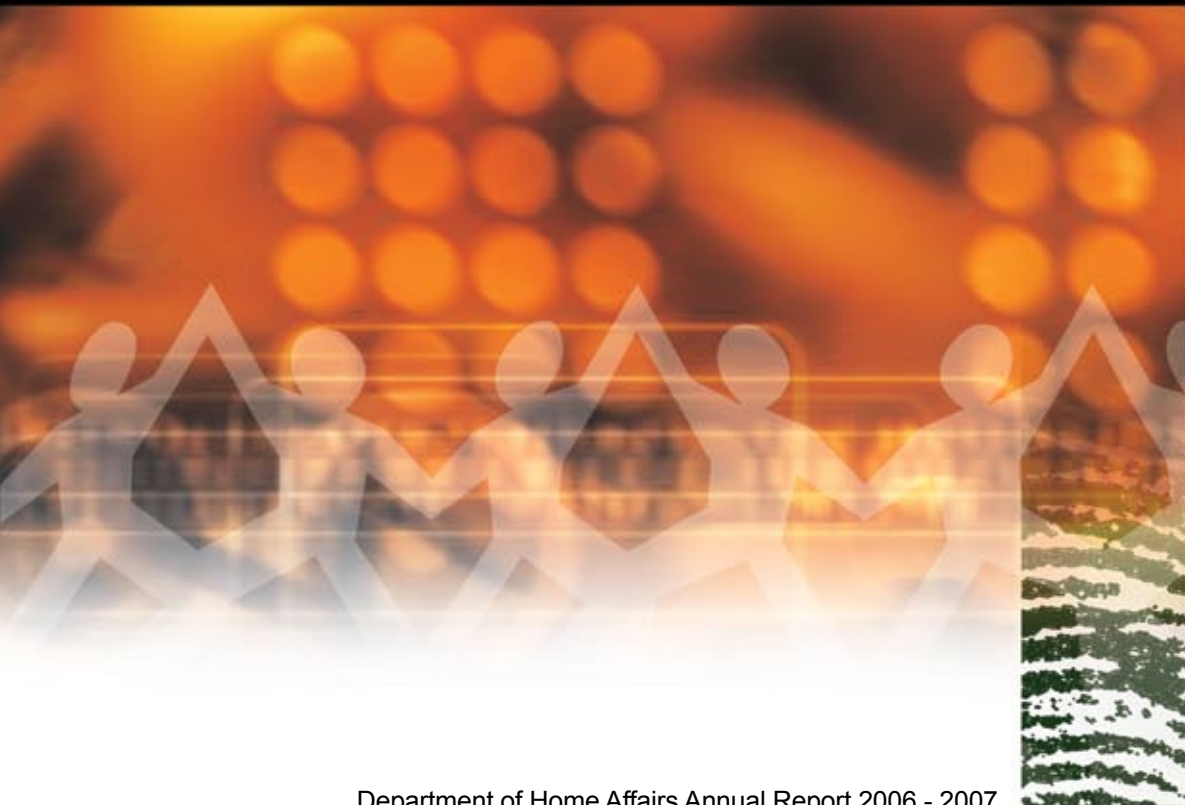


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Part 1

General Information



Department of Home Affairs Annual Report 2006 - 2007



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Home Affairs
REPUBLIC OF SOUTH AFRICA



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REPUBLIC OF SOUTH AFRICA

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

Honourable Minister

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2007

It is my honour to submit herewith the Report of the Department of Home Affairs for the financial year 1 April 2006 to 31 March 2007.

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

A handwritten signature in black ink, appearing to read 'Mavuso Msimang'.

Mavuso Msimang
DIRECTOR-GENERAL OF HOME AFFAIRS

OVERVIEW OF REPORT

The Annual Report 2006/07 aims to convey to the reader what the Department of Home Affairs has achieved during the financial year of 2006/07.

Drawing mainly on the departmental Strategic and Business Plan of 2006/07, it highlights both the achievements as well as the challenges facing the Department during the reporting period.

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

Part one gives a general overview of the Department, containing information on the Ministry, the departmental vision and mission, its mandate and the major departmental challenges and achievements during the reporting year.

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.

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

GENERAL INFORMATION	PROGRAMME PERFORMANCE	STATUTORY REQUIREMENTS
Foreword by the Director-General Information on the Ministry Vision and Mission Legislative Mandate	Introduction Programme Summary Programme 1 Programme 2 Programme 3 Annexures: Tabulated detail on performance per sub-programme	Report of the Audit Committee Annual Financial Statements Human Resource Management

FOREWORD BY THE DIRECTOR-GENERAL



The purpose of the Annual Report is to report on the Department's performance in the 2006/07 financial year for the purposes of oversight. The focus of the Annual Report is two-fold: firstly, to report on the Department's performance relative to the performance targets it set itself in its Departmental Business Plan for 2006/07 and, secondly, to present the Department's audited annual financial statements. The financial statements should, among other things, reflect on the Department's implementation of the budget and the state of its financial management systems.

I joined the Department in May 2007, after the period under review. However, as Accounting Officer I take responsibility for responding to the audit report, in terms of turning around both service delivery and finance and other support systems with effect from the 2007/08 financial year.

The period under review was characterised by the assistance from the Support Intervention Team

which was drawn from Department of Public Service and Administration (DPSA), Office of the Public Service Commission (OPSC) and National Treasury – Office of the Accountant-General (OAG). The team was led by the Director-General of the OPSC and the intervention prioritised the following areas:

- Leadership and Management
- Human Resources
- Information and Communication Technology
- Service Delivery and
- Financial management.

The Support Intervention Team – DPSA and OPSC – concluded their investigation in December 2006 and a comprehensive report was produced early in January 2007. The recommendations from the Support Intervention Team have been incorporated into the Department's Annual Performance Plan for 2007/08 and informed the Turnaround Project that has been introduced in the 2007/08 financial year.

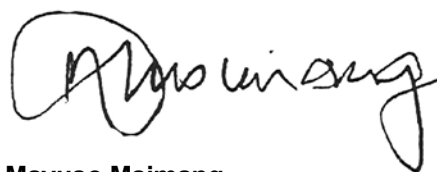
The audit report refers to a number of very serious systemic and management problems that confirm many of the findings in the Support intervention Team Report. These are being systematically addressed through:

- A number of work streams initiated under the Turn Around Project;
- Improved planning and management;
- Substantially increasing resources in critical areas.

In spite of the serious problems indicated above, some specific advances were made in the 2006/07 financial year that have been incorporated in the larger Turn Around process. These include:

- Introduction of a track and trace system for ID applications (phase 1) to assist with the

- determination of the status and stages of processing of ID applications and provide valuable management information and to keep applicants updated about the status of the ID applications.
- Enhancement of information systems security and integrity by means of a biometric access control system in the majority of local offices.
 - Installation of satellite connectivity at ports of entry to allow access to the mainframe and other systems at head office.
 - Digitisation of approximately 30 million fingerprint records as part of the Home Affairs National Identification System (HANIS) to ensure improved and quicker service delivery to clients due to the improvement in turnaround time of online fingerprint verification.
 - Introduction of quarterly senior management service progress review meetings to enhance accountability amongst senior managers and to ensure that the achievement of strategic objectives is monitored and evaluated periodically.
 - Drafting of the Civic Services Strategic Transformation Plan under the guidance of the Support Intervention Team.
 - Implementation of the Civil Union Act, 2006 (Act 17 of 2006) which makes provision for the public solemnisation and registration of civil unions (both opposite and same-sex couples of 18 years or older), by way of either a marriage or civil partnership and to provide for the legal consequences thereof.
 - Establishment of a 2010 Project in preparation for the 2010 FIFA Soccer World Cup to ensure that the Department is properly capacitated to render its core services during 2010.
 - Strengthening of the staff component at OR Tambo International Airport (ORTIA) and Cape Town International Airport (CTIA) in an effort to address critical needs.



Mavuso Msimang
DIRECTOR-GENERAL OF HOME AFFAIRS

INFORMATION ON THE MINISTRY

THE SUPPORT INTERVENTION TASK TEAM

In July 2006, the Minister of Home Affairs appointed a Support Intervention Task Team following concerns raised by the report of the Auditor-General dealing with both financial controls and management capacity problems. The team involved officials from the Department of Home Affairs, the Department of Public Service and Administration (DPSA), Office of the Public Service Commission (OPSC) and the National Treasury. This intervention was sought in terms of section 6(2)(d) and (e) of the PFMA (Act of 1999).

After working in the Department for a period of six months, the team made recommendations on a number of systemic and management deficiencies that should be addressed in the Department.

The work of the Support Intervention Team was accepted by the Minister, Deputy Minister and the Department at large.

HIGH-LEVEL DIALOGUE ON MIGRATION

The Minister has lead several initiatives on behalf of the country, the SADC region, the African Union (AU) and the G77 countries on the issues affecting the management of international migration and its role in development. These initiatives included her input to the High Level Dialogue on Migration held in New York and a number of International Organisations for Migrations (IOM) regional and international workshops on the management of international migration.

REFUGEE BACKLOG PROJECT

The Ministry continued to coordinate the Refugee Backlog Project aimed at addressing the current backlog with regard to the finalization of applications for refugee status determination.

The project was the result of an acknowledgement on the part of the Ministry of Home Affairs that the backlog in processing asylum seekers and refugees applications undermined our legal and international obligations to those who seek protection in our country. The project is linked to the transformation intervention which will include the review of refugee affairs' processes.

VISITATION TO HOME AFFAIRS PROVINCIAL OFFICES

Both the Minister and the Deputy Minister embarked on visits to various Departmental Offices of service delivery to identify and attend to areas of weaknesses in delivering services to DHA clients.

The purpose of the visits was to brief Provinces about the Support Intervention Team report and to assess the state of affairs in our offices. All provinces were visited and the program afforded the Minister and Deputy Minister an opportunity to understand the challenges that confront the Department with regard to service delivery.

ANTI-CHILD PORNOGRAPHY CAMPAIGN

The purpose of the campaign was to make the public aware of child pornography. The campaign largely targeted learners and teachers.

YOUTH AND DEMOCRACY CAMPAIGN

This is a joint campaign between the departments of Home Affairs and Education. Its purpose is to expose young people, in particular, to opportunities at their disposal offered by the democratic dispensation. The initiative is championed by the Deputy Ministers of Home Affairs and Education.

In each event all government services are availed to young people and members of the community concerned. Participants are given an opportunity to interact with the two Deputy Ministers on any issue that pertains to accessing services of Government in particular and any issues of concern about the new democratic dispensation.

COMMUNITY OUTREACH PROGRAMMES

As part of Government's reach out programme to the communities we serve, the Ministry embarked on several outreach programmes, including participation in Government's Imbizo activities. Through this interaction, the Minister, the Deputy Minister and senior managers of the Department had an opportunity to listen first hand to the problems faced by the people we serve and to implement intervention programmes to address some of these problems.

INTERNATIONAL TRIPS UNDERTAKEN BY THE MINISTER AND DEPUTY MINISTER

The Minister and the Deputy Minister visited the following places on official duty during the period of reporting:

- Angola
- Rwanda
- Namibia
- Geneva
- London
- Zimbabwe
- Canada
- Lybia
- Mali
- Czech Republic

LEGISLATION

- (a) The following Amendment Bill was introduced into Parliament during the reporting year and has been dealt with by the Portfolio Committee on Home Affairs:**
Films and Publications Amendment Bill, 2006 (B27—2006)

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

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

The Amendment Bill further seeks to provide for the appointment of compliance officers to monitor compliance with the provisions of the Act. The Amendment Bill empowers compliance officers to instruct that films, games and publications being offered for sale or hire that do not comply

either with the requirements of this Act or any decision of the Board with regard to the distribution of that film, game or publication be removed from any display or offer for sale or hire until such products comply with the requirements of this Act or any decision of the Board with regard to their distribution.

(b) The following piece of legislation was introduced and subsequently passed by Parliament during the reporting year:

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

The main objective of the Civil Union Act, 2006 (Act No. 17 of 2006), is to provide for the solemnisation of civil unions, by way of either a marriage or civil partnership and to provide for the legal consequences of civil unions. The Act further provides for the registration of civil unions.

Immigration Amendment Bill, 2006 (B28—2006)

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

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

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



Ms NN Mapisa-Nqakula

**Minister of Home
Affairs**



Mr MKN Gigaba

**Deputy Minister of Home
Affairs**

VISION STATEMENT

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

MISSION STATEMENT

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

MISSION SUCCESS FACTORS

In the quest for realising the mission of the Department the following factors have been identified as critical to meet 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 mandate of the Department of Home Affairs is embedded in the following legislation and policy documents:

CIVIC SERVICES:

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

IMMIGRATION:

The Immigration Act, 2002 (Act No. 13 of 2002)
The Refugees Act, 1998 (Act No. 130 of 1998)
The Criminal Procedures Act, 1977 (Act No. 51 of 1977)
The Universal Declaration of Human Rights as adopted by the General Assembly of the United Nations on 15 December 1948
The basic agreement between the Government of the Republic of South Africa and United Nations High Commissioners for Refugees (UNHCR), 6 September 1993
The 1991 United Nations Convention Relating to the Status of Refugees
The 1967 Protocol on Specific Aspects of Refugees Protection
The Organisation for African Unity Convention Governing Specific Aspects of Refugee Problems in Africa, 1996
The UNHCR Handbook on criteria and procedures for the determination of Refugee Status, 1997

OTHER DEPARTMENTAL MANDATES

Public Holidays Act, 1994 (Act No. 36 of 1994)
Electoral Act, 1998 (Act No. 73 of 1998)
Electoral Laws Amendment Act, 2003 (Act No. 34 of 2003)
Electoral Laws Second Amendment Act, 2003 (Act No. 40 of 2003)
Electoral Commission Act, (Act No. 51 of 1996)
Films and Publications Act, 1996 (Act No. 65 of 1996)

Local Government: Municipal Electoral Act, 2000 (Act No. 27 of 2000)
 Regulations made under the Electoral Act, 1998
 Regulations made under Local Government Municipal Electoral Act, 2000

OTHER MANDATES

The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
 The Public Service Act, 1994 (Proclamation No. 108 of 1994)
 The Labour Relations Act, 1995 (Act No. 66 of 1995)
 The Public Finance Management Act, 1999 (Act No 1 of 1999)
 Intergovernmental Relations Framework Act, 2005 (Act No.15 of 2005)
 Regulations made under the Intergovernmental Relations Framework Act, 2005
 Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. of 2000)
 Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
 Regulations made under the Preferential Procurement Policy Framework Act, 2000

LEGISLATION AMENDED BY LEGAL SERVICES DURING 2006

Immigration Amendment Bill, 2006 (B28—2006)

The major implications of the Immigration Amendment Bill are as follows:

- It seeks to substitute the definition of “depart or departure” to make it clear that “departure” means “exiting the Republic from a port of entry to another country”.
- It seeks to insert the definitions of “affiliate”, “branch” and “subsidiary” into the Act in order to give clarity as to the meaning of the terms as contained in section 19(5) of the Act.
- It seeks to include cross-border and transit permits (as contained in section 24) as temporary residence permits.
- It seeks to restrict the period for which an authorisation to conduct work may be granted by the Director-General in terms of section 11(2) with regard to visitor’s permits issued to a foreigner who is engaged in “any other prescribed activity”, as provided in the newly drafted section 11(b)(iv).
- It seeks to increase the period for which the intra-company transfer work permit may be issued to four years in order to accommodate the needs of multinational companies based in South Africa.
- It seeks to insert subsection (1A) in section 20 to provide for the issuing of an appropriate permit to the spouse and dependent children accompanying the holder of a retired person permit.



Part 2

Programme Performance

Department of Home Affairs Annual Report 2006 - 2007



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Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

INTRODUCTION

VOTED FUNDS

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount R'000	Over/(Under) Expenditure R'000
	2 800 405	2 800 405	2 546 915	(253 490)
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 regarding their individual status, identity and specific rights and powers, and to promote a supporting service for this.

Summary of programmes

The departmental budget is structured into three programmes

- Programme 1: Administration
- Programme 2: Delivery of Services
- Programme 3: Auxiliary and Associated Services

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Provide for the overall management of the Department, and provide information systems support to line functions.

Programme 2: Delivery of Services

Purpose: Deliver the Department's core services: granting rights and citizenship to eligible people and controlling immigration according to South Africa's skills and investment needs.

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

Programme 3: Auxiliary and Associated Services

Purpose: Provide support to the Film and Publication Board, the Government Printing Works and the Independent Electoral Commission. Provide for upgrading and maintaining building and accommodation. Purchase vehicles for departmental use.

Measurable Objectives: Make timely transfer payments to the Film and Publication Board, the Government Printing Works and the Independent Electoral Commission; and provide support services to ensure effective service delivery.

Overview of the organisational environment for 2006/07

The 2006/07 – 2008/09 Strategic Plan provided an outline of a Strategic Delivery Model, the purpose of which is to guide strategic planning over a five-year period. At the centre of the model was the client and improving the delivery of the core functions of the Department, which are carried out by Civic Services and the National Immigration Branch. The model indicates that three closely related strategies are being employed to improve service delivery: devolution of powers and functions to provinces; capacity development; and systems development.

Following an audit disclaimer, the Ministers of Finance and the Department of Public Service Administration were approached to assist the Department. In the latter half of 2006 the Support Intervention Team commenced with its work. It was led by the DG of the Office of the Public Service Commission and prioritised the following areas:

- Leadership and Management: To establish a stronger and cohesive management team.
- Human Resources: To provide focused support to particular human resource management issues.
- Information and Communication Technology: To provide support in information and communication management matters.
- Service Delivery: To strengthen service delivery improvement initiatives.
- Financial Management: To improve financial management and internal controls.

The Support Intervention Team worked closely with the Department in all three strategic areas and this is reflected in its recommendations as well as in specific interventions. In addition, a number of projects were initiated that were aimed at improving core business processes and related systems. The track-and-trace system for ID applications is an example of such a development in Civic Services, and the development of improved standard operating procedures is an example from the National Immigration Branch. A major challenge for the 2007/08 financial year is to take the turnaround strategy to a higher level by integrating those developments into a coherent service delivery model.

A team of experts is being appointed to assist in this turnaround process, which includes the Department examining – in a fundamental way – how it conducts its core business.

One of the findings of the Support Intervention Team was that the current organisational structure of the Department did not align well with its functions and needed to be reviewed. With its support much of the preliminary work on a revised organisational structure has been carried out according to clear principles, such as ensuring a sound relationship between Head Office and the provinces and between general and specialist functions. However, the organisational design can only be finalised after the model of service delivery has been further developed.

Overview of the service delivery environment for 2006/07

The Department of Home Affairs is a department that is heavily service-delivery driven. The delivery on outputs relating to core business of the Department is critical because of their direct influence on the quality of services delivered to customers.

The launch of the National Immigration Branch in 2005 and the subsequent institution of a centralised training programme for Immigration Officials was and still is aimed at improving the quality of services rendered in the sphere of Immigration. The fundamental transformation of the Civic Services Branch during the next few years has been identified as the next critical intervention required by the Department. These have both been put in place to benefit the client by improving the quality of services rendered.

The Department has over recent years been severely hampered in its quest to deliver world-class services to its entire customer base by the lack of capacity to deliver on its mandate. The 2006/07 financial year has proven to be no exception.

Of the 2568 vacancies, 655 new appointments were effected, 501 promotions were finalised and 99 interdepartmental transfers within the DHA took place. The Department is however far from reaching the required figures and competencies.

A concerted effort will therefore be made in the 2007/08 financial year to address this critical issue. The focus on capacitating especially regional and district offices in terms of numbers and competencies must therefore continue, particularly if the departmental devolution plan is to be implemented. It has to be noted that the President's articulation of filling of posts in the DHA in his State of the Nation Address as a critical activity area, bears testimony to this dire need.

The Department of Home Affairs implemented a number of initiatives in the 2006/07 financial year to improve on its services. Most of those initiatives need to be carried through into the 2007/08 financial year. The following initiatives are prominent:

- Improvement on the "client is always right campaign" by the launch of new name tags which bear a photograph and name of the official.
- A Service Delivery Improvement Plan, wherein service delivery standards have been reviewed, was drafted. The development of the service charter will be carried through into the 2007/08 financial year.
- The introduction of flexible working hours for officials.
- Internal and external signage for all DHA offices was introduced.
- A further 42 state of the art mobile units were provided to Provinces to improve the rendering of services, bringing the total of mobile units in the provinces to 109.
- The devolution plan for decentralising certain of the functions from Head Office to the provinces was prepared. This plan is to be implemented over a three-year period commencing in the 2007/08 financial year.
- The salary levels of Immigration Officials as well as that of the Deputy Directors were reviewed through a job evaluation process.
- All vacant posts in the Client Service Centre (CSC) were filled with assistance from interns. A further process of utilising the Government Batho Pele Call Centre at the DPSA will be investigated during the 2007/08 financial year.
- Participation in 79 of the 98 Multi-Purpose Community Centres (MPCCs), renamed Thusong Centres, continues as part of making DHA services more accessible to citizens. In the 2007/08 financial year, more effort will be put

into DHA's participation in Thusong Centres by extending working hours during the week.

- A uniform programme for provincial activities was developed in October 2005. This programme allows for frequent and structured identification of most suitable practices from the provinces and consequent institutionalisation, once such practices have been identified. Some of the most suitable practices identified are as follows:
 - Record of purchases
 - Template for recording of statistics and backlogs
 - Office organograms with personnel photographs and office contact numbers
 - Monitoring tool for adhering to instructions and meeting of target dates
 - Manual track-and-trace system
 - Checklist for office inspections

This list gives the reader an idea of the systems that are being put in place to assist managers in provinces. Strengthening the capacity of provincial leadership remains favourable on the agenda.

The need to pursue even more efficient ways of providing improved front desk services is more urgent in the 2007/08 financial year. The development of an electronic track-and-trace system (to replace the manual track-and-trace system that was reported to have been established in the Strategic Plan document for 2006/07) is currently at such an advanced stage that all regional offices are connected to it. The first part of the 2007/08 financial year shall be consumed by the rollout of the system to the remaining offices throughout the country. This should start to alleviate long queues, clarify the status of ID applications and generally allow for better accountability to the client, by the front desk staff as the 2007/08 financial year proceeds.

It remains critical that the DHA focuses on improving, to continue to put the client, and not the administration of the DHA, at the centre of service delivery.

In terms of adjusted estimates, savings arose due to vacant posts between levels 1-10 not filled. Funds shifted from compensation of employees were to be used for media monitoring and evaluation, provincial

outreach programmes and poster campaigns, a wellness audit, voluntary counseling and testing, adult basic education, SITA computer training, training immigration officers, security services, travel costs and mobile outreaches in provinces, administrative costs for the secretariat of the Border Control Co-ordinating Committee, transport costs for deporting an increased number of illegal immigrants, and the refugee backlog project.

The new Film and Publications Bill required the Film and Publication Board to expand its work. Funds shifted from compensation of employees were to be used to increase the transfer payment to the board for once-off expenditure on IT projects, research development projects, and communication and marketing programmes.

With regard to virements after adjusted estimates, savings identified under compensation of employees were mainly due to finalising organisational structure and job evaluation. Funds were shifted to the following areas where shortages were projected: human resource development, employee initiated severance packages, service delivery in provinces and other unavoidable expenditure.

No roll overs from 2005/06 to 2006/07 were recorded.

Strategic overview and key policy developments for 2006/07

The Strategic Plan for the 2006/07 – 2008/09 period was organised around nine strategic objectives in order to achieve better integration across business units. The approach followed to ensure integrated planning for all branches was to plan the core business of Home Affairs first and then subsequently plan with regard to support functions. The core business of Home Affairs is conducted by two branches: Civic Services and National Immigration. All other business units exist to support the core functions, including Management Services, Corporate Services, Finance and Supply Chain

Management and Information Systems.

Another improvement in the planning process is the clearer distinction between different levels of planning and related delegations of budgets. The Strategic Plan as well as the one-year Annual Performance Plan (formerly known as the departmental business plan) were used as a basis for the planning of service delivery by branches, chief directorates and directorates. At each level the budgets were allocated, linked to approved plans, programme managers, subprogramme managers and responsibility managers. The senior managers at each level (DDGs, Chief Directors and Directors) signed performance contracts that were aligned with their plans and budgets.

It is important to note the context in which planning took place. In the second half of 2006, the Department was assisted by a Support Intervention Team drawn from the Office of the Public Service Commission, the Department of Public Service and Administration and the National Treasury. Many of the specific interventions supported by the team assisted to raise the level of planning, including a revision of the Department's 2006/07 Annual Performance Plan (departmental business plan). The interim and summary reports of the Support Intervention Team were conceded in the planning process. This was supported by quarterly progress review meetings based on the departmental and individual business plans by business units. Similarly, it also connected with the quarterly reviews of the performance of all officials by line managers.

The Civil Union Bill was signed into law with effect from 30 November 2006. The Films and Publications Amendment Bill, 2006, was introduced in Parliament during September 2006. This Bill was also published in the *Government Gazette* in September 2006, inviting public comments. The draft Immigration Amendment Bill, 2006, was introduced in Parliament in September 2006, and was published in the *Government Gazette* during September 2006, inviting public comments.

Departmental receipts

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

Economic classification	Revenue outcome			Target 2006/07 R'000	Actual 2006/07 R'000	% Variance Over/ (Under)
	Audited 2003/04 R'000	Audited 2004/05 R'000	Audited 2005/06 R'000			
Tax receipts						
Sales of goods and services produced by department (excl. capital assets)	241 740	316 623	225 273	309 499	445 767	44
Fines, penalties and forfeits	506	–	12 235	6 570	18 035	174
Interest, dividends and rent on land	665	–	172	840	154	(81)
Sales of other capital assets	–	–	26	–	1	–
Financial transactions in assets and liabilities	(299)	–	(138)	218	4 282	1 864
Total receipts	242 612	316 623	237 568	317 127	468 239	47

Departmental expenditure

Summary of expenditure estimates by programmes	Appropriation 2006/07 R'000	Roll-overs and adjustments R'000	Virement R'000	Final appropriation R'000	Actual payments R'000	% Variance Over/ (Under)
1. Administration	491 210	(16 522)	1 832	476 520	476 080	–
2. Services to Citizens	1 712 400	10 822	(1 832)	1 721 390	1 555 620	(9)
3. Auxiliary and Associated Services	596 795	5 700	–	602 495	515 215	(14)
Total	2 800 405	–	–	2 800 405	2 546 915	(9)

Transfer payments

Name of Institution	Appropriation 2006/07 R'000	Roll-overs and adjustments R'000	Virement R'000	Final appropriation R'000	Actual payments R'000	% Variance Over/ (Under)
1. Municipalities	2 191	(295)	–	1 896	988	(48)
2. Film and Publication Board	7 233	5 700	–	12 933	12 933	–
3. Government Printing Works	200	–	–	200	199	(1)
4. Independent Electoral Commission	350 000	–	–	350 000	350 000	–
Total	359 624	5 405	–	365 029	364 120	3

1. **Municipalities** are responsible for Regional Council Service Levies.
2. The **Film and Publication Board** funds the classification work of the Film and Publication Board and the Film and Publication Review Board.
3. The **Government Printing Works** provides for the augmentation of the Government Printing Works Trading Account for supplying printing and stationery to government.
4. The **Independent Electoral Commission** is a state institution established under Chapter 9 of the Constitution of the Republic of South Africa, 1996. The Commission negotiates its budgetary requests with the Treasury. Funds allocated by Parliament for the Commission's budget are for practical reasons, formally shown on the Department of Home Affairs' vote as an amount for transfer to the Commission, but the Commission is accountable to the National Assembly and must report on its activities, its financial affairs and the performance of its functions to the National Assembly at least once a year.

PROGRAMME SUMMARY

Administration provides for the overall management of the Department and provides line functions with information systems support.

Delivery of Services delivers core services of the Department through the provision of services to citizens by granting rights and powers to members of the population, and the control of immigration according to South Africa's skills and investment needs.

Auxiliary and Associated Services supports the Film and Publication Board, the Government Printing Works and the Independent Electoral Commission, provides for the upgrading and maintenance of buildings and accommodation, and purchases vehicles for departmental use.

PROGRAMME 1: ADMINISTRATION

AIM

The **Administration** programme conducts the overall management of the Department and provide centralised support services. The programme provides for policy formulation by the Minister, Deputy Minister and the Department's senior management. Other functions include the following: organising of the Department; providing centralised administrative, legal and office support services; managing departmental personnel and financial administration; determining working methods and procedures; and exercising control through Head Office.

PROGRAMME POLICY DEVELOPMENTS

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

- **Strategic and Executive Support Services (SESS)**, which provides the Director-General with a professional, evaluative, planning and coordinative capacity 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.
- **Communication Services** is responsible for the management of communication within the Department. It is responsible for media liaison, corporate communications, internal communication and media production.
- **Internal Audit** provides the Department with an audit assurance and consulting service.
- **Counter-Corruption and Security** aims to ensure efficient counter corruption measures and the management of security services in the Department.
- **Governance Relations** manages international affairs, governance relations and coordination of foreign offices.

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

- **Human Resources** provides the total personnel component at all levels of the Department with human resource services. Those services include human resource development, human resource management, employee wellness and employee relations services.
- **Legal Services** provides the Department with legal services, including the rendering of legal opinions, representing the Department at the Home Affairs Portfolio Committee during legislative programmes as well as drafting and amending legislation and legal documents.
- **Labour Relations** is responsible to ensure that sound labour relations is practiced in the Department through:-
 - the investigation of all labour related cases;
 - the administering of all collective employee related matters with the Department's recognised trade unions;
 - the administering of all individual employee disputes; and
 - the administering of all misconduct matters.
- **Finance and Supply Chain Management** is responsible for the management of integrated financial services and ensuring sound supply chain management system in the Department.
- **Information Services** enables the Department, through optimal utilisation of information technology, to address the service delivery requirements within the different business areas. One of the main strategic focus areas of the Department of Home Affairs is the deployment of information technology and systems to improve service delivery to all stakeholders.

ACHIEVEMENTS AND CHALLENGES

This section aims at providing information on the achievements and challenges pertaining to the various sub-programmes within Programme 1: Administration. In doing so, it draws mainly from the departmental Strategic Plan and departmental Business Plan for 2006/07.

The following are some of the more significant developments (achievements) and challenges with regard to programme development:

BUSINESS UNIT	ACHIEVEMENTS	CHALLENGES
STRATEGIC AND EXECUTIVE SUPPORT SERVICES	<p>Improved strategic planning process in place</p> <p>Introduction of quarterly progress review meetings to enhance accountability</p>	<p>Lack of capacity in terms of strategic planning processes at all levels in the Department</p> <p>Recruitment and retention of staff with appropriate experience and skills</p>
COMMUNICATION SERVICES	<p>Communication Policy was developed</p> <p>Refugee Backlog project was launched</p> <p>Rollout of ongoing Izimbizo for the Ministry</p> <p>Radio Education Strategy was developed and approved</p> <p>Successfully communicated a number of high level projects, e.g. Back Record Conversion, Civil Union Act, etc</p>	<p>Changing the perception of DHA services</p> <p>Role of managers as agents of communication</p> <p>Need to intensify international communication programme</p>
COUNTER CORRUPTION AND SECURITY	<p>Strengthened multi-agency co-operation in respect of regular meetings held with law enforcement agencies on matters of mutual interest</p> <p>A Memorandum of Understanding (MOU) was signed with the South African Business Risk Intelligence Centre (SABRIC) on 12 March 2007</p> <p>Security related Standard Operating Procedures (SOPs) were developed and approved: Internal Security Policy approved, Vetting Standards, Contingency planning and Access Control Procedures</p> <p>Security awareness raised on a regular basis with various business units</p> <p>Members of Ministry, DG, Deputy Directors-General (DDGs), Chief Directors and all their support staff vetted</p> <p>Workshops conducted at Head Office and in all Provinces on Whistle-blowing policy as well as Corruption/Fraud Prevention Plan</p> <p>A programme to evaluate corruption-related risks in offices and processes in place</p>	<p>Insufficient personnel in all the units of the Chief Directorate</p> <p>Insufficient funds to improve security in all offices through the utilisation of an electronic security system</p>
GOVERNANCE RELATIONS	<p>Turn around times for visa issuance reduced from 10 days to 5 working days in all our foreign offices abroad (Foreign Office Co-ordination)</p>	<p>Increasing of capacity in foreign offices to meet the challenges with regard to the increase in demands for foreigners visiting South Africa</p> <p>Capacity building for 2010</p>

BUSINESS UNIT	ACHIEVEMENTS	CHALLENGES
	<p>DHA representative appointed in all clusters and sub committees (Intergovernmental Relations)</p> <p>Bilateral agreement signed with Tanzania on visa waiver and migration cooperation (International Relations)</p>	
HUMAN RESOURCES	<p>Performance agreements for SMS aligned to planning at all levels</p> <p>Ill health trends amongst employees investigated and monitored</p> <p>National Youth Service Programme was launched and 375 unemployed matriculates were recruited and trained</p> <p>Management training programmes developed and implemented</p> <p>HR delegations reviewed and submitted for approval</p> <p>655 new appointments were made</p> <p>DHA is the biggest employer of interns: 214 interns were permanently appointed in DHA and 152 by other government departments</p> <p>Three immigration qualifications and unit standards were registered with South African Qualifications Authority (SAQA)</p> <p>292 bursaries were awarded</p>	<p>Building of SMS capacity to manage performance</p> <p>Employee wellness services not accessible to all employees</p> <p>Inadequate personal development strategies</p>
INFORMATION SERVICES	<p>Enterprise architecture completed to align Information Systems with the organisation's core goals and strategic direction</p> <p>Information systems security and integrity enhanced: Biometric Access Control System has been installed in local offices and the Information Systems Security Policy has been completed</p> <p>Knowledge and Information Management Strategy implementation commenced</p> <p>Satellite connectivity installed at ports of entry</p> <p>Interim electronic tack and trace system for ID applications, that covers all offices, developed, tested and rolled out to all regional offices</p> <p>Records Management Policy was developed and approved</p> <p>Digitisation of approximately 30 million fingerprint records completed (Back Record Conversion Project) - 29 million records absorbed into Home Affairs National Identification System (HANIS)</p> <p>The HANIS Disaster Recovery Site has been tested and accepted by users</p>	<p>Delays in connecting and computerisation of foreign offices</p> <p>Unstable IT infrastructure</p>

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital Investment Plan

INTRODUCTION

The Department's financial allocation for the 2006/2007 financial year for Capital Works was R104,913 million of which only R45,949 million was spent on Repair and Maintenance Programme (RAMP), external signage, Gensets construction of new offices, planned maintenance and residential accommodation (Border Posts). The balance of R58,964 million that was earmarked for RAMP group 2 was not spent and would be requested for roll over.

REPAIR AND MAINTENANCE PROGRAMME (RAMP)

The RAMP projects are divided into two groups, namely **RAMP Group 1** and **Ramp Group 2**.

RAMP GROUP 1 consists of the following facilities (**Note:** These facilities are in the maintenance phase):

- Springs
- Nigel
- New Cooperation Building
- Marabastad
- Umthatha
- Ngqeleni
- Engcobo
- Phalaborwa
- Mhala
- Giyani
- Pampierstad
- Molopo
- Atamelang

RAMP GROUP 2 consists of following facilities (Note: these facilities are in the renovation phase):

- Lydenburg
- Witbank
- Barberton
- Heidelberg
- Krugersdorp
- Ga-Rankuwa
- Potchefstroom
- Lichtenburg
- Tongaat
- Khayelitsha
- Zwelitsha
- Butterworth

External signage

Most DHA offices were installed with illuminated laminated signage.

Genset (Small Power Supply and Uninterrupted Power Supply)

All four Refugee Backlog offices were installed with Genset. The offices are situated as follows:

- Durban (137 Moore Road)
- Johannesburg (Crown Mines)
- Cape Town (Nyanga)
- Port Elizabeth (North End)

Construction of new offices

The Department identified three sites where new offices will be constructed:

- Phuthaditjhaba
- Taung
- Sebokeng

It is anticipated that these offices will be completed by 2008.

Planned maintenance

Planned maintenance addresses all sorts of Departmental preventative course such as burglar proofing, internal signage, air conditioners and latent defects.

Challenges

As stated above, the Capital Works budget was under spent due to the following reasons

- Tenders for RAMP Group 2 were not all adjudicated during 2006/2007. In this case, the Department in collaboration with Public Works motivated to National Treasury for roll over of R58,964 million.

Management of assets

(a) Introduction

An amount of R17,714 million was allocated to the Department to acquire departmental vehicles, of which 59 vehicles were procured and proportionally distributed to provincial offices. This was achieved through the Government tender RT57.

(b) *Major maintenance projects undertaken*

State-owned buildings

The Department introduced the Repair and Maintenance Programme (RAMP), which addresses upgrading and face-lifting of state owned buildings. This programme has a three-year cycle which six months is for construction and 30 months for maintenance. The Department is committed to the Repair and Maintenance Programme initiated by the Department of Public Works for the continuation of repairs and maintenance of state owned offices, and ensuring compliance with Occupational Health and Safety Act and other applicable legislation.

Leasehold buildings

The Department relocated 13 offices to alternative buildings. Since the establishment of the Department is increasing, bigger offices became a prerequisite. In some instances new appointees such as Provincial Managers and Area Managers will require new offices altogether. In essence, most offices relocate due to an increase in human capacity. However, the Department is also guided by the Council for Scientific and Industrial Research (CSIR) and Human Sciences Research Council (HSRC) reports which determine suitable location of offices.

Residential accommodation

The Department has officials working at ports of entry (POEs) controlling the arrivals and departure of people at POEs. As there are officials working and residing at the border posts, the Department is committed to provide suitable accommodation to all officials working at these border posts. The Border Control Operational Coordinating Committee (BCOCC) in conjunction with Department is addressing the issue of a lack of residential accommodation. The Department transferred R9,8 million in 2006/2007 to the BCOCC to acquire additional residential accommodation at POEs.

(c) *Control over assets*

The Department strives to comply with the Public Finance Management Act, 1999 as

amended, with regards to control over assets acquired by the Department.

An Asset Register has been established and implemented in the Department and will account for all assets under the control of the Department in compliance with National Treasury's guidelines and instructions for the accounting of assets in departments. The Asset Management electronic system has been rolled out to 11 offices, including Provincial Managers' offices. An Asset Management Policy was developed and approved by the Strategic Management Committee (SMC).

Challenges

To capacitate provinces with personnel to account for all assets located per province or region.

(d) *Tendering process*

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

The Department has introduced a system to regulate the database of suppliers and to enable suppliers to submit their price quotations electronically in an effort to combat fraud or corruption in the procurement processes.

The Broad Based Black Economic Empowerment (BB-BEE) percentage for bids awarded in the 2006/2007 financial year was 88.73%

The challenge is to develop capacity, implement systems and control measures and revisit the structure in the provincial offices in order to devolve certain identified procurement delegations to Provincial Managers.

Total value of contracts awarded during 2006/2007: **R64.1 million**

- Value of contracts awarded to black enterprises with more than 50,1% (including black women): **R2.7 million**
- Value of contracts awarded to enterprises owned by black women with more than 50,1% ownership: **R0.7 million**
- Value of premiums paid to apply preferences claimed: **R1.7 million**

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.

PROGRAMME 2: DELIVERY OF SERVICES

AIM

Delivery of Services was formed by combining the previous Services to Citizens and Immigration programmes, since there exists a close relationship between those two services. The new programme delivers the Department's core services, using provincial office infrastructure, mobile units, client service centres, multipurpose community centres (MPCCs), border posts, refugee reception centres and foreign offices. The programme provides citizens with services by granting rights and powers to members of the population, and dealing with travel and passport matters, citizenship and population registration. It also controls immigration according to South Africa's skills and investment needs, and controls visitors who enter and reside in the country temporarily.

The programme comprises seven subprogrammes:

- Travel Documents and Citizenship issues passports and other travel documents, provides citizens abroad with financial assistance, and determines and grants citizenship and its forfeiture.
- The Population Register maintains a register of citizens and immigrants who have acquired the right to permanent residence, and registers births, deaths and marriages.
- Service Delivery develops systems for improving the Department's service delivery.
- Admissions issues temporary and permanent residence permits.
- Immigration Control enforces the Immigration Act by capturing and recording travellers' particulars, movements and status at missions, offices and ports of entry.
- Refugee Affairs is tasked with the administration of refugees and asylum seekers.
- Board and Committees consider all appeals made against the decisions of the Standing Committee for Refugee Affairs.

PROGRAMME POLICY DEVELOPMENTS

Civic Services Transformation Project

During the review period, the Department developed the Civic Services Strategic Transformation Framework, and was guided in this by the Office of the Public Service Commission (OPSC) and the Department of Public Service and Administration (DPSA). The Framework also included "Terms of Reference" for the appointment of a dedicated service provider to assist the Department in achieving its transformation goals. A tender was advertised and closed at the end of March 2007. The project was since placed on hold pending the implementation of recommendations by the Support Intervention Team, established by the Minister of Home Affairs during 2006/07.

Automated Fingerprint Identification System (AFIS)

A project for the Back Record Conversion (BRC) of the existing 47 million manual fingerprint records archived by the Department commenced during April 2005. By the end of March 2007, approximately 26 million records were absorbed into the AFIS database.

Implementation of the Civil Union Act, 2006 (Act 17 of 2006)

The Act and Regulations were successfully implemented with effect from 1 December 2006. Implementation was guided by a pre-implementation strategy which included briefing sessions with relevant marriage officers as well as the distribution and display of informative posters in public areas at all departmental offices. Marriage registers were also printed and distributed in advance to all offices. By the end of March 2007, the Department had registered 325 civil unions.

Implementation of an Electronic Track and Trace System for Identity Documents

During the review period, the Department developed an electronic track-and-trace facility for the tracing of ID applications. The system was successfully piloted in the Gauteng province during March 2007. All Gauteng offices have been equipped with the necessary registration

and enquiry functions. The Department's Annual Performance Plan for 2007/08 outlines the full rollout of the track-and-trace facilities to all departmental offices.

Internet and SMS Verification Facility

In conjunction with the State Information Technology Agency (SITA), the Department launched an Internet or SMS (short message service) verification facility, which applicants can use to determine the progress of ID applications or passports as well as marriage status verification.

Records Management

Due to ongoing challenges in the implementation of an electronic document management system (EDMS), the Department decided to manually sort and index approximately 15 million birth, marriage and death records not sorted and indexed since the inception of EDMS in the 2004/05 financial year. A special project was launched on 2 May 2006 and by the end of March 2007 a total of 12 million records were sorted. The balance at the end of March 2007 exceeded five million.

Elimination of Duplicates project

A total of 19 734 duplicate cases were identified during the review period. This was made possible by the implementation of AFIS, which identified corresponding fingerprint records being entered for possible storage on the AFIS database. All the identified duplicate cases were referred to the provinces for interaction with the affected clients. Progress in tracing the affected applicants was, however, hampered by outdated or incorrect address information contained in the national population register. Of the 19 734 identified cases, the Department has managed to resolve only 1 870 duplicate cases. The balance of 17 864 unresolved duplicate cases has been incorporated into the 2007/08 planning framework of the Department.

NATIONAL IMMIGRATION BRANCH

STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS:

Immigration Control and Management

Subject to the provisions of the Immigration Act, 2002 (Act No 13 of 2002), the Department aims

to process and approve immigration applications in the context of South Africa's skills and investment needs, and with due regard to the country's economic, social and cultural interests. The Act prescribes the structure and work of the Immigration Advisory Board, which is responsible for researching, investigating and advising the Minister on all immigration-related matters and for influencing further immigration policy.

In addition to tracing and removing illegal immigrants, the Department will also concentrate on enforcing sanctions against persons who employ, accommodate, or otherwise assist foreigners in contravening the Act. New systems to improve immigration services were implemented. These include:

- A computerised visa system to track forged South African visas, which has been expanded to most South African missions abroad.
- The new National Immigration Branch structure was approved by the Minister in March 2004 and includes the following:
 - Immigration Directives
 - Admissions
 - Inspectorate
 - Information Coordination
 - Counter-Xenophobia
 - Refugee Affairs
 - National Border Priorities

Service delivery objectives and indicators

Recent outputs

Visas and permits

Key targets as set out in the Estimates of National Expenditure (ENE) could not be met in all instances in 2006/07, since sections of the Department's IT infrastructure required upgrading. During 2006/07, a total number of 527 677 visas were issued and 8 791 refused. Ninety-five percent (95%) of visa applications received were processed within the prescribed ten day (10) period. South African missions abroad process visa applications within three days of receipt, on average. Delays that occurs are mainly caused by incomplete applications where missions have to request and await additional documentation and information.

The Department is focusing on concluding visa agreements with SADC countries for diplomatic, ordinary and official passport holders.

Illegal foreigners and refugees

A total of 266 067 illegal foreigners were deported in 2006/7. A small percentage of detainees were released as a result of legal appeals against their deportation. An estimated 44 212 asylum seekers were registered during the 2006/07 financial year, 34 019 (77%) of whom were male, 9 430 (21%) female and 747 (2%) children.

ACHIEVEMENTS AND CHALLENGES

Transformation of immigration

Following the approval of the new structure for the National Immigration Branch, an additional two Directors were appointed. The migration from the old structure to the new one is in progress.

The review of business processes, aiming at enhancing their efficiency and eliminating unnecessary red tape, has been finalised. The implementation of the business processes is in progress.

Immigration legislation

A long-term review of the Immigration Act is currently in progress and is scheduled to be finalised during 2007.

The Department is leading the process of drafting legislation to counteract the smuggling of migrants in compliance with the Protocol on Smuggling of Migrants (UN Convention Against Transnational Crime). One project has been implemented and two others are in the planning stages.

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

fully with the necessary skills and competencies to carry out its mandate. This, however, remains a big challenge.

FIFA 2010 SOCCER WORLD CUP

As part of South Africa's bid for the 2010 FIFA Soccer World Cup, the Minister of Home Affairs provided FIFA with three guarantees on 8 July 2003:

- that **visas** would be issued to a broad range of persons (including members of the FIFA delegation and commercial affiliates, media representatives and foreign visitors, according to Government Guarantee 4.1);
- that **work permits** would be issued where required to a broad range of persons (including members of the FIFA delegation and the commercial affiliates and media representatives, according to Government Guarantee 4.2); and
- that **priority treatment** would be provided for the FIFA delegation, teams and delegations, and other accredited persons at ports of entry, according to Government Guarantee 4.11).

In order to deliver on the guarantees provided, the Department needed to build capacity at –

- missions abroad;
- ports of entry;
- permitting offices within the Republic; and
- law enforcement (detection, detention and deportation mechanisms, as well as infrastructure).

The Department established a 2010 Project Office and appointed a Project Manager in order to co-ordinate its endeavours in preparation for the 2010 FIFA Soccer World Cup. Initial areas of focus for the DHA Project Office were to -

- assess the nature of the guarantees and the consequent nature and extent of challenges to be met;
- assist in the drafting of the 2010 World Cup South Africa Special Measures Bills (section 75 and 76 bills);
- develop budget proposals (to the extent of R483 million); and
- design a comprehensive project plan with the following key strategic outputs:

- Monitoring and ensuring the issuing of visas
 - addressing a human resources strategy
 - addressing logistical needs (equipment and technology)
- Monitoring and ensuring the issuing of work permits
- Monitoring and ensuring priority treatment for FIFA delegation and affiliates
- Addressing the development and implementation of a DHA Security Plan
- Addressing International 2010 bi-and multi-laterals

All those programmes have been properly attended to: the Special Measures Bills were signed into Acts 11 and 12 of 2006 respectively, the budget proposals were submitted to the National Treasury and the Technical Coordinating Committee, and the project plan was officially signed off by the Director-General of Home Affairs on 13 October 2006, granting it the formal status of the DHA's Project Plan for the 2010 FIFA SA Soccer World Cup.

The implementation of the project plan has commenced. Detailed activities, time frames and budget allocations are defined in the plan. The necessary service level agreements are currently being agreed on and will eventually be signed by all parties concerned.

Refugee Affairs

Prior to June 2005, the Directorate: Refugee Affairs was characterised by a number of serious challenges, amongst other the lack of adequate capacity at management level and a lack of integrated systems. Those challenges played a significant role in the backlog that resulted in asylum applications.

It was established that the lack of a planning and structural model in setting up refugee reception offices had contributed to the current asylum crisis. Refugee Affairs is faced with multifaceted challenges. A dysfunctional operational structure (office structural design not catering for mass influx of asylum seekers and imbalances in the staffing of offices) and the poor business value of IT systems have impacted negatively on the efficient and effective management of refugee services.

To ensure that clients are serviced in line with the Batho Pele principles, Service Delivery Standards and a Hand-Over Plan and Strategy on the Integration of Refugees were developed and discussed with the relevant stakeholders. Refugee Affairs provided inputs in the amendment of the Refugee Act and took an active part in international and tripartite meetings on refugee matters.

Border control

Coordination of ports of entry operations

To establish a DHA presence at ports of entry currently staffed by the South African Police Services (SAPS), a project has been registered with the Border Control Operational Coordinating Committee (BCOCC) to provide office and housing accommodation. Posts have been created in the Department and joint site visits with SAPS have taken place to assess the office accommodation situation. The proposed plans will be signed off once the BCOCC housing policy, which is being fast tracked, has been finalised.

The staff component at OR Tambo International Airport and Cape Town International Airport (CTIA) was strengthened in an endeavour to deal with the most critical needs. A number of ports of entry still need to be capacitated in terms of their work volume requirements, as reflected in their statistics.

All coordination with regard to border control matters is now vested in the BCOCC. The Department's mandate to chair and manage the BCOCC secretariats nationally and in the provinces has been transferred to SARS.

In terms of effective equipping, it can be reported that the Movement Control System (MCS) is running at all ports of entry. The development of standard operating procedures (SOPs) at ports of entry has, however, not yet been finalised.

A review of the recording of the entry and exit of citizens was completed and implemented in terms of the new Immigration Amendment Act.

Strengthening multi-agency intergovernmental cooperation in fighting corruption

Institutionalised cooperation in terms of JCPS cluster priorities is in process.

Facilitating scarce skills into the country

Ongoing consultation with stakeholders took place in terms of partnerships with stakeholders (Department of Labour, Department of Trade and Industry, Department of Environmental Affairs and Tourism, the tourism industry, etc.).

Bilateral talks on visa regime and entry requirements have taken place between the RSA and nine SADC countries, namely Mozambique, Lesotho, Botswana, Malawi, Namibia, DRC, Rwanda, Tanzania and Swaziland. A visa agreement with Mozambique was concluded and various other agreements are in the process of being concluded.

In conjunction with partner departments, the visa regime was reviewed in terms of the Amendment Act and further review is ongoing. Transit visas were implemented with regard to certain categories of travellers in direct transit.

Xenophobia

A Counter-Xenophobia Strategy was developed and adopted. The strategy has not yet been launched due to financial, capacity and structural constraints. Public awareness campaigns on human rights and xenophobia are continuing. Research on xenophobia and media monitoring is also ongoing.

The Counter-Xenophobia Unit intervened to foster peace and tolerance between the Somali and Motherwell communities. The task team assisted Somali nationals in returning to Masiphumelele in Cape Town. The Counter-Xenophobia Unit has completed a counter-xenophobia public perception study in Modimole.

SERVICE DELIVERY

Some of the more significant developments (achievements and challenges) in terms of Service Delivery are:

Achievements

- Plan for devolution of powers to provinces developed
- Client Service Centre concept developed
- Service Delivery Improvement Plan developed
- Seven out of nine Chief Director posts in provinces were filled

Challenges

- Adherence to service delivery standards
- Capacity to render services at the front offices, in terms of both skills and numbers
- Intensive training to deal with the 'public face' at frontline offices
- Leadership and management skills for frontline offices as well as the decisions-making powers of these officials.
- Understanding by line function of the exact nature of support to be rendered to frontline offices
- Conclusion on structure required in a Province for adequate service delivery including scientifically determined official customer's ratio to inform staffing needs.
- Conclusion on the role of Branch Service Delivery versus the role of the Chief Operations Officer

OUTPUTS AND SERVICE DELIVERY

TRENDS

Detailed information on subprogramme-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: AUXILIARY AND ASSOCIATED SERVICES

AIM

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

- The Film and Publication Board funds the classification work of the Film and Publication Board and the Film and Publication Review Board.
- The Government Printing Works provides for the augmentation of the Government Printing Works Trading Account for the supply of printing and stationery to government departments and to make government publications available for sale to the public.

- Government Motor Transport funds the purchase of vehicles for departmental use, as well as allocations under the subsidised motor transport scheme.
- The Electoral Commission provides for the establishment and composition of an Electoral Commission to manage elections for national, provincial and local legislative bodies and referenda. It makes provision for the establishment and composition of an Electoral Court in terms of the Electoral Act of 1996.
- Property Management manages the properties occupied by the Department.

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. The proposed amendments to the Act will extend the criminal provisions of the Act to newspapers.

For the 2006/07 review period, the Board classified 6447 films. The Board is funded by annual grants of approximately R 25.9 million over the medium term, as well as fees generated from its services, which amounted to R 8 million.

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.

The Independent Electoral Commission (IEC)

The Electoral Commission is a constitutional institution reporting directly to Parliament. Its vision is

to strengthen constitutional democracy through the delivery of free and fair elections.

During the period under review, the Commission enhanced its activities by registering voters and ensuring that the voters’ roll is up-to-date. It is during this period that the IEC contributed to the strengthening of democracy on the continent and elsewhere, by working very closely with the Department of Home Affairs in providing technical assistance in countries like the DRC, the Comoros and Zambia. The IEC also hosted an International Conference on Sustaining Democracy in Africa. The Conference was attended by approximately 500 delegates from the academic sector, civil society organizations, electoral management bodies, political parties and other important stakeholders in the field of democracy and political governance from this continent and beyond.

Registration of Voters

The Electoral Act of 1998 requires the Commission to compile and maintain a national common voters’ roll. Voters have to register to vote in the voting district in which they ordinarily reside (i.e. the place to which a voter returns after a period of temporary absence). Each voting district is serviced by one voting station. The voters in a particular voting district have to register to vote at the voting station in their voting district. On voting day, the voters will find their names on that unique voting district portion of the national common voters’ roll.

The Electoral Commission implemented several projects aimed at improving the quality of the voters’ roll. The main objective was to ensure that the names of registered voters would appear on the correct segment of the voters’ roll for the relevant voting district on the day of elections. This initiative comprised:

- Continuous voter registration
- Address capture
- Voters’ roll verification
- By-election voters roll management

Registration

The Voters’ Roll was reduced in the period to March 2007 by 419 913 registrations due to various reasons including deaths, removal of non-citizens, etc.

CHANGES IN THE VOTERS' ROLL			
Province	Registration Statistics		
		01-Apr-06	31-Mar-07
Eastern Cape		2 907 884	2 846 971
Free State		1 318 389	1 280 706
Gauteng		4 785 819	4 694 272
KwaZulu-Natal		3 957 836	3 867 324
Mpumalanga		1 546 652	1 511 230
Northern Cape		528 658	518 593
Limpopo		2 146 147	2 114 835
North West		1 554 842	1 521 581
Western Cape		2 301 340	2 272 142
TOTAL		21 047 567	20 627 654

CHANGE IN GEOGRAPHICAL DISTRIBUTION OF VOTING DISTRICTS AND STATIONS				
PROVINCE	VDs* 1999	VDs 2000 (% change)	VDs 2004 (% change)	VDs 2006 (% change)
Eastern Cape	2 646	3 087 (17)	4 115 (33)	4 368 (6)
Free State	1 075	1 061 (-1)	1 063 (0.2)	1 186 (12)
Gauteng	1 841	1 979 (8)	2 098 (6)	2 172 (4)
KwaZulu-Natal	3 340	3 342 (0,1)	3 556 (6)	4 064 (14)
Mpumalanga	877	1 023 (17)	1 128 (10)	1 259 (12)
Northern Cape	357	396 (11)	412 (4)	621 (51)
Limpopo	1 954	1 796 (-8)	2 000 (11)	2 274 (14)
North West	1 252	1 020 (-19)	1 246 (22)	1 488 (16)
Western Cape	1 308	1 290 (-1)	1 348 (5)	1 441 (7)
TOTAL	14 650	14 994 (2)	16 966 (13)	18 873 (11)

* VDs: voting districts

The average number of registered voters per voting district and voting station decreased between elections, despite the overall increase in the number of registered voters. This means that on average voters spend less time standing in queues at voting stations compared with previous elections. Despite the increase (14%) in the number of registered voters countrywide (from 18,4 million in 2000 to 21,0 million in 2006), the average number of voters registered at voting stations declined from 1 232 per station in 2000 to 1 115 per station in 2006. When a by-election is held in a ward, the voting stations in that ward are utilised.

The Municipal Demarcation Board (MDB) changed several (outer) municipal boundaries during the period under review (not to be confused with ward boundaries). The Electoral Commission is then required to assess the impact of municipal boundary changes on its network of voting districts and stations, the voters' roll and voter registration, and voter representation in the municipal councils concerned.

In addition to this, the Commission interacted with municipalities regarding new population concentrations for delimitation purposes. It is not anticipated that significant changes in voting district boundaries will occur ahead of the 2009 elections. The number of voting stations may see a moderate increase.

Officials are also involved in identifying changes in population settlements with the view of informing VD delimitation, voting station identification, and ultimately a more accurate voters' roll.

Voters' Roll Verification

Every month the Voters' Roll is run against the National Population Register to verify the status of voters and a total number of 20 627,654 voters were verified during the period.

Following the 2006 municipal elections, the Commission undertook a review of the geographic functionality of all its voting districts and voting stations based on the experience of the 2006 elections. The Commission also conducted an assessment of voting district and voting station identification operational processes with a view to introducing process efficiencies and improvements ahead of the forthcoming 2009 national and provincial elections.

The above review noted that voter access to voting stations had been considerably enhanced (particularly in rural areas) through the increase in the number of additional voting districts and voting stations for the 2006 municipal elections. However, it was also noted that voter access to voting stations was uneven when comparing access to voting stations in certain former black townships and informal settlements, and middle-income suburban areas. In addition, the review revealed operational improvements, which could improve the spatial alignment of population settlement patterns to the Commission's network of voting districts and voting stations.

One such improvement involved establishing more structured and formal relations between the Commission and municipal development planning units well in advance of voting district re-delimitation and voter registration drives. A second improvement included the further enhancement of computer and geographic information technology software applications to allow provincial offices to recommend changes to the provincial voting district and station network. A third improvement involved a review of, and modifications to, the Commission's software application used in the management of its national network of voting stations.

With a view to enhancing the accuracy and quality of the national common voters' roll, further

enhancements to the national address database (NAD) were undertaken, with an emphasis on rural (village-type) addresses. The NAD contains geo-referenced physical addresses of voters. This database facilitated checking whether voters were registered in the correct segments of the voters' roll.

Address Capture

This project assisted the Commission to update voter information on the Voters' Roll. The Commission is required to provide the Municipal Demarcation Board (MDB) with a revised set of Voting District boundaries for delimitation of wards. Lastly, the Electoral Amendment Act requires the Commission to provide participating political parties with a Voters' Roll with addresses. A total number of 2 547 166 addresses from RECI forms were captured on the system. This data requires further analysis and sanitisation to enhance its accuracy and value. More than 2.5 million addresses were captured.

The Government Printing Works (GPW)

Government Printing Works (GPW) provides government with high security printing services (passports, identity documents, birth certificates, revenue stamps, etc), stationary and related items to government departments, provincial governments, local authorities and publishers. GPW 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 GPW continued to contain costs effectively to the administrative processes of national and provincial departments in the execution of their functions towards bettering the lives of all South Africans.

The following statistics reflect the activities of the Printing Branch of the Government Printing Works for 2006/07:

	2006/2007
Orders	35 113
Rubber stamps manufactured	20 922
Examination papers	12 578 981
Postage stamps: RSA (sheets)	6

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

	2006/2007
Eastern Cape Province	182
Northern Cape Province	66
North West Province	134
Limpopo	106
Mpumalanga	93
Gauteng	422
National Government Gazettes	1 003

Outputs and service delivery trends

Subprogramme	Outputs	Performance measure / service delivery Indicators	Actual performance / quantity
Film and Publication Board	Classification of films, interactive computer games and publications Registration of all traders in films and interactive computer games	6 747 materials classified, namely: General films: 4 516 Erotica: 1 706 Games: 525	Payments made twice a year
Government Printing Works	Making timely transfer payments	Timely transfer payments made annually	Payments made on an annual basis
Independent Electoral Commission	National, provincial and local elections and by-elections	Number of voter registration drives	Payments made on a monthly basis

Transfer payments

Name of Institution	Amount Transferred R'000	Estimated Expenditure R'000
Film and Publications Board	12 933	12 933
Government Printing Works	199	200
Independent Electoral Commission	350 000	350 000

Transformation of the Government Printing Works (GPW)

The Ministerial Advisory Committee rounded up its work and presented its Report, which is a refinement of the Business Plan originally compiled by the GPW, to the Department of Home Affairs. Subsequently consultants (Deloitte) were appointed to put together a compelling case for the corporatisation of GPW, to this effect a draft business case for the envisaged specialist security printer and a printer's security bill have been compiled and presented to both the Minister and Deputy Minister for comment. The finalisation to convert GPW into a specialist security printer will follow the relevant legislative process.

In addition to the appointment of the Chief Executive Officer with effect from 1 April 2005, urgent critical posts were filled. However, other key posts became vacant due to resignations of personnel seeking better opportunities. Furthermore, key critical posts that had hitherto not existed were created and filled. They are:

- Chief Financial Officer
- Executive Director: Human Resources and Transformation.
- Executive Director: Marketing and Branding
- Director: Cost Accountant

The creation of the Marketing and Branding component has positioned the GPW to market itself aggressively and proactively to create awareness of its existence and to source jobs, whereas, previously, it had to rely on requisitions for jobs forwarded by departments.

It can now be stated with a high degree of certainty that the process and personnel are in place to ensure that the conversion of the GPW into a viable public entity has been achieved, and that the entity has commenced on a sound footing.

In pursuit of a secure working environment, plans are at an advanced stage to build an all-purpose Security Printing Complex for the GPW. Stages 3A and 3B of site solutions Options and Needs Analysis have been completed.

ANNEXURE PROGRAMME 1: OUTPUTS AND SERVICE DELIVERY TRENDS

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
MANAGEMENT	STRATEGIC AND EXECUTIVE SUPPORT SERVICES		
	An organisational model for the Department approved in respect of organisational principles and policies, structure and functions, systems and processes; and transformation of the DHA to ensure a technologically enabled working environment:	Organisational model approved by Minister	
	• Conceptual development of organisational model completed		Achieved. First draft of organisational model completed and presented to DG's Council on 12 October 2006. Ministry to provide input on model before wider engagement can take place.
	• Organisational model approved by the Minister		Not achieved. Recommendations from Support Intervention Team to be incorporated. Service delivery model to inform structure although interim measures will be required. Top Management to make final decision on recommendations and Minister to sign off.
	• Report on progress towards transformation objectives		Not achieved. Dependent on approval of organisational model.
	• Planning and negotiations complete for rationalisation of DHA (Phase 1)		Not achieved. Dependent on above.
	• Sufficient supervisory mechanisms in place to oversee efficient service delivery		Partly achieved through introducing regular quarterly reviews. An improved management information system (MIS) linked to management meetings is required. Reporting standards as part of improved system to be developed.
	Performance-driven culture institutionalised:	Individual work plans per performer level aligned with strategic plan	
	• Integrated organisational performance management system (IOPMS) fully operational		Not achieved. Performance agreements for all SMS members in place and aligned with strategic and business plans. To be cascaded down to other levels in organisation.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	A new effective system for monitoring and evaluation (M&E) developed and introduced as part of developing an organisational performance management system:	M&E policy and system approved and implemented Uniform performance standards set and service level agreements established where appropriate	
	• Reporting system in place that reports against business plans as part of a system of integrated planning, budgeting and reporting		Integrated reporting not achieved. The development of an electronic M&E system is underway. This will include a monthly reporting framework linked to branch and business unit management meetings. Norms and standards for reporting to be developed.
	• Preliminary survey of quality of critical management data conducted in line with MoU with Stats SA		Not achieved. MoU with Stats SA to be signed after final agreement has been reached between DHA Legal Services and Stats SA.
	• Quarterly review meetings introduced	Quarterly reports based on reliable evidence that assesses progress	Achieved. Quarterly review meetings institutionalised.
	Effective organisation-wide risk management policy implemented	Policy fit for purpose	
	• Risk management strategy submitted in compliance with PFMA requirements and approved		Not achieved. Risk register was compiled with help of Treasury. Risk management unit to play a critical role in turnaround interventions to be implemented. Funding to be secured for capacity building in unit.
MANAGEMENT	COMMUNICATION		
	A comprehensive communication strategy developed and implemented that is aligned to the overall departmental needs and the needs of the citizens:	Communication channels and medium used to actively communicate the services of DHA and educate public	
	• Communication strategy for previous year reviewed	Appointment of communication official at provincial level	Partly achieved. Implemented 85% of the programmes.
	• Communication strategy for 2007/8 developed		Achieved.
	• Clients educated about the services of the Department, and about rights and responsibilities		Achieved. Ongoing Izimbizo and Refugee Awareness campaign as well as Civil Union Act.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
MANAGEMENT	INTERNAL AUDIT		
	Internal controls reviewed and improved by enhancing capacity in respect of:	Internal operations improved and audit enhanced	
	<ul style="list-style-type: none"> Funded posts filled 		Not achieved. Process of filling vacant post of Chief Audit Executive still in progress as at year-end and capacity for risk management unit not developed. The slow filling of vacant posts was due to finalising organisational structure and job evaluation.
	<ul style="list-style-type: none"> Skills mix and expertise of Audit Committee reviewed and improved 		Partially achieved. Composition of the Audit Committee was reviewed during the financial year. However, towards the end of the financial year, the composition and activities/ operations of the Committee were affected by the change in leadership of the Department and untimely resignation of the Chairperson.
	<ul style="list-style-type: none"> Role and focus of Audit Committee reviewed and broadened 		
	<ul style="list-style-type: none"> Audit coverage enhanced: Service provider appointed 		Partially achieved. Tender was issued and closed in January 2007. Process of evaluation and adjudication not finalised by the end of the financial year.
	<ul style="list-style-type: none"> Role and responsibilities of Internal Audit and line managers clarified and communicated 		Not achieved
MANAGEMENT	COUNTER-CORRUPTION AND SECURITY		
	Integrated Counter Corruption Strategy and mechanisms, which are constantly adapted to new requirements, implemented at all offices	Strategy and mechanisms fit for purpose	
	Policies and mechanisms to combat corruption reviewed and integrated in respect of:		
	<ul style="list-style-type: none"> Alignment of all relevant policies and documents 		Not achieved. Internal Security Policy approved – vetting standards, contingency planning and access control procedures. Integrated Counter Corruption and Security Strategy not approved.
	<ul style="list-style-type: none"> Compliance by all managers in execution of counter corruption policies (inclusion in performance agreements) 		Not achieved.
	<ul style="list-style-type: none"> Approved counter corruption strategy introduced at all offices 		Achieved in terms of awareness raised at all offices.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
MANAGEMENT	GOVERNANCE RELATIONS		
	DHA foreign mission deployment plan rolled out. Rollout plan for 2006/07:	Missions opened according to priority	
	a) Riyadh (Saudi Arabia) b) Jeddah (Saudi Arabia) c) Mexico (Mexico) d) Brazzaville (DRC) e) Abidjan (Ivory Coast) f) Tehran (Iran) g) Amman (Jordan) h) Kigali (Rwanda) i) London (UK) j) Shanghai (China) k) Lagos (Nigeria) l) Tripoli (Libya) m) Lima (Peru)		Not achieved. Posts advertised. Deployment to take place in August 2007.
	Processing periods for visa applications reduced at foreign offices	Turnaround times for visas issued reduced from 10 to 5 days	
	• Management system developed and implemented to fast track visa applications at foreign offices		Achieved. Directives sent to missions to implement new turnaround times.
	DFA service delivery charter incorporated in DHA activities	DFA service delivery charter approved by DHA and implemented	
	• DFA service delivery charter adhered to		Not achieved. Draft service charter submitted to HR for input. To be adopted by Strategic Management Committee (SMC).
	Decisions of the Department in line with intergovernmental structures and priorities implemented:	Regular inputs on progress provided to clusters and other relevant intergovernmental forums Active participation in intergovernmental and international activities	
	• Proactive participation ensured and regular inputs on progress to clusters and other relevant intergovernmental forums provided		Achieved. Bi-monthly reporting on government programme of action. Three to five year priorities identified as requested by Presidency.
	• Implementation of decisions taken at clusters and intergovernmental structures monitored		Achieved. Bi-monthly monitoring and reporting on government programme.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	<ul style="list-style-type: none"> Quarterly reports on decisions taken at clusters provided to Minister, Deputy Minister and SMC 		Achieved. Quarterly reports are tabled at SMC and are a standing item on the SMC agenda.
	Strategic partnerships with relevant stakeholders across sectors built and sustained:	Partnership plan implemented	
	<ul style="list-style-type: none"> Strategic partnerships formed (DFA, Department of Trade and Industry (DTI) and Labour) 	Regular partnership assessment reports	Achieved. Partnerships formed (DFA, DTI and Labour). Interdepartmental forum between DHA and DFA established. DTI and Labour are members of the Interdepartmental Committee on Migration.
	<ul style="list-style-type: none"> Sustainable partnership plan based on Intergovernmental Relations Act implemented and reviewed in line with relevant legislation as per Cabinet Lekgotla reporting cycle 		Achieved. Sustainable partnership plan implemented and reviewed.
	<ul style="list-style-type: none"> Direct communication lines established with DFA, DTI and Department of Labour to strengthen relationship on common issues 		Achieved.
	Processes, including bilateral cooperation, managed:	Bilateral agreements with identified role-players in place (Sudan, Tanzania, DRC, Rwanda and Brazil)	
	<ul style="list-style-type: none"> MoUs signed and agreements concluded regarding bilateral cooperation 		Partly achieved. Post election strategy developed on the DRC. Two MoUs signed with Tanzania: Visa waiver and immigration cooperation.
	Departmental international programmes coordinated in line with the country's foreign policy:	Assessment of identified projects conducted	
	<ul style="list-style-type: none"> Coherent plan developed in line with government priorities to assist with capacity building (DRC and Ivory Coast) 		Achieved. Post-election strategy developed on the DRC. Monitored cooperation with SADC and other countries. Monitored implementation of DHA bilateral engagements. Facilitated engagement with other countries of strategic importance to DHA identified by line function.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	Effective participation in Government Clusters (systems) ensured:	Progress reports submitted	
	<ul style="list-style-type: none"> • Relevant cluster decisions implemented 		Achieved. Decisions of clusters implemented – e.g. collaboration with Dept of Social Development on child registrations, National Youth Service initiatives, IRPS list of priority countries incorporated in DHA list of consular deployments.
	<ul style="list-style-type: none"> • All presentations to clusters authorised by SMC, DG and Ministry 		Achieved. Standing item on SMC agenda.
CORPORATE SERVICES	HUMAN RESOURCES		
	Performance-driven culture institutionalised:	Individual work plans per performer level aligned with strategic plan	
	<ul style="list-style-type: none"> • Training on the reviewed PMDS (performance management development system) policy conducted 		Not achieved. Draft integrated PMDS policy in place, to be consulted with labour unions. Training to commence in June 2007. SMS performance workshop planned for July 2007.
	<ul style="list-style-type: none"> • Performance management policy fully implemented and managed 		Not achieved. Draft integrated PMDS policy in place.
	<ul style="list-style-type: none"> • Poor performance addressed in the Department through the development and implementation of employee wellness programmes 		Achieved. Draft Integrated Employee Wellness Policy in place, to be consulted with unions. Integrated Employee Wellness Programmes in place.
	<ul style="list-style-type: none"> • Productivity audit conducted annually to determine human resource efficiency according to established performance standards and norms as part of PMDS 		Not achieved. Draft terms of reference for the tender developed.
	An integrated capacity development strategy and plan:	Strategy and plan in place	
	<ul style="list-style-type: none"> • Integrated HR plan developed, prioritised and costed in terms of number and skills requirements 		Not achieved. First draft of integrated HR plan developed.
	<ul style="list-style-type: none"> • SMS competency assessment conducted 		Achieved. Assessments conducted.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	<ul style="list-style-type: none"> • Skills audit conducted for all DHA employees 		Not achieved. Support Intervention Team arranged with PSETA to conduct skills audit.
	<ul style="list-style-type: none"> • Clearly defined continuous development 		<p>Achieved. Training programmes in place. 29 Immigration Officers (IO) trained in border control by the Department of Homeland Security (USA Government). 46 employees trained in the Promotion of Administrative Justice Act. 52 IO's trained in port control and detection of fraudulent documents. 45 IO's trained in investigations. 16 Employees attended the International Migration Policy and Management Programme at WITS. Basic computer training conducted consisting of introduction to computers, MS Word, GroupWise and Browser (in North West, Eastern Cape, Mpumalanga, Limpopo and Western Cape). Adult Basic Education and Training (ABET) tender advertised.</p>
	<ul style="list-style-type: none"> • Compulsory management (junior, middle, senior and top) training programmes developed and implemented 		<p>Achieved. Targeted/tailor-made SMS training will be implemented once results of competency assessment have been analysed. Middle management training and Advanced Management Development Programme (AMDP) continued. 24 employees attended block 3 of AMDP.</p> <p>Emerging Management Development Programme (EMDP) continued. 53 employees attended block 3 of the EMDP. Sustainable pools programme for MMS (accelerated development programmes): 8 Deputy Directors attended block 3 and were subjected to competency assessment – SMS battery.</p>
	<ul style="list-style-type: none"> • Standards determined for support staff in all business units and posts filled accordingly 		Not achieved.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	<ul style="list-style-type: none"> • Cadre of employees specified by business units professionalised as part of wider change management strategy (ethos, attitudes, conduct, culture, etc.) 		Not achieved.
	Decentralised model and plan developed and implemented in consultation with provinces and offices:	HR support functions and powers devolved to provinces and all offices	Not achieved. Decentralisation model and plan developed. Roll out to commence during 2007.
	<ul style="list-style-type: none"> • Feasibility study conducted 		Not achieved.
	<ul style="list-style-type: none"> • HR delegations reviewed and approved 		Not achieved. HR delegations reviewed and submitted for approval. Draft support plan available. To be consulted with relevant stakeholders.
	<ul style="list-style-type: none"> • Monitoring and evaluation 		Not achieved.
	Measures in place to produce accurate and timely HR minimum information requirements (MIR):		Not achieved.
	<ul style="list-style-type: none"> • Devolution of support, core functions and powers devolved to provinces and all offices accelerated: All delegations reviewed and devolved 	Delegation plan fully implemented	Not achieved. Draft support plan available. To be consulted with relevant stakeholders.
	<ul style="list-style-type: none"> • Provinces and offices capacitated (numbers, skills and infrastructure) 		Not achieved.
	Service Delivery Improvement Plan in line with <i>Batho Pele</i> principles implemented in respect of name tags:	Name tags for officials in place	
	<ul style="list-style-type: none"> • Policy and procedures in place 		Achieved.
	<ul style="list-style-type: none"> • SLA contract with service provider strengthened and quality managed 		Achieved.
	<ul style="list-style-type: none"> • Rollout tracked 		Achieved.
	Centrality and necessity of Legal Services in the Department asserted:	Representation of Legal Services in core business of the Department	
	<ul style="list-style-type: none"> • Operational level agreements with internal stakeholders established 		Not achieved. To follow from Standard Operating Procedures.
	<ul style="list-style-type: none"> • Standard Operating Procedures (SOPs) developed and implemented 		Not achieved. Draft SOPs developed and are in the final stages of completion. Not implemented yet

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	• Minimum service standards developed and implemented		Achieved. Minimum Service Standards developed and implemented.
	Proactively provide legal support services to the	Drafting and realignment of compliance with and training on legislation	Achieved. Report on litigation trends and strategy finalised.
	Department and Ministry. Review and amendment of:	Manage legislation and analyse trends and advise on court orders	
	• Marriage Act		Achieved. Civil Union Act came into operation on 30 November 2006.
	• Film and Publication Act		The draft Film and Publication Amendment Bill, 2006, was finalised and presented to Cabinet for approval for the introduction of the Bill into Parliament; granted in August 2006. The Office of the Chief State Law Advisor and Department of Justice and Constitutional Development certified the Bill in September 2006. The Bill was introduced into Parliament in September 2006. The Bill was published in the <i>Government Gazette</i> in September 2006, inviting public comments.
	• South African State Printing Agency Act		Draft Bill in place. Business case to be presented to Joint Committee of Ministers (Treasury and DPSA).
	• Immigration Amendment Bill		The draft Immigration Amendment Bill, 2006, was finalised and presented to Cabinet for approval for the introduction of the Bill into Parliament; approval granted in August 2006. The Office of the Chief State Law Adviser as well as the Department of Justice and Constitutional Development certified the Bill in September 2006. The Bill was introduced into Parliament in September 2006. The Bill was published in the <i>Government Gazette</i> in September 2006, inviting public comments.
	• Refugees Act		Opinion of State Law Adviser required. To be published for comment.
	All immigration officers and permitting officials trained and retrained to perform immigration functions	Knowledgeable immigration and permitting officers	Not achieved.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	FINANCE AND SUPPLY CHAIN MANAGEMENT		
	Accessibility to DHA service delivery points increased: Expansion of DHA offices:	New offices acquired	
	<ul style="list-style-type: none"> Funding sourced and suitable sites for new offices (CSIR report results) identified 		13 offices relocated. 14 sites under RAMP handed over to contractors.
	<ul style="list-style-type: none"> Head Office relocated 		Not achieved. Site identified in central business district (CBD).
	Finance and Supply Chain Management system in place to address weaknesses revealed by Auditor-General (AG):	Financial control improved	
	<ul style="list-style-type: none"> Rollout of BAS, LOGIS, Proquote and asset management systems 		Partly achieved. Proquote implemented at Head Office and 5 provincial offices. 107 officials trained. Asset management system installed in 11 offices. BAS not installed in additional offices – servers to be installed and network upgraded.
	<ul style="list-style-type: none"> Feasibility study on revenue collection system conducted 		Achieved.
	<ul style="list-style-type: none"> Backlog on all suspense accounts cleared 		Partly achieved. Large volumes of transactions in suspense accounts are being cleared with the assistance of National Treasury intervention.
CORPORATE SERVICES	INFORMATION SERVICES		
	Information services strategy implemented in respect of system reviewed, required IS capability built and system security and integrity enhanced:		
	<ul style="list-style-type: none"> Enterprise architecture (EA) and plan completed (Seamless operability of systems enabled and security enhanced) 	Improved service delivery reported	Achieved. All deliverables completed.
	<ul style="list-style-type: none"> Master Information Systems Plan (MISP) reviewed with annual strategic inputs 	Business strategy enabled	Achieved. MISP updated.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	<ul style="list-style-type: none"> Enterprise Resource Management (ERM) solution in place (Phase 1 of ERM implemented). Interim solutions found to address transversal systems 	Increased data integrity	Not achieved.
	Requisite IS capacity built	Capacity in place	
	<ul style="list-style-type: none"> Chief Directors (CD) and Directors appointed 		Not achieved. Posts advertised and short listed, job evaluation, excluding Programme Management Office, completed. Interviews and appointments of Chief Directors (CD) and Directors still outstanding.
	<ul style="list-style-type: none"> Deputy Directors and personal assistants appointed 		Achieved. Four Deputy Directors appointed, secretaries for all Directors appointed.
	<ul style="list-style-type: none"> Appropriate control objectives for information technology (COBIT) implementation ensured for proper IS governance 		Not achieved. Resource seconded from SITA to implement COBIT resigned. The Branch does not have the capacity to provide the service.
	Enhanced systems security and integrity:	Secure ICT environment ensured	
	<ul style="list-style-type: none"> Trust Centre and Public Key Infrastructure (PKI) implemented to allow for public security for online transactions 		Not achieved.
	<ul style="list-style-type: none"> Information systems security best practices implemented 		Achieved. Information Systems Security developed. Biometric access control system installed in local offices
	Relevant information and knowledge shared to ensure capacitating of staff and accessibility to accurate information and knowledge:	Knowledge assets identified and opportunities created for proper utilisation Availability of information management systems Users capacitated	
	<ul style="list-style-type: none"> Organisation-wide knowledge and information audit conducted 		Achieved. Knowledge audits in provinces finalised.
	Knowledge and Information Management Strategy implemented by means of:		

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	Awareness created through workshops in terms of knowledge information created, shared and managed		Achieved. Awareness workshops conducted in provinces.
	• Information Resource Centre in place		Not achieved. No office space available at Waltloo.
	• Acquisition of knowledge and information resources		Ongoing. Books and audio-visual materials are being purchased on demand. Newspaper articles about the DHA are provided electronically.
	• Community of Practice established for information and knowledge sharing		Not achieved.
	Accessibility to DHA service delivery points increased:	Effective deployment achieved in respect of coverage	
	• IS infrastructure at access points installed		Partly achieved. Installation ongoing.
	• ICT infrastructure in expanded offices installed		Ongoing. Installation as per identified offices
	Track-and-trace system implemented by means of the development of interim electronic system for ID applications that covers all offices:	Interim system in place to track and trace ID applications	
	• Interim track-and-trace system developed (incorporating existing provincial initiatives)		Partially achieved. Track-and-trace system developed and rolled out to all regional offices. Rollout to district offices, service points and mobile units in process.
	Implement Smart ID Card fully (Refugee Smart ID Card and Smart ID Card – subject to policy decision):	Refugee Smart ID Cards issued Policy decision taken	
	• Refugee Smart ID Cards issued at all Refugee Offices		Not achieved. Delay in signing SLA between NIA and service provider.
	• Smart ID Cards with PKI (public key infrastructure) issued to DHA Officials (R&D)		Not achieved. Policy decision required.
	Effective and efficient records management and maintenance strategy developed and implemented:		

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	Conversion of existing manual records to an electronic format completed	Project signed off	
	• Back Record Conversion (BRC) of finger print records completed		Achieved. BRC project completed and records absorbed into HANIS.
	Interim record management plan approved and implemented (manual records):	Interim record management plan in place	
	• Records Management Policy approved and implemented		Achieved.
	Electronic Record System rolled out to all offices:	Electronic Record System fully operational	
	• Records Management Policy awareness workshops conducted		Achieved. Records Management Policy approved and awareness workshops conducted.
	• Feasibility study for Central Archives Storage completed and recommendations approved		Achieved. Building identified as a suitable archive for DHA inactive records (archives).
	- Location identified		
	Integrated Electronic Document Management System (IEDMS) implemented:	IEDMS fully operational	
	• Recommendation of successful bidder for the IEDMS project approved		Not achieved. IEDMS tender not awarded. Delays in finalising Business Intelligence (BI) and Data Warehouse project due to IT infrastructure problems.
	• Digitisation of Phase 1 documents commenced (high-priority documents and on demand)		Not achieved. Delay in awarding tender.
	• Data warehouse solutions implemented	Data warehouse fully operational	
	• Going live with data warehousing for Refugee Affairs		Not achieved. Application developed. Problems with servers delaying the process.
	• Going live with data warehouse for NIB and Civic Services		Not achieved. Problems with servers delaying process.
	• Going live with business intelligence for all departmental branches (continuous improvement to accommodate new systems)		Not achieved. Problems with servers delaying process.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	Business Continuity and Contingency Plan developed and implemented:	100% availability of systems achieved (HANIS DRS)	
	• HANIS Disaster Recovery System implemented	Fault tolerance around DHA systems and applications built	Achieved. Acceptance testing signed off.
	• DHA Business Continuity Plan signed off		Achieved. Acceptance testing signed off.

ANNEXURE PROGRAMME 2: OUTPUTS AND SERVICE DELIVERY TRENDS

Statistical information

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
Passports & Travel matters	Issue passports	Number of passports issued: - Tourist passports - Child passports - Official passports - Document for travel purposes - Diplomatic passports - Temporary passports - Emergency passports - Crew member certificates - Maxi passports - Number of passports (old format) renewed	575 963 167 813 10 733 513 1 244 155 193 76 532 128 18 582 -
Citizenship	Process citizenship applications	Number of: - Naturalizations - Renunciations - Deprivations - Resumptions - Citizens by descent registrations - Retentions - Restorations	24 671 789 2 647 7 400 12 646 1 546
Population registration	Births, marriages & deaths Register births, marriages and deaths; issue relevant certificates; process applications for amendments; solemnize marriages; designate marriage officers and appoint registering officers	Number of registrations: - Births (under 15 yrs) - Marriages - Civil - Customary - Civil unions - Deaths Number of certificates issued: - Births - Abridged - Unabridged - Marriages - Abridged - Unabridged - Deaths - Abridged - Unabridged Number of personal amendments processed: - Surnames: Majors - Surnames: Minors - Forenames: Majors - Forenames: Minors - Insertion of surnames - Dates of birth - Re-registration - Adoptions - General Number of divorces recorded Number of marriages officers designated - Church - Department Number of registering officers appointed (customary marriages) Fraudulent marriages finalised	1 341 047 208 416 17 030 325 570 069 904 611 164 323 159 136 11 816 356 448 10 962 39 396 19 578 15 422 16 285 90 24 700 63 084 2 363 33 448 56 485 1 738 35 4 1 905

Sub-programme	Outputs	Performance measures / service delivery indicators	Actual performance / quantity
	Identity documents		
	Issuing of identity documents to all South African citizens and persons to whom permanent residence have been granted	Number of identity documents issued in terms of the Department's Statement of Standards	2 088 705
		New recordings (16 years & older)	671 244
Home Affairs National Identification System (HANIS)	Updating database, system usability and rollout of the automated fingerprint identification system (AFIS)	<p>Populating the AFIS database</p> <p>AFIS usability</p> <ul style="list-style-type: none"> - IDC applications (first time on AFIS) - IDC re-issues - ID determination - 10 print searches - Hard copy records verified (ad hoc) - Electronic records verified (CLW) - Fingerprints of refugees searched - Remote verification (on-line) <p>AFIS rollout</p> <ul style="list-style-type: none"> - Departmental offices linked to the AFIS database - Public entities linked to the AFIS database - Private entities linked to the AFIS database <p>Total number of fingerprints records on the AFIS database</p> <ul style="list-style-type: none"> - Case files - ID applications 	<p>2 994 044</p> <p>66 112</p> <p>8</p> <p>413 321</p> <p>1 210 059</p> <p>385 939</p> <p>45 439</p> <p>–</p> <p>–</p> <p>–</p> <p>–</p> <p>3 467 62</p> <p>25 841 430</p>

Strategic Information

Sub-programme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	CIVIC SERVICES		
	Civic Services transformed with regard to policies, processes, systems and structure, including an integrated transformation plan, capacity to manage the transformation project and interim measures to improve quality and turnaround times		
	Integrated transformation plan	Signed off integrated transformation plan, including interim measures	
	• Macro-transformation plan for Civic Services finalised		Achieved. The Civic Services Strategic Transformation Plan was finalised and submitted to the Executive Authority for consideration.
	• An integrated transformation plan developed		Not achieved. Tender Specification and Adjudication committees appointed. Tender specifications were drafted. A tender was advertised in February and closed on 30 March 2007. The adjudication of the tender was suspended until further notice.
	Capacity to manage the transformation project		
	• Capacity in place to manage the transformation project	Adequate capacity	Not achieved. A Project Manager, Assistant Project Manager and interim project administration team was appointed. The adjudication of the tender was placed on hold until further notice. Hence, a service provider has not yet been appointed.
	Interim measures to improve quality and turnaround times	Interim measures in place	
	• Interim measures in place to improve distribution of documents (e.g. collection and delivery by South African Post Office (SAPO))		Achieved. The SLA with SAPO expired in December 2006 and a new contract with revised conditions was not finalised. Approval was obtained to continue with the expired SLA on a month-to-month basis, whilst finalising the contract under review. Since commencement of the SLA, SAPO has distributed 1 059 588 IDs.
	• Manual sorting and indexing of birth, marriage and death records (from 2004 to current)		Partly achieved. A cumulative total of 11 837 683 records were sorted and indexed since the inception of the project (May 2006). The balance at the end of March 2007 amounted to 5 214 217 documents to be sorted and indexed.

Sub-programme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	<ul style="list-style-type: none"> • Front-line offices authorised or delegated to: - Issue full new birth, marriage and death certificates once appropriate risk and control measures are in place at provinces 		<p>Not achieved. A pilot took place at the Pretoria Regional Office. Technical deficiencies were identified during the pilot (verification of ID numbers against NPR demographics). Two officials from the Pretoria Regional Office were trained on modification functions. Training was presented on CVT (certificate via terminal) to officials from the North-West, Limpopo, Northern Cape and Gauteng provinces.</p>
	<p>Access to DHA service delivery points increased by means of an integrated access plan to utilise government and other access points (e.g. hospitals, MPCCs, Post Office, service points, district offices, ports of entry) developed and implemented in phases:</p>		
	<ul style="list-style-type: none"> • National plan, including norms and standards, developed and implemented regarding the registration of births at health facilities 	<p>Effective deployment achieved in respect of coverage</p>	<p>Not achieved. Draft national plan on online health facilities was finalised and forwarded to Department of Health for comment.</p>
	<ul style="list-style-type: none"> • National policy and plan to address the recommendations of the HSRC developed (implementation part of ongoing campaigns) 	<p>Policy and plan approved</p>	<p>Not achieved. Draft plan finalised but not approved. DHA participated in the development of a national business plan for MPCCs (Thusong) under the auspices of GCIS. A national workshop driven by GCIS was held from 27 to 29 March 2007.</p>
	<ul style="list-style-type: none"> • Execution of national plan by provinces monitored and evaluated 		<p>Not achieved. Dependent on above.</p>
	<ul style="list-style-type: none"> • Interim track-and-trace system for identity documents 		<p>Achieved. The interim track-and-trace system has since been replaced by an electronic track-and-trace facility, which was successfully rolled out in Gauteng Province by the end of March 2007. Full rollout of the electronic system will continue during the 2007/08 period.</p>

ANNEXURE PROGRAMME 2: OUTPUTS AND SERVICE DELIVERY TRENDS

Statistical Information

Sub-programme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
PERMANENT & TEMPORARY RESIDENCE	Processing of applications and issuance of permits	Number of permits issued in terms of the Statement of Standards set by the Minister:	
		<ul style="list-style-type: none"> - Permanent residence permits 9 235 - Work permits 19 601 - Study permits 19 912 - Visitor's permits 34 360 	
		Number of:	
		<ul style="list-style-type: none"> - Ministerial enquiries 5 - Director-General submissions 5 	
VISA CONTROL	Processing of applications for visas	Number of visas issued	527 677
IMMIGRATION CONTROL	Clearance of persons at ports of entry	Number of persons cleared:	
		<ul style="list-style-type: none"> - Arrivals 13 725 994 - Departures 12 302 993 	
DEPORTATIONS	Removal of illegal foreigners	Number of illegal foreigners deported nationally	(2006) 266 067
		Deportation facility	56 111
		Warrant issued to Correctional Services in respect of convicted foreigners	1 273
REFUGEE AFFAIRS	Consideration of asylum applications	Number of Refugee Identity Cards printed (not issued due to technical hurdles and unreliability of the smart card production system)	44 212
	Issuing of Refugee Identity Cards	Number of Refugee Identity Cards issued	(Maroon IDs) 5 284 (Refugee Smart Cards) 148
	Issuing of United Nations Convention Travel Documents	Number of United Nations Convention Travel Documents (UNCTD's) issued in collaboration with the UNHCR	713
REFUGEE APPEAL BOARD	Consideration of asylum appeals	Number of asylum appeals finalised	827
STANDING COMMITTEE ON REFUGEES	Review and consider cases	Review of manifestly unfounded cases	
		<ul style="list-style-type: none"> - Approved 1 358 - Rejected 278 - Considered 1 636 	
		Consideration of applications for certification of status	
		Upheld	755
		Referred	118
		Considered	873

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
NATIONAL IMMIGRATION BRANCH			
	<p>Service Delivery Improvement Plan in line with <i>Batho Pele</i> principles implemented</p> <ul style="list-style-type: none"> • Uniforms for NIB Admissions and Inspectorate • Immigration appointment cards 		
	<p><u>Uniforms for NIB (Admissions and Inspectorate)</u></p>		
	<ul style="list-style-type: none"> • Rollout to officials in Admissions finalised 	<p>Officials issued with uniforms (Admissions and Inspectorate)</p>	<p>Achieved. First-year rollout completed. Draft uniform policy circulated.</p>
	<ul style="list-style-type: none"> • Rollout to officials in Inspectorate and Refugee officials finalised 		<p>Not achieved. Contract with service provider (Carter Harris) was cancelled. Decision on supplier for Inspectorate and Refugee section to be obtained.</p>
	<p><u>Immigration appointment cards</u></p>		
	<ul style="list-style-type: none"> • Immigration officers issued with appointment cards (containing security features) 	<p>Immigration appointment cards in place</p>	<p>Not achieved. Awaiting specimen signature to be captured into Namitech programme.</p>
	<p>Airline liaison officers (ALOs) appointed</p>	<p>ALO network in place</p>	
	<ul style="list-style-type: none"> • Funding requested from National Treasury for filling of Head Office establishment 		<p>Not achieved. Treasury did not approve the request for funding of the posts. Reprioritisation took place within NIB and funding for seven posts was secured.</p> <p>Posts have been included in the HR Management Plan as part of the critical identified posts of NIB.</p> <p>A request was submitted for the creation of overseas posts at foreign locations that have been identified as the most problematic as far as inadmissible arrivals are concerned (February 2007).</p>
	<ul style="list-style-type: none"> • Head Office posts filled 		<p>Not achieved. Reprioritisation took place within NIB and funding for seven posts was secured.</p> <p>Two posts were advertised.</p>

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	Integrated management systems developed and implemented at ports of entry in collaboration with stakeholders:	Management system approved and implemented	
	<ul style="list-style-type: none"> • Protocol and MoUs initiated between DHA and relevant role-players 		In transformation period due to transfer of chairpersonship. MoUs still in process.
	BCOCC coordinated and the operational plan implemented:		
	<ul style="list-style-type: none"> • 25% of BCOCC chairmanship and coordinating capacity in place 	BCOCC chairmanship and coordinating capacity supported	BCOCC chairpersonship was transferred from DHA to SARS at the end of 2006.
	<ul style="list-style-type: none"> • Lines of reporting clarified and implemented 	Reporting and compliance mechanisms established	Not achieved. Consultation with Head Office and provisional structures undertaken to develop operational and administrative reporting
	An integrated Immigration Law Enforcement Strategy developed and implemented in phases:		
	<ul style="list-style-type: none"> • Enforcement strategy adopted and implemented nationally 	Monitoring reports indicate objectives per phase achieved	<p>Not achieved. Engaging Institute for Security Studies to assist with further research and make recommendations for a more comprehensive strategy to be implemented nationally.</p> <p>A planning session was held from 12 to 13 March 2007. The first phase of the strategy was initiated at the session.</p>
	<ul style="list-style-type: none"> • Steps in place to address issues relating to counter-terrorism, human trafficking and other cross-border issues 	Plan in place to counter terrorism, human trafficking and other cross-border issues	<p>Not achieved. The three-year plan that was developed for the implementation of government's strategy to combat and prevent trafficking in persons has commenced.</p> <p>MoU to be signed with IOM as a matter of urgency.</p> <p>IOM to provide training on combating and prevention of human trafficking. Accredited training programme and material to be developed over a period of two years.</p>

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	National deportation system transformed in respect of plan developed and plan implemented in phases:	Plan approved Each implementation phase approved and signed off	
	<ul style="list-style-type: none"> • Standard operating procedures for the Deportation Centre further developed and implemented 		Not achieved. SOPs for deportations were developed in 2005. Final approval is pending. SOPs are currently in place at the deportation facility and a review was conducted in July 2006. Awaiting approval for SOPs to be implemented nationally.
	<ul style="list-style-type: none"> • Proposal on the creation of additional deportation centres submitted 		Achieved. Statistical analysis of deportations completed. Overall immigration statistics analysed. Proposed specifications for facility, transport, medical, food, security and escort services completed.
	<ul style="list-style-type: none"> • Formal Memoranda of Understanding with Dept of Correctional Services (DCS) on the management of deportation of convicted foreigners signed 		Not achieved due to legal and conflicting SOPs between DHA and DCS. Operational assistance was achieved.
	<ul style="list-style-type: none"> • Proposals on critical interventions and strategies to ensure smooth deportations presented for consideration by DG - Interaction with missions - Health screening at the holding facility 		Not achieved. Previous problems identified in deportations were addressed. Overcrowding at the facility was addressed with the implementation of new operational processes. Additional accommodation for immigration use is under construction. Deportations, in its transformation programmes, adopted a holistic approach for drafting new tender specifications for transport, security and escorting.
	Integrated plan on management of refugees developed and implemented:		
	<ul style="list-style-type: none"> • Integrated plan developed 	Strategic partnerships with stakeholders developed	Not achieved. Process engineer's recommendation report not approved. Recommendations on establishment of asylum transit facilities to be approved. Fully integrated refugee system to be developed and implemented. MoU on working relationship with other departments and units to be drafted and signed by all relevant parties. A word-based document regarding section 22 permits developed and will be issued as an interim measure.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	SADC Protocol on Free Movement of Persons implemented	Legislation within SA, SADC and individual countries on matters of migration harmonised	
	• Visa exemption agreements with SADC countries negotiated		Achieved. SA and nine other countries have signed the protocol. Only Mozambique has ratified the protocol. Protocol in the process of being ratified by Cabinet.
	• Visa exemption agreements to diplomatic and official passport holders fast tracked		Visa exemption agreements with SADC countries ongoing.
	• SADC protocol counters at designated PoEs established		Achieved. Protocol was presented to Portfolio Committee in February 2007.
	Counter-xenophobia strategy developed and implemented	Impact study report	
	• Counter-xenophobia strategy launched		Not achieved. Counter-xenophobia strategy developed and adopted. Strategy was not launched due to financial, capacity and structural constraints.
	• National counter-xenophobia workshop convened		Not achieved. Held an internal workshop with Communication Services to develop a communication strategy for counter-xenophobia and human rights campaign.
	• Record of proceedings disseminated throughout NIB and to stakeholders		Intervened to foster peace and tolerance between Somali and Motherwell community. Part of the task team that assisted Somali nationals to return to Masiphumelele in Cape Town. The formal event took place on 21 March. Unit participated in the SABC programme, TAXI 2, where issues of xenophobia in the communities were discussed
	Support of ASGISA/JIPSA facilitated:	Legislation in support of ASGISA/ JIPSA	
	• Immigration legislation reviewed		Achieved. Act amended – section 19(5), intra-company transfer work permit.

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	<ul style="list-style-type: none"> Permitting regime reviewed 		Achieved. Delegations for adjudication of permanent residence applications approved.
	<ul style="list-style-type: none"> Processes and procedures to fast track applications reviewed and improved 		Achieved. Quota list approved by Minister and published on 25 April 2007.
	<ul style="list-style-type: none"> Engagement with stakeholders regarding ASGISA JIPSA 		Achieved. Scarce and critical skills list accepted by Directors-General of Home Affairs, Trade and Industry and Labour.
	Strategic leadership on G77 migration issues provided:	Records of inputs provided	
	<ul style="list-style-type: none"> Inputs made at appropriate forums 		Achieved. Attended several G77 forum meetings and provided inputs. Promoted several third-world country issues at the forum and the high-level dialogue on migration.
	Departmental plan to deal with 2010 FIFA Soccer World Cup challenges developed and implemented:		
	<ul style="list-style-type: none"> Additional support for 2010 FIFA Soccer World Cup Committee 		Achieved. Support team (core and extended) established.
	<ul style="list-style-type: none"> Strategy and plan in place, including monitoring arrangements 		Achieved. Special Measures Acts signed and published. Provinces visited and project plan workshopped. Implementation schedules provided. All SLAs not yet signed.
SERVICE DELIVERY			
	<ul style="list-style-type: none"> Devolution of support, core functions and powers to provinces and all offices accelerated: Comprehensive devolution plan developed Necessary systems in support of devolution established, rolled out in phases and monitored, including core functions, finance, HR and asset management 		

Subprogramme	Outputs	Performance measures / service delivery indicators / target	Actual performance / quantity
	<u>Comprehensive devolution plan developed</u>		
	• Plan drafted	Plan approved	Achieved. Plan approved by DG of DHA on 28 March 2007.
	<u>Necessary systems in support of devolution established, rolled out in phases and monitored, including core functions, finance, HR and asset management</u>		
	• Systems to support devolution identified and developed	System rollout plan implemented	Achieved. Systems for support identified per devolving business unit. Draft rollout plan over 3 year period per devolving unit available.
	<u>Service Delivery Improvement Plan in line with Batho Pele principles implemented: Service Delivery plan developed</u>		
	Plan developed, approved and implemented:	Plan developed, approved and implemented	Achieved. SDIP approved by SMC on 29 September 2006. Referred to DPSA on 6 October 2006. Implementation dependent on individual rollout plans.
	Expansion of the Client Service Centre (CSC) to offer service on a 24-hour basis accelerated:		
	• Concept for CSC expansion approved	Concept approved	Achieved. Proposed concept was submitted to SMC and approved during May 2006.
	• Implementation plan approved by SMC		Not achieved. Macro-implementation plan approved in May 2006. Governance structure needs to be in place before implementation plan can be proceeded with.
	Centre expanded and integrated services in place:		
	• Detailed client care process model developed and implemented	Expanded centre fully functional	Partially achieved. Process model implemented based on current infrastructure, but will have to be amended once required infrastructure is in place.
	Quality of processes and documents ensured:	Reduced complaints / queries Quality assurance reports	
	• Quality assurance of applications collected in front-line offices improved		Achieved. Quality control measures implemented in provinces (quality committees, check points, training, etc).

Part 3

Statutory Requirements



Department of Home Affairs Annual Report 2006 - 2007



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF HOME AFFAIRS
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2007**

The Audit Committee is pleased to present its report in respect of the financial year ended 31 March 2007 in terms of its obligations according to the Treasury Regulation 3.1.13 issued in terms of the Public Finance Management Act (PFMA), Act No. 1 of 1999 as amended.

1. AUDIT COMMITTEE MEMBERS, MEETINGS AND ATTENDANCE

The Department has established an Audit Committee in accordance with the provisions of section 38(1)(a)(ii) and 77(a) of the PFMA. The Department reviewed the composition of the Audit Committee during the financial year as the contracts of the members had expired and after the review exercise, the Audit Committee comprised of five members of which the majority, three (3), were from outside the public service and the other two were from within the Public Service, being the Director-General as an ex-officio member while the other member was representing National Treasury and attended as an observer.

In terms of section 77(b) of the PFMA, the Audit Committee must meet at least twice a year. The Audit Committee of the Department complied with the provisions of the PFMA by holding two meetings in respect of the financial year ended and these were attended as follows:

Name of Member	Number of Meetings
Mr S Masuku (Chairperson - Resigned towards the end of the financial year)	2
Ms L B R Mthembu (New Chairperson w.e.f. March 2007)	2
Mr N Russouw	2
Ms N Khumalo (Member from within the Public Service, representing National Treasury as an independent observer)	2
Director-General Ex Officio Member	2

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

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA and Treasury Regulations and also reports that it operated in terms of the 2003 adopted Audit Committee Charter read in conjunction with the Internal Audit Charter, as its terms of reference in discharging all its responsibilities as regulated therein.

3. THE EFFECTIVENESS OF INTERNAL CONTROLS

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

- reported instances by the Auditor-General of non-conformity with prescribed internal control and best practice;
- the results of the Support Intervention Task Team, comprising of the Department of Public Service and Administration (DPSA), the Office of the Public Service Commission (OPSC) and the Office of the Accountant-General (OAG) within National Treasury, which was requested by the Minister in terms of section 6(2)(d) and (e) of the PFMA following the expression of the disclaimer of opinion on the Department's audit report in respect of the financial year ended 31 March 2005; and

**DEPARTMENT OF HOME AFFAIRS
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2007**

- the suspension of senior officials of the Department by the new Director-General, as contained in the report of the Accounting Officer.

The Audit Committee also noted the slow progress made by the Department with regard to filling its vacant and funded positions and the negative impact which this process had on the ability of the department to deliver its service in terms of its mandate.

4. SPECIFIC FOCUS AREAS GOING FORWARD

The Audit Committee noted the delay in the finalisation of the audit of the Department in respect of the financial year ended 31 March 2007. In the ensuing 2007/08 financial year, the Audit Committee will develop comprehensive and integrated intervention programmes to focus more attention on the areas as identified by the Auditor-General. It is envisaged that the Audit Committee will monitor progress and the results of such programmes will be visible during the latter part of the 2007/08 financial year.

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

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

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

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

6. INTERNAL AUDIT

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

Furthermore, in the ensuing 2007/08 financial year, the Audit Committee has also noted the following efforts made by the Department:

- the co-sourcing arrangement in order to strengthen and improve the lack of capacity within the internal audit function, and
- the risk assessment exercise to help the department identify and prioritise key strategic and operational risks.

**DEPARTMENT OF HOME AFFAIRS
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2007**

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

7. EVALUATION OF 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 report;
- reviewed the Auditor-General's management letter and management's response;
- reviewed changes in accounting policies and practices; and
- reviewed significant adjustments resulting from the audit.

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



Mrs Londiwe Mthembu
Chairperson of the Audit Committee

**GOVERNMENT PRINTING WORKS
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2007**

**AUDIT COMMITTEE'S REPORT ON THE FINANCIAL STATEMENTS OF THE GOVERNMENT
PRINTING WORKS FOR THE YEAR ENDED 31 MARCH 2007**

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

The audit committee in its present form was appointed during the first quarter of 2007 calendar year, and thus held 1 meeting prior to 31 March 2007. The audit committee has subsequently met twice after the financial year end. It consists of the following members:

<u>Member</u>	<u>No. of meetings attended</u>
S Masuku (Chairperson)	3
A Keyser	3
T Moja	3
L Mthembu	0

The Audit Committee operates in accordance with its terms of its charter and is satisfied that it has discharged its responsibilities in terms of that charter.

Annual audit of the Government Printing Works

The annual audit of the Government Printing Works (GPW) by the Office of the Auditor-General has been finalised, and the Audit Committee reviewed the audit findings and the resultant audit report for the year ended 31 March 2007. The Audit Committee accepts the findings, and is appreciative to the Office of the Auditor-General and management for cooperation and openness that prevailed in the conduct of the annual audit.

The adverse opinion on the accompanying financials was discussed in detail at the Audit Committee meeting held on 25 August 2007. The causes of the adverse opinion were discussed in detail, together with the action plan that management has put in place to address these. The Audit Committee was given assurance by management that most of the significant issues raised by the Office of the Auditor-General were within the means of management to rectify, and they outlined the challenges that resulted in the adverse opinion. An action plan, with responsible individuals and dates, was presented by management and it was debated in detail, and the Audit Committee will be informed regularly of the progress made on the matters raised. The Audit Committee is optimistic that the steps put in place by management will go a long way towards overcoming the challenges that GPW faced during the year under view. The lack of a full-time Chief Financial Officer throughout the financial year also contributed to some of the findings referred to above.

Effectiveness of Internal Controls

The adverse opinion of the Office of the Auditor-General is an indication of the internal controls weaknesses in GPW. As mentioned above, a detailed action plan is being implemented which will result in addressing most of the internal control weaknesses.

**GOVERNMENT PRINTING WORKS
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2007**

Internal Audit Function

There has been some progress in respect of Internal Audit function, as compared to the past. However, limited capacity of the Internal Audit Department still remains an issue. A process is underway to co-source some of the internal audit activities, and this will address hopefully the skills and capacity constraints.

The Quality of in year Management Reports

The Audit Committee reviewed the March 2007 quarter financial results, together with the June 2007 financial results. The Audit Committee was satisfied with the reasonableness of these reports.

The Annual Financial Statements

The annual financial statements were reviewed and discussed by the Audit Committee prior to submission thereof for audit. The Audit Committee accepts that the financial statements as presented give a reasonable reflection of GPW's activities. The Audit Committee reviewed and accepts certain adjustments that were made to the financial statements during the audit process.

Auditor-General's Report

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

Appreciation

The Audit Committee wishes to thank the Office of the Auditor-General, the Chief Executive Officer of GPW, and the finance staff, for the cordial manner in which this year's audit was conducted, together with the enthusiasm shown by management to address the issues identified going forward.



**Chairperson of the Audit Committee
29 August 2007**

Annual Financial Statements

Department of Home Affairs



Department of Home Affairs Annual Report 2006 - 2007



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

*Department of Home Affairs
Vote 4*

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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**Department of Home Affairs
Vote 4**

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2007

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

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 Budget Allocation

1.1.1 Original budget allocation

The Department commenced its financial year with a budget of R2,800 billion. This budget allocation represented a decrease of 10,2% from the 2005/06 allocation of R3,119 billion. The budget decrease reflected a large decline in the budget of the Independent Electoral Commission (IEC). The IEC budget was higher in 2005/06 due to the increased cost as a result of local government elections. During 2006/07 financial year a number of events and financial pressures necessitated reprioritisation and shifting of funds. The events are briefly analysed in the ensuing paragraphs.

1.1.2 Adjusted Estimates of National Expenditure

The Department analysed its budget at the time of the Adjusted Estimates of National Expenditure and resolved that no additional funds would be requested from the fiscus, but rather that virement would be accepted where certain financial pressures were identified. Most of reprioritisation funds came from Compensation of Employees savings which were resultant from slow filling of vacancies.

1.1.3 Virement

During the year under review shifting was done from compensation of employees - R72,089 million to goods and services, R66,849 to fund other pressing needs such as training programs, security at provincial offices, audit costs, day to day maintenance and motor vehicle running costs, the balance of R5,240 million was moved to transfers and subsidies households.

The other area where virement was applied was the reprioritisation of R45,939 million from the R213,430 million earmarked for the Smart ID Card project for the commitment in relation to IT Connectivity in Foreign Offices. Furthermore, R46,685 million was moved from the Who Am I On Line IT project as well as R7,580 million from Information Systems Security project to fund R54,265 million for the Disaster Recovery System project.

1.1.4 Under-spending

The Department has under-spent its budget by 9.1% representing R253,490 million below budget. Under-spending can mainly be attributed to the slow filling of vacant posts due to the finalisation of the organisational structure and job evaluation; earmarked funds for payment of employees initiated severance packages; Smart ID Card funds that were earmarked for the IEDMS project which did not materialised as well as the late awarding of lease tenders, devolution of funds that did not materialise, and Repair and Maintenance Programmes and construction of buildings that is still in the procurement process.

1.2 Strategic Issues

The Strategic Plan for 2006/07 to 2008/09 focused on nine strategic objectives in order to achieve better integration across business units. Planning for the 2007/08 to 2009/10 period consolidated these nine strategic objectives into five broad strategic objectives which were linked to the Medium Term Strategic Priorities of Government.

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The approach followed during the strategic planning initially focused on core business of the Department to ensure that support services plans are aligned to core business. The core business of Home Affairs is conducted by two branches: Civic Services and the National Immigration Branch. All other business units exist to support these functions, namely Corporate Services, Finance and Information Systems.

The strategic planning workshops began in October 2006 with a policy directive from Minister that defined priorities and provided essential strategic direction. The major initiatives during this process were that of improving the alignment between planning, costing and budgeting. The next cycle would begin in June 2007, focusing on planning for the MTEF cycle that will commence in the 2008/09 financial year.

Another improvement in the planning process is the clearer distinction between different levels of planning and related delegations of budgets. The draft Strategic Plan for 2007/08 to 2009/10 and one year Annual Performance Plan (2007/08) was used as a basis for the planning of service delivery by branches, chief directorates and directorates. At each level the budgets were allocated, linked to approved plans, to programme managers, sub-programme managers and responsibility managers. Senior managers at each level (Deputy Directors-General, Chief Directors and Directors) signed performance agreements that are aligned with their plans and budgets.

It is important to note the context to which planning took place. In the last half of 2006 the Department was assisted by a Support Intervention Task Team drawn from the Office of the Public Service Commission, Department of Public Service and Administration and National Treasury. Most of the recommendations of the Support Intervention Task Team assisted in raising the level of planning, including the revision of the 2006/07 Annual Performance Plan (also known as the Departmental Business Plan). The interim and summary reports of the Support Intervention Task Team were taken into account of in the planning process.

Emanating from the Minister's policy directive and some of the recommendations of the Intervention Support Task Team the following issues emerged as broad strategic issues confronting the Department:

- A comprehensive organisational design is required to address the mandate of the Department;
- The paper-based management of records affects service delivery and creates opportunity for corruption;
- Lack of customer focus from DHA officials;
- The introduction of an ID smart card to be expedited with the main focus to be on the identity part of card;
- The transformation of Civic Services will have significant implications for Government's Plan of Action and areas to be addressed include capacity, processes and operational issues;
- A policy review is required to ensure that legislation supports the economic objectives in terms of foreign skills (ASGI-SA / JIPSA);
- Border control and security, and especially the state of ports of entry, is a major concern;
- The current capacity of Refugee Affairs is inadequate and areas to be addressed are a structural review, realignment of procedures, legislation review, and systems integration.
- Human resource capacity for the Department to deliver on mandate, in terms of the need to fill vacant posts and attract quality people.
- Huge investment in infrastructure is necessary. The CSIR study to be realigned with organisational model of the Department.
- Information Services strategy to be supported by tangible implementation plans and to focus on the core business of the Department.
- The inability of the Department to communicate effectively, particularly internal communication, has impacted negatively on morale of staff

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1.3 Significant events and major projects undertaken or completed (2006/07)

1.3.1 Some of the more significant developments (achievements) with regard to **Civic Services** included:

- Civic Services Strategic Transformation Framework was developed;
- The Back Record Conversion (BRC) project aimed at converting approximately thirty (30) million manual finger print records to electronic format continued and by the end of March 2007 all such records were scanned. The project was finalised within the scheduled time in September 2006 and the project closing off and handing over function was held in October 2006 with extensive media coverage. Finalisation of the BRC implied that all scanned records were lined up to be absorbed into the Automated Fingerprint System (AFIS) component of the Home Affairs Identification System (HANIS). By 31 March 2007 twenty five million eight hundred and forty one thousand four hundred and thirty (25 841 430) of the scanned records were absorbed into the AFIS database of HANIS;
- The Civil Union Act, 2006 (Act 17 of 2006) and Regulations were successfully implemented with effect from 1 December 2006; and
- Implementation of an electronic track and trace system for identity documents.

1.3.2 In so far as the **National Immigration Branch** is concerned what was achieved included:

- Long term review of Immigration Act has commenced;
- Counter xenophobia strategy was developed and adopted;
- 2010 FIFA Soccer World Cup project office was established and implementation of project plan has commenced;
- Strategy for the integration of refugees was developed;
- In order to improve the image of the Department a new uniform for the Immigration Officers has been introduced and rolled out at most of ports of entries.
- Increase of capacity at OR Tambo International Airport and Cape Town International Airport to address most critical needs;
- Movement Control System is running at all ports of entry; and
- Quotas to attract scarce skill were published in consultation with the Departments of Trade and Industry and Labour in support of JIPSA.

1.3.3 In as far as the **Service Delivery Branch** is concerned what was achieved included:

- Plan for the devolution of powers (delegation of Head Office functions) to provinces developed;
- Client Service Centre concept was approved;
- Service Delivery Improvement Plan developed;
- Fifty two (52) additional mobile unit deployed to provinces to bring the total to one hundred and nine (109); and
- Filling of 7 of 9 provincial managers positions at Chief Director level in the provinces.

2. SERVICE RENDERED BY THE DEPARTMENT

2.1 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* carries out a wide range of civic services. These include: status services (maintaining a register of citizens and immigrants who have acquired the right

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to permanent residence, as well as registers of births, deaths and marriages; issuing passports and other travel documents; providing financial assistance to citizens abroad, and determining and granting citizenship); identification (determining identity by means of fingerprints, photographs and identity documents through recording personal particulars in the population register for issuing identity documents); and the HANIS project (mainly involving the automated fingerprint identification system, which enables the delivery of civic services).

- *Immigration Services* carries out a range of services related to immigration. These include: admissions (issues temporary and permanent residence permits); immigration control (dealing with tracing, detention and deportation of illegal immigrants) and refugee affairs (administering refugees and asylum applications and considering appeals against the decisions of the Standing Committee for Refugee Affairs).

2.2 Tariff policy

The Department reviews its tariffs annually for the fees charged for the enabling documents issued in terms of the enabling documents produced during the financial year. The annual revised tariffs are submitted to the National Treasury for approval before implementation. The Department together with the National Treasury, commissioned a tariff review project to determine the basis in which Tariffs are calculated. During the year under review, the project was completed and activity based costing model was developed. The model is scheduled to be presented to the Departmental Tariff Committee and National Treasury Public Finance unit during the 2007/08 financial year. The revised tariffs for the 2006/07 financial year were implemented with effect from 3 July 2006.

2.3 Free Services

During the year under review, the Department waived prescribed fees for enabling documents and issued free photos for identity documents, temporary identity certificates and birth certificates applications in respect of person affected by various fire disasters and departmental social responsibility contribution as listed below:

OFFICE	INCIDENT	DATE	AMOUNT
Cape Town	Fire at the Acacia Park Informal settlement	2 October 2006	R97 460.00
Plettenberg Bay	Imbizo at George and Plettenberg Bay	15 July 2006	R150 000.00
Zululand Region	Emergency Passports for 120 children and unemployed adults of Nogoma area to travel to Swaziland for cultural exchange	30 March 2007	R7 200.00

Further to the above-mentioned waivers, the Department faced serious challenges in terms of accumulated backlog due to old passport machines that could not be repaired due to the unavailability of parts from the sole supplier of the passport machines. In response to delays in the issuing period of passports, the Department provided affected applicants with temporary passports. The forfeited revenue is approximately R150 000.00

2.4 Inventories

Value of inventory as on 31 March 2007 is R24,998 million.

There were minor/immaterial surpluses and shortages to the value of R9 692.54 and R4867.74 respectively.

Corrective measures have been taken to ensure that a Chief Provisioning Administrative Clerk will assist the Warehouse Manager to exercise proper control and to take preventative measures

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to ensure that inventory items are not damaged while stored and that surpluses are avoided at all costs.

3. CAPACITY CONSTRAINTS

The Department received adequate financial resources to fill 1 200 positions during the year under review, however, due to high staff turn over within the management service directorate, the slow filling of vacant posts was due to the finalising organisational structure and job evaluation.

4. UTILISATION OF DONOR FUNDS

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

5. TRADING ENTITIES AND PUBLIC ENTITIES

5.1 Trading Entities

5.1.1 Government Printing Works

- a) Government Printing Works (GPW) is a self funding trading entity that reports to the Accounting Officer of the Department. GPW is tasked with the rendering of printing and related services to Government Departments, Provincial Departments and Local Authorities. In 1999, Cabinet resolved that the Government Printing Works (GPW) become a public entity. A business case and a draft bill for its conversion to a schedule 3B public entity have been drafted, to be tabled in Parliament during 2007/08 financial year. This will be followed by an application for listing in terms of the Public Finance Management Act (1999).
- b) Although positioned as the state security printer, a major portion of income is generated from the sale of standard stock to departments.
- c) GPW has also expanded its business to other African countries. Major developments and technological changes within Africa have enabled it to reposition itself as a major player in the security printing industry, with a view to playing a strategic role in the production and printing of high security documents in the SADC region. GPW has, as part of its strategic imperatives, started providing such services, such as printing high security documents for Namibia, Malawi and Swaziland, ballot papers for Tanzania, Lesotho and the Democratic Republic Congo, the voters' roll for the DRC, and revenue stamps for Botswana.
- d) GPW is currently developing a highly graded quality passport in order for South African passports to be on a par with the rest of the world or more advanced in terms of security. A security paper product has been developed for passports and is awaiting Cabinet approval. GPW will use its accumulated reserves as well as additional capital injection from the fiscus to buy the required equipment for producing these passports in 2007.

5.2 Public Entities

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

5.2.1 Film and Publication Board

- a) The Film and Publication Board is a schedule 3A national public entity in terms of the Public Finance Management Act (1999). It was established in terms of the Film and Publication Act (1996), with the deputy minister of home affairs as its executive authority.
- b) The board is responsible for implementing 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

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publications, or on the internet, a punishable offence. The board is also responsible for monitoring the business of age restricted adult premises to ensure that they are run in strict compliance with their license and registration terms and conditions.

- c) The board is funded by a transfer from the Department of Home Affairs as well as by fees generated from its services.
- d) FPB is currently undergoing a legislative review that will be finalized during the 2007/08 financial year.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The following organisations received transfer payments from the Department:

- 6.1 Government Printing Works (Trading Entity)**
- 6.2 Film and Publication Board (Public Entity)**
- 6.3 Independent Electoral Commission (Constitutional Institution)**

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department did not enter into any PPP transactions during the reporting year.

8. CORPORATE GOVERNANCE ARRANGEMENTS

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

Furthermore, the Department recognises that the existence of an adequate, effective, efficient systems of financial and risk management and internal control is necessary for improving its operations. Accordingly, the Department regards the existence of valid and approved policies and procedures that underpin the internal control process as critical for the promotion of good corporate governance. The Department regards written policies and procedures as critical to help create parameters to authority and responsibility and also provide some scope of precedent for action. Consequently, the Department strives to ensure compliance by its officials with such approved policies and procedures.

8.1 Risk Management

Following the expression of the disclaimer opinion by the Auditor-General on the Department's audit report for the financial year 2004/05, the Minister of Home Affairs requested the intervention of National Treasury to assist in addressing financial management weaknesses in the Department in accordance with the provisions of section 6(2)(d) of the Public Finance Management Act (PFMA), Act No.1 of 1999 as amended.

The Risk Management Division within the Office of the Accountant-General in partnership with the Directorate: Internal Audit, within the Chief Directorate in the Department of Home Affairs facilitated the implementation of the risk management strategy. The team commenced with the risk identification and assessment process. They interviewed and engaged the Senior Management of the Department in order to identify and quantify critical risks that may impact on service delivery. The results of this exercise will be used as the basis for the three-year and operational plan for internal audit. As of the end the financial year, this exercise is still in progress and has not yet been finalised.

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8.2 Prevention of Fraud and Corruption

As was reported in the annual report of the previous financial year, the Department continued its effort through the Chief Directorate: Counter Corruption and Security to raise awareness and sensitise officials about the challenges and evils presented by corruption. Workshops on Whistle-blowing Policy and the Corruption/Fraud Prevention Plan were conducted at Head Office and in all the provinces. In addition, the Department embarked and completed the security vetting of senior officials of the Department, being members of Ministry, officials in the office of the Director-General, the incumbents of the positions at the levels of Deputy Director-General, Chief Directors and their support staff.

In its endeavour to continue fighting corruption and strengthen multi-agency cooperation, the Department signed a Memorandum of Understanding (MOU) with the South African Business Risk Intelligence Centre (SABRIC) and through its Chief Directorate: Counter Corruption and Security attended and participated in various meetings held with the law enforcement agencies on matters of mutual interest.

Furthermore, several counter corruption and security related policies and standard operating procedures (SOP's) were developed and approved accordingly.

8.3 Internal Audit

The Department appreciates that the internal audit function plays an important role in the corporate governance mechanism. While the Directorate: Internal Audit had reviewed and updated the Audit Committee Charter and the Internal Audit Charter and had compiled a draft rolling three-year strategic internal audit plan and annual coverage/operational plan, the Office of the Accountant-General (OAG) within the National Treasury conducted a review of these documents during the intervention.

A critical area of weakness identified was the fact that the annual risk assessment of the Department had not been reviewed. In this regard, the plans of internal audit were based on internal audit's understanding of operations and their assessment of key risks. In addition, it was determined that there were some gaps in the plans as they omitted some areas identified by the Auditor-General and deemed critical by the Public Finance Division within National Treasury. The internal audit projects identified focussed on head office activities and these formed the basis for the interim annual internal audit plan for the current financial year.

The Directorate: Internal Audit continued and conducted a number of internal audit projects and special investigations of financial irregularities during the year and offered the management of the department comprehensive recommendations for improvement where appropriate. The unit was also involved in partnership with the Finance and Supply Chain Management Branch in the revenue workshop held during the year. It provided training to the delegates attending the workshop on the basic principles of cash handling and banking with the aim of assisting the Finance Branch in improving controls relating to cash handling in our frontline offices.

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

- a) The lack of capacity within the internal audit function is addressed as a matter of urgency;
- b) He complied with all the requirements of the PFMA and Treasury Regulations relating to internal audit; and
- c) Internal auditors follow-up on management's action plans in response to the external annual regularity audit findings as identified by Auditor-General.

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With regard to the above and in order to strengthen the management capacity of internal audit, the Department initiated the recruitment and selection for the post of the Chief Director: Internal Audit. The vacant post was advertised and interviews conducted, however as at the end of the financial year, the process had not been finalised. Furthermore, in order to ensure that the internal audit function has adequate and sufficient resources, several posts were identified for filling, however due to the finalising of organisational structure and job evaluation processes, the filling of vacant posts could not be finalised, the internal audit function was also affected. In addition, the Department also engaged in a process to obtain competent external services to complement and augment the internal audit function and ensure that its resources were appropriate and sufficient. In this regard, the Department engaged in a procurement process - it advertised and invited service providers to submit their proposals with a view to ensure that the principles of fairness, transparency, competitiveness and cost-effectiveness were adhered to. This process has, however not been finalised as at year end.

8.4 Audit Committee

The Department has established an Audit Committee in accordance with the provisions of section 38(1)(a)(ii) and 77(a) of the PFMA. The Department reviewed the composition of the Audit Committee during the financial year as the contracts of the members had expired. After the review, the Audit Committee comprised of four members of which the majority were from outside the public service.

In terms of section 77(b) of the PFMA, the Audit Committee must meet at least twice a year. The Audit Committee of the Department complied with the provisions of the PFMA by holding two meetings during 2006/07 financial year.

It must be mentioned though that towards the end of the financial year the Audit Committee was affected by the untimely resignation of its Chairperson.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

There were no activities that were discontinued during the reporting year and there are no future plans to discontinue activities of the Department.

10. NEW/PROPOSED ACTIVITIES

There were no new/proposed activities that were planned or implemented during the reporting year.

11. ASSET MANAGEMENT

During the reporting year the Department was engaged in an extensive process of capturing assets into the asset management system in an effort to update the asset register. The Department is currently in the process in updating the Asset Register.

The Department has established a fully operational asset management unit within the Finance and Supply Chain Management Branch and asset management teams have been appointed and are fully operational. Verification of assets has been conducted to ensure that all assets recorded in the asset register exist.

An electronic asset management system was introduced and implemented during the year under review. The system meets minimum requirements as prescribed by National Treasury, however, there were challenges highlighted in the performance audit commissioned by the Accountant-

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General regarding compliance with minimum requirements and these challenges have been addressed. In terms of the asset management reform, the following steps have been taken to ensure compliance:

- Directorate Asset Management and Finance implemented a monthly reconciliation between the asset register and the assets purchased (as expense) for the purpose of verifying discrepancies of assets that have been received and paid as well as those received but not paid for against the asset register.
- A verification of assets conducted in all Departments offices quarterly. An inventory list is drawn from the current asset register per location of the departmental offices. The list is used to compare assets that have been physically verified against information retrieved from the asset register. Thereafter, discrepancies will be followed up and dealt with timeously.
- During the year under review the Department used actual cost for valuation of assets, however, in terms of assets acquired in the previous financial years an Asset Management Plan was developed for implementation in 2007/08 financial to address the valuation of such assets.
- Directorate Asset management rolled out the asset management system to 11 offices in the provinces in order to decentralise asset management functions to provincial level.

12. POST BALANCE SHEET EVENTS

12.1 Appointment of the Turnaround Team

Emanating from the recommendations of the Support Intervention Team comprising of officials from the Department of Public Service and Administration, Office of the Public Service Commission and National Treasury, the Department has co-sourced the services of a consortium between FeverTree and ATKearney Consulting (national and international consulting firms) to assist with the implementation of the Turnaround Strategy of the Department to improve on service delivery and to build capacity in the Department. The team commenced its work in June and will be delivering on a number of quick wins and be involved with the visioning and design of the new Home Affairs within the first six months. The implementation of significant aspects of the new model will take approximately twelve months. The consulting period will therefore run for eighteen months after which the Department will proceed on its own. The approach adopted by the consortium is that of working hand in hand with the current management of the Department to ensure that implementation occurs in a co-sourcing manner where Home Affairs officials are teamed up with external consultants to ensure immediate/simultaneous transfer of skills.

12.2 Suspension of Senior Officials

12.2.1 After reviewing certain files held by the Department of Home Affairs, I have decided to suspend the Chief Financial Officer (CFO), Mr PK Nkambule from his duties on full pay effective 10 September 2007. The reasons for his suspension are the following:

the Department is investigating allegations of serious misconduct against him relating to financial irregularities in the award and administration of tenders; and the administration of subsistence and travel allowances and claims.

At the conclusion of the investigation, CFO will informed whether any disciplinary action will be taken against him and, if so, the charges against him, and the date and time of his hearing.

12.2.2 After reviewing certain files held by the Department of Home Affairs, I have decided to suspend the Deputy Director-General: Civic Services (DDG:CS), Mr JR Chavalala, from his duties on full pay effective 10 September 2007. The reasons for his suspension are the following:

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- the Department is investigating allegations of serious misconduct against him relating to unauthorised foreign travel and abuses of subsistence and travel allowances and claims.
- 12.2.3 I have also decided to suspend the Director: Procurement, Mrs MSM Shemmans, from her duties on full pay effective 18 September 2007 due to allegations of serious misconduct that relate to procurement irregularities.

13. PERFORMANCE INFORMATION

In accordance with prescripts of the PFMA, stipulating that the Accounting Officer must establish procedures for quarterly reporting to the Minister to facilitate effective performance monitoring, evaluation and corrective action, the Department of Home Affairs has implemented a formal and integrated reporting framework with emphasis on quarterly progress reporting.

The system of quarterly reporting, in the form of SMS quarterly progress review meetings, was introduced in the 2006/07 financial year and has proven to be very successful. The purpose of the quarterly review meetings is to track progress achieved against strategic objectives in the annual performance plan as well as individual business plans, report on major challenges (pressure points) experienced during the reporting period as well as possible solutions in addressing these challenges, report on the state of expenditure of business units / provinces and to enhance accountability and performance management in the Department.

The Department also aims to introduce an effective system for monitoring and evaluation (M&E) in 2007/08. The system will be online and incorporate monthly reporting based on branch or business unit specific norms and standards and feed into the process of quarterly progress review meetings. The tool will also assist to review the organisational performance of the Department and most importantly implement a system to ensure that all our managers take responsibility for poor performance.

14. SCOPA RESOLUTIONS

In as far as the records of the Department reflect there were no SCOPA resolutions issued to the Department during the reporting financial year.

15. OTHER

15.1 Forensic audit, fraud and counter corruption

Phase two of the forensic audit was finalised, discussed with management and inputs are being incorporated into the report and necessary processes are being followed to implement the recommendations of the report. A criminal case was laid with the South African Police Services in terms of the service providers implicated in irregularities

The Chief Directorate Counter Corruption and Security has investigated various cases of fraud and corruption during the year under review and has successfully concluded and finalised 125 fraud and corruption cases as well as vetting of employees. Further to this, 24 officials and 1 private service provider were vetted and 77 pre-employment screening of candidates were completed

15.2 Unauthorised and irregular expenditure

The Finance Act 2 of 2007, (Act. No 2 of 2007) approving and authorising previous years' unauthorised expenditure as direct charge against the National Revenue Funds was assented to on 31 March 2007. Due to the fact that transfers could not be effected by National Treasury prior

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to 31 March 2007 for the Department to clear these accounts, all the necessary entries would be posted into the accounting records in the 2007/08 financial year.

15.3 Matters reported in the previous Auditor-General reports

15.3.1 Management and suspense accounts

Foreign Affairs transactions

In light of the challenges faced by the Department of Home Affairs and Foreign Affairs in processing inter-departmental claims both departments have adopted a working mechanism that require the following additional reconciliation prior to transacting by both Departments through the irrespective finance directorates:

- detailed verification of supporting vouchers as reflected on the debit and credit lists from missions and immediately following up outstanding vouchers with the affected missions to ensure that the credit and the debit lists are supported by vouchers;
- payment is only effected once the transfer letter has been approved by the receiving Department's Chief Financial Officer;
- the received and confirmed vouchers are then manually processed to convert foreign currencies into the local currency and journalised on BAS; and
- allocation of income and expenditure for the period in question takes place in the Department's books.

A memorandum of understanding between both Departments has been drafted to regularise the operations of these transactions.

According to records of the Department of Foreign Affairs there is approximately R157,153 million unconfirmed balances relating to transactions occurred in foreign missions. Detailed verification process is scheduled for the first quarter of the 2007/08 financial year.

15.3.2 Management of Debtors

The following remedial action has been taken to improve on debtors

- Pursuant to the recommendations of the Auditor-General on the regularity and performance audits, the Department performed a detailed reconciliation of the transactions reflected on the debtors book focussing on the long outstanding immigration fines and staff debtors;
- Performed debtors circularisation;
- Analysed revenue receipted by regional offices to revenue in terms of settlements made by debtors at specific regional offices and ports of entries;
- Allocated debtors payments to relevant debtors accounts;
- Restated the ageing of the debtors book; and
- Written-off debtor amounts previously paid but not allocated to the relevant debtors accounts.

Pursuant to the above stated action the debtors book has been reduced by R11,7 million or 46% when compared to R25,6 million of the 2005-06 financial year and all payments have been allocated from suspense accounts to relevant revenue items.

15.3.3 Revenue Management

The Department is accelerating the clearing of revenue exceptions by assisting provinces with the collection and capturing of receipts, this process includes amongst others:

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- Provincial visits to assist with the clearing and allocations of receipts;
- Taking legal action against cash management service providers;
- The Department has implemented strict controls on the Paymaster General (PMG) returns by provinces. In these returns offices are required to report on the daily collections, deposits, receipting and provide reasons for any non-compliance.

The Basic Accounting System (BAS) has been rolled out to the majority of offices.

In cases where there is no BAS, officials are requested to capture receipts at the closest office within the provinces and the Directorate: Budget Control provided such offices with accelerated technical support during the capturing of receipts.

15.4 Support Intervention Task Team from DPSA, OPSC and National Treasury

Following the expression of the disclaimer of opinion on the Department's audit report for the financial year ended 31 March 2005, the Minister of Home Affairs, Mrs N Mapisa-Nqakula, in her budget speech on 30 May 2006 raised many of the challenges and identified the need for external assistance. In terms of section 6(2)(d) and (e) of the Public Finance Management Act (PFMA), she requested the external investigation and assistance from sister departments. The Support Intervention Team comprised of the Department of Public Service and Administration (DPSA), Office of the Public Service Commission (OPSC) and the Office of the Accountant-General (OAG) within National Treasury. The Support Intervention team embarked on a collaborative effort to address issues raised by the Minister, the Portfolio Committee and weaknesses identified by Auditor-General.

The support intervention was categorised into five areas that need to be strengthened to address the challenges raised by the Minister and Portfolio Committee. These focus areas and their specific objectives were as follows:

- Leadership and management to establish a stronger and cohesive management team;
- Human resources to provide focused support to particular human resources management issues;
- Information and communication technology to provide support in information and communication technology management matters;
- Service delivery to strengthen service delivery improvement initiatives; and
- Financial management to improve financial management and internal controls.

The report and recommendations from the Support Intervention Team from DPSA and OPSC were submitted to the Executive Authority and also tabled to the Portfolio Committee during the current financial year. As at the end of the financial year, the Support Intervention Team from OAG was still in progress. During the financial year, they engaged the Department to determine the root causes of the financial management weaknesses identified by Auditor-General in order to design measures to avoid recurrence of such weaknesses. A performance audit was conducted in the following areas:

- Bank and Cash Management
- Revenue and Account Receivables
- Expenditure and Account Payable
- Asset Management and
- Supply Chain Management

The performance audit came out with a number of shortcomings of which some have already been addressed by the Department and some have been actioned to be resolved during 2007/08 financial year together with the outsourced turn-around team.

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15.5 Immigration Control Account

During the previous two financial years (2004/05 and 2005/06) the above stated account could not be audited due to lack of clarity on the format in which the financial statements were to be presented. The Department was qualified for both years on the account despite submitting financial records for the account and the income and expenditure report to the Auditor-General. The Department has since obtained a written directive from National Treasury Office of the Accountant-General providing guidelines on the format to be used in presenting financial statements for the Immigration Control Account. The Auditor-General will be provided with the guidelines to ensure that the account is audited separately from the Department's financial Statements.

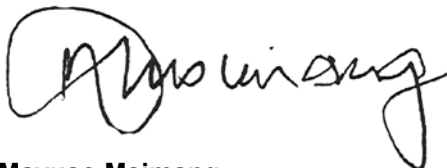
15.6 Observations regarding the financial performance of the Department

I became the Department's Accounting Officer after the end of the financial period under review. It is quite clear that the following areas will require special attention in the course of financial year 2007/2008.

1. The Accounting function needs to be strengthened both qualitatively and quantitatively. New resources will be deployed for the Department of Home Affairs to be able to cope with the workload.
2. The role of Internal Audit also requires special attention in order to ensure a constant, year-round review of the performance of the finance function in particular.
3. The Audit Committee has responsibility for the proper functioning of the internal audit unit. It will also have to be strengthened and persuaded to meet more frequently for more effective oversight and support of the internal structures.
4. External resources will be employed to boost the functioning of the internal auditors. Regular briefings will be conducted with the Accounting Officer and senior management for more effectively monitor compliance.

APPROVAL

The Annual Financial Statements set out below have been approved by the Accounting Officer.



Mavuso Msimang
DIRECTOR-GENERAL
DATE: 20 November 2007

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 4
THE DEPARTMENT OF HOME AFFAIRS FOR THE YEAR ENDED 31 MARCH 2007**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the Department of Home Affairs which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 90 to 127.

Responsibility of the accounting officer for the financial statements

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

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended, my responsibility is to express an opinion on these financial statements based on my audit in accordance with International Standards on Auditing. Because of the matters discussed in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an opinion.

Basis of accounting

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

Basis for disclaimer of opinion

Cash and cash equivalents

5. The completeness and accuracy of cash and cash equivalents, departmental revenue and expenditure could not be verified due to the following:
 - Various general ledger bank suspense accounts included in the bank reconciliation were not cleared and allocated to the relevant cost centres, reconciled or reported on a monthly basis as per Treasury Regulation 17.1.2 (b) – (d). The accuracy and allocation of amounts included in these bank suspense accounts could not be substantiated and included credits of R35,594 million at year-end of which R17,619 million arose prior to 1 April 2006, and debits of R23,599 million at year end of which R11,725 million related to the period prior to 1 April 2006.

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Payables

6. The accuracy and completeness of payables could not be verified due to the following:
- Included in payables at year-end is an amount of R11,752 million for the repatriation deposits suspense account which was not reconciled to a subsidiary listing of individuals from whom the department had received deposits and cleared as per Treasury Regulation 17.1.2. The deposits received have not been transferred to the immigration control account as required by PFMA section 13.1(f)(ii) and Treasury Regulation 14.3.
 - The inter-responsibility suspense account with a debit balance of R22,153 million (2006: credit balance of R7,361 million) at year-end was not analysed and cleared as per Treasury Regulation 17.1.2.
 - Included in the above-mentioned inter-responsibility suspense account is R31,527 million for expenditure incurred by the foreign missions on the department's behalf. This expenditure was incorrectly allocated to the suspense account as the department had not budgeted for this expense, and it should have been expensed and included in the statement of financial performance.
 - I was unable to obtain sufficient supporting documentation for the allocation of financial transactions in assets and liabilities of R10,028 million disclosed in note 5 to the financial statements.
 - Included in payables is R4,605 million raised as an accrual to the Department of Transport for government garage expenditure which was only paid on 29 May 2007. As the department is on the modified cash basis of accounting, this accrual should not have been raised until the payment was made or effected on the system. The accrual was raised by the Department of Transport through an automatic interface.

Capital assets

7. I was unable to verify the existence, accuracy and completeness of property, plant and equipment due to the following shortcomings:
- Note 24 to the annual financial statements indicates tangible capital assets to the value of R1 016,149 million and included in this amount are other fixed structures of R164,943 million for which no asset register was presented for audit. The remaining balance of R851,206 million for machinery and equipment does not agree to the asset register amount of R236,087 million, which was provided for audit purposes and the amounts were not reconciled. As a result of the above, I was also unable to establish ownership of these assets.
 - Capital expenditure of R10,113 million for the purchase of trucks was incorrectly recorded as goods and services resulting in capital expenditure being understated.
 - Management was unable to provide appropriate documentation to support the amount of R45,939 million for transfers as disclosed in note 24.2 to the financial statements. Evidence to confirm that the transfer complied with section 42 of the PFMA was not provided for audit.

Departmental revenue and receivables

8. Various shortcomings were identified in the controls over departmental revenue and included the following:
- A number of processed application documents could not be obtained from the department due to inadequate filing and storage systems and the shredding of various application documents within a short period of time after processing of the documents.
 - Services rendered and products sold as per the sub module of the National Population

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Register were not reconciled to revenue recorded in the general ledger during the financial year under review.

- A number of voided transactions that had not been adequately authorised were identified.
- Written policies and standard operating procedures have not been formalised or developed to guide the financial accounting processes and related controls over the revenue collected.
- There was inadequate monitoring of controls over the reconciliation between cash received and amounts captured in the accounting records resulting in revenue being incorrectly recorded.
- There was inadequate monitoring of year-end processing of cash received, which resulted in cash received and revenue in the current year only being recorded in the next financial year.
- Amounts charged to the public for individual goods and services were not always charged at the rates approved by National Treasury.
- Immigration fines and penalties levied in terms of section 50(1) and 50(3) of the Immigration Act, 2002, were not adequately monitored. As a result of the weakness in controls, I was not able to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness and accuracy of immigration fines and penalties income of R18,035 million.
- Net cash received from the Department of Foreign Affairs, amounting to R154,056 million, relating to transactions originated by foreign missions on behalf of the Department of Home Affairs in respect of periods dating back as far as the 2004-05 financial year, was received and processed by the departments during the current year.
- R83,184 million of the above amount, representing debits of R110,775 million for expenses, assets and repatriation refunds and credits of R193,959 million for revenue and repatriation deposits, was incorrectly processed as an estimated debit of R31,527 million for expenses to the inter-responsibility account and a balancing credit to visa revenue of R114,711 million, which resulted in a misstatement of revenue, expenditure, assets, repatriation refunds and repatriation deposits for the year.
- By the 23 January 2007, the department received vouchers for transactions originating during June 2006, August 2006, September 2006 and October 2006 amounting to R22,775 million from the Department of Foreign Affairs. However, at year-end the department had not processed these vouchers and therefore did not receive the cash from the Department of Foreign Affairs.
- In prior years the department accrued for penalties and fines payable to the department by immigrants and airlines for conveying illegal immigrants. As the department is on the modified cash basis and these were accruals, a debit was raised in the debt account and corresponding credit in the debt receivable account. At any point in time the debt account and debt receivable account should net off. However, at year-end the net balance on these accounts was an unexplained credit of R12,114 million.
- In terms of section 38(1)(c) of the PFMA the accounting officer for a department must take effective and appropriate steps to collect all money due to the department. Included in receivables is an amount of R10,806 million (2006: R12,478 million) the recoverability of which I could not determine.

9. In the absence of effective controls as noted above, I was unable to obtain sufficient and appropriate audit evidence to satisfy myself as to the completeness and accuracy of departmental revenue, receivables and cash received by the department.

Voted funds

10. The voted funds to be surrendered to National Revenue Fund of R20,472 million do not agree to the department's trial balance amount of R120,354 million. The difference was due to the prior year unauthorised expenditure of R99,883 million in the financial statements not being raised in the trial balance. As a result, the balance for unauthorised expenditure and voted funds to be

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surrendered as per the current year trial balance of the department does not agree to the financial statements note 12 and note 8.1 respectively.

11. Note 1 and note 12.1 to the annual financial statements reflect an amount of R253,490 million as not being requested from National Treasury. The amount not requested from National Treasury is R273,961 million and the difference of R20,472 million was requested from National Treasury subsequent to year end. As a result, the amount paid to National Treasury in note 12 was overstated by this amount and the actual funds received per note 1.1 of R2 546,915 million are incorrect as the amount received at year-end was R2 526,444 million.
12. Note 13 to the annual financial statements: departmental revenue to be surrendered to the National Revenue Fund reflects an amount of R310,939 million as having been surrendered to the National Revenue Fund in respect of departmental revenue. The actual amount surrendered for the year per the general ledger is R297,022 million and the difference of R13,917 million relates to the underpayment of departmental revenue to the National Revenue Fund in the 2005-06 financial year which was included in the revenue accrual account at the beginning of the year. During the year this amount was incorrectly transferred out of the revenue accrual account and credited to current year revenue, resulting in revenue for 2006-07 being overstated by R13,917 million.

Irregular expenditure

13. Payments amounting to R17,785 million were authorised by the incorrect delegation of authority, which constitutes non-compliance to Treasury Regulation 8.2.1 and 8.2.2, and were not disclosed as irregular expenditure in the annual financial statements.

Fruitless and wasteful expenditure

14. A contract for the provision of a facility to hold detained illegal immigrants is onerous in that it requires the department to pay for a fixed number of immigrants irrespective of the actual number of immigrants detained. The invoices supplied to the department by the contractor indicated that the number of illegal immigrants held monthly was approximately half the contracted numbers which the department had paid for. This resulted in fruitless and wasteful expenditure of approximately R56,602 million, which has not been disclosed in the financial statements. This was not prevented or detected in terms of Treasury Regulation 9.1.1 by the accounting officer and has not been disclosed as fruitless and wasteful expenditure in a note to the annual financial statements as required by Treasury Regulation 9.1.5.

Expenditure

15. Government garage expenditure incurred by the department is based on invoices provided to the department by the Department of Transport. The department does not enforce monitoring controls to ensure that the invoices received from the Department of Transport are supported by valid expenditure documentation. I was therefore unable to obtain sufficient information to verify the occurrence and accuracy of government garage expenditure amounting to R75,989 million.
16. An amount of R7,894 million relating to consultants, contractors and special services was incorrectly included in travel and subsistence expenditure in note 4 to the financial statements.

Cash flow statement

17. As a result of the errors mentioned in most of the preceding paragraphs, I was unable to verify the accuracy of the cash flow statement.

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Disclaimer of opinion

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

OTHER MATTERS

19. I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Treasury Regulations

20. The accounting officer did not provide appropriate evidence indicating that the department had complied with Treasury Regulation 8.4.1 which requires that the accounting officer maintain appropriate measures to ensure that the transfers to entities are applied for their intended purpose.
21. The accounting officer of the department did not investigate the estimated deficit of R24 million incurred by its trading entity the Government Printing Works during the current financial year as required by Treasury Regulation 19.7.2. Furthermore, the financial impact of this deficit on the department was not disclosed in its annual report as required by Treasury Regulation 19.7.3.
22. The department did not comply with Treasury Regulation 19.8.1 which requires the accounting officer to provide the monthly information required by section 40(4)(b) and (c) of the PFMA in respect of the trading entity in the monthly report of the department.
23. The accounting officer did not take full responsibility for the management of assets and did not ensure that proper control systems exist for assets as required by section 38(1)(d) of the PFMA and Treasury Regulation 10.
24. The policy relating to debts written off is not disclosed in note 5.3 to the financial statements as required by Treasury Regulation 11.4.3.
25. The remuneration of members of committees is not disclosed in the annual financial statements as required by Treasury Regulation 20.2.4.
26. The financial statements for the Alien Control Account (referred to as Immigration Control Account elsewhere) reflecting a balance of R317,110 million (2006: R280,466 million) submitted for auditing did not comply with Treasury Regulation 14.3.1(d) which requires the accounting officer to prepare separate annual financial statements for trust money that comply with generally accepted accounting practice (GAAP). As the accounting officer of the Department of Home Affairs has not submitted appropriate annual financial statements since inception, no audit opinions could have been expressed on these statements.

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

27. The system of internal audit did not function effectively during the year as required by section 38(1)(a)(ii) of the PFMA.

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28. The disciplinary steps taken or criminal proceeding as a result of material losses through criminal conduct, as required by section 40(3)(b)(ii) of the PFMA, are not disclosed in note 5.1 to the financial statements.
29. The accounting officer of the department did not, before transferring funds to the Government Printing Works and the Film and Publication Board, obtain written assurance from the entities that they had implemented effective, efficient and transparent financial management and internal control systems, or rendered the transfers subject to conditions and remedial measures requiring these entities to establish and implement effective, efficient and transparent financial management and internal control systems as required by section 38(1)(j) of the PFMA.

Matters of governance

30. A review of the internal audit component indicated the following:
 - The internal audit plan was not approved by the audit committee
 - The internal audit charter was not adopted by the audit committee
 - Some internal audit reports were not signed as evidence of review
 - Some members of internal audit did not sign the statement of objectivity
31. The annual risk assessment of the department had not been reviewed and a new one conducted.
32. This indicates a weakness in the department's risk management strategy and the functioning of the audit committee, which should oversee the internal audit function.

Material corrections made to the financial statements submitted for audit

33. The financial statements, approved by the accounting officer as submitted for audit on 31 May 2007, have been significantly revised in respect of the following misstatements identified during the audit:
 - The department incorrectly reversed the voted funds not surrendered for the 2005-06 year of R46,881 million by debiting assets and crediting the exchequer grant account with this amount.
 - An incorrect entry was processed to the financial statements and not to the trial balance of the department resulting in an understatement of revenue and payables of R31,653 million.
 - Receivables were previously incorrectly overstated by R11,742 million which did not agree to the department's accounting records.
 - Payables were previously understated by R8,730 million which did not agree to the department's accounting records.
 - As per note 12 to the financial statements, the voted funds to be surrendered to the National Revenue Fund were previously incorrectly stated as nil.

Internal control

Control activities

34. The control activities over business and accountancy processes are not effective. This is evident from the matters reported on debt recovery, suspense accounts, bank reconciliations and the asset register.
35. Payment controls were generally ineffective as a result of inappropriate delegations and inadequate

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monitoring controls over transfer payments. The consequence of this was irregular expenditure being incurred in the amount of R17,785 million and entities receiving transfer payments while they had not fulfilled the transfer payment conditions.

36. Reconciliations serve as a key control but the department was not performing reconciliations of key accounting processes or resolving long-outstanding items. This culminated in the qualification of issues related to cash and cash equivalents, payables, revenue, capital assets and accounts receivables.
37. Weaknesses in the management of departmental revenue and receivables were due to a lack of reconciliation between the sub module of the National Population Register and the accounting records, inadequate retention of records and poorly coordinated processes to ensure accurate and complete recording of revenue receipts.
38. Weaknesses in the management of the immigration control account were due to inadequate retention of records and poorly coordinated processes to ensure accurate and complete recording of revenue receipts and refunds, which prevented the presentation of adequate and appropriate financial statements for auditing.

Control environment

39. In terms of the PFMA the accounting authority is required to ensure that an effective and efficient system of internal control is in place. This would require that policies and procedures be put in place to achieve this. The absence of approved policies and procedures has resulted in officials not implementing adequate controls. This is evidenced by the related matters reported on under revenue, accounts receivable, cash and cash equivalents, payables and capital assets.

Monitoring activities

40. There are no approved monitoring controls over the review of reconciliations, clearing of suspense accounts, reconciliations to supporting documentation and reconciliations of revenue recorded to cash receipts. This has contributed to the matters reported on under cash and cash equivalents, payables, revenue, recoverability of debtors and government garage expenditure.
41. Inadequate management review resulted in errors affecting the cash flow statement and voted funds reconciliation and in unauthorised expenditure not being detected and rectified.

General controls in the information technology environment

A follow-up information systems audit was completed in March 2007.

The following significant weaknesses still existed:

42. Physical access controls to prevent unauthorised access to sensitive areas and confidential information were inadequate as access to the IT section and server room, for example, was not restricted. Environmental weaknesses like the uninterrupted power supply not being tested existed in the general computing environment.

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43. A user security awareness campaign to ensure users are informed of the importance of security and the potential risks involved was not implemented.
44. Control and monitoring of service level agreements to ensure that the services required were rendered, were not adequate.
45. User account management procedures to ensure only authorised users are granted access were not established for the transversal systems and security violation reports were not generated for management review.

Performance audit reports issued during the year

46. A performance audit was conducted during the year concerning the department's immigration process and the report was tabled on 22 February 2007. This was a follow-up of the audit conducted in 2000.

Special investigations in progress or completed

47. As indicated in paragraph 15.1 of the accounting officer's report phase two of the forensic investigation was completed during the year. At year-end the report had not been finalised.
48. As indicated in paragraph 12.2 of the accounting officer's report the department suspended certain senior officials subsequent to the balance sheet date and these investigations are in progress. The department submitted finally revised annual financial statements on 20 November 2007.

Unaudited supplementary schedules

49. The supplementary information set out on pages 128 to 133 does not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and accordingly do not express an opinion on them.

Delay in finalisation of audit

50. As noted in paragraph 48 prior to signing the audit report senior officials that had prepared the annual financial statements were suspended, this meant that I could not rely on them and a new set was submitted on 19 September 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

51. I have audited the performance information as set out on pages 47 to 57.

Responsibility of the accounting officer for departments

52. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA

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to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

- 53. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.
- 54. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.
- 55. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit finding

Non-compliance with regulatory requirements

- 56. The department has not complied with Treasury Regulation 5.2.3 and PFMA sections 40(1)(d) as they used their business plan and not the strategic plan to form the basis for the annual report.
- 57. We draw attention to the fact that the department has not reported on all the predetermined objectives as required by section 40(3)(a) of the PFMA.
- 58. The following performance measures and targets were included in the strategic plan but are not reflected in the annual report:

Strategic Objective	Key Output
Strategic Objective 3	E-passport introduced: <ul style="list-style-type: none"> • e-passports piloted • e-passport rolled out
	Security features on enabling documents enhanced
Strategic Objective 4	Integrity of NPR ensured by: <ul style="list-style-type: none"> • Duplication eliminated • Policy and programmes in place to ensure continuous update
Strategic Objective 7	Processing regime developed that is efficient, effective and humane: <ul style="list-style-type: none"> • Feasibility study on transit facility conducted • Approved refugee reception centres established in provinces
	Regularised refugees successfully integrated into society

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Objectives reported in the annual report, but not pre-determined as per the strategic plan

59. We draw attention to the fact that for the department the following objectives are reported in the annual report although they were not included as predetermined objectives in the strategic plan:
- Internal Audit – Internal controls reviewed and improved by enhancing capacity
 - Governance relations – DHA Foreign missions deployment plan
 - Processing periods for VISA applications reduced
 - DFA service delivery charter incorporated in DHA activities
 - Human Resources – Decentralisation model and plan developed and implemented in consultation with provinces and offices
 - Measures in place to produce accurate and timely HR minimum information requirements (MIR)
 - All immigration Officers and Permitting Officials trained and retrained to perform immigration functions
 - Information Services – Go live with business intelligence for all departmental branches
 - National Immigration Branch – Airline liaison officers appointed
 - Finance and supply chain management – Finance and supply chain management system in place to address weaknesses revealed by Auditor-General

Lack of appropriate audit evidence

60. We were unable to obtain supporting documentation for the revenue-related amounts disclosed as part of the performance information because the system relevant for generating information on the revenue amounts was not adequate for purposes of the evaluation.

Lack of adequate evidence

61. The following actual achievement of measures could not be substantiated by adequate audit evidence or source documentation:

Sub programme	Development
Civic services	<ul style="list-style-type: none"> • Finalisation of the Back Record Conversion project • The Civil Union Act, 2006 (Act No. 26 of 2006) successfully implemented
National Immigration Branch	<ul style="list-style-type: none"> • Strategy for the integration of refugees developed • New uniform for the immigration officers introduced • Increase of capacity at OR Tambo International Airport and Cape Town International Airport • Movement control system is running at all ports of entry • Integrated management systems at ports of entry: Protocol and MOUs initiated between DHA and relevant role players. • 25% of BCOCC chairmanship and coordinating capacity in place • National deportation system: Proposal on the creation of additional deportation centres submitted • Visa exemption agreements with SADC countries negotiated • Visa exemption agreements to diplomatic/official passport holders fast tracked • SADC protocol counters at designated POEs established • Strategic leadership on G77 migration issues provided
Service delivery branch	<ul style="list-style-type: none"> • 52 mobile units deployed to provinces • Filling of seven of nine provincial manager positions at chief director level

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APPRECIATION

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

Auditor-General

Pretoria
27 November 2007



AUDITOR-GENERAL

**Department of Home Affairs
Vote 4**

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

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

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. REVENUE

2.1 Appropriated funds

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

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

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

**Department of Home Affairs
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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits). Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

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

2.2.5 Sale of capital assets

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

2.2.6 Financial transactions in assets and liabilities

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

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

Forex gains are recognised on payment of funds.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

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

**Department of Home Affairs
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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

2.3 Local and foreign aid assistance

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

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position

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

2.4 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

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

3. EXPENDITURE

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹.

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

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

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

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

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

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

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

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

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds.

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

3.5 Unauthorised expenditure

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

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

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

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

3.8 Transfers and subsidies

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

3.9 Expenditure for capital assets

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

4. ASSETS

4.1 Cash and cash equivalents

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

4.2 Prepayments and advances

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

4.3 Receivables

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

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

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

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

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary.

4.6 Inventory

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

4.7 Capital assets

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

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

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

5. LIABILITIES

5.1 Payables

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

5.2 Lease commitments

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

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

5.3 Accruals

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

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

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

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

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

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

6. NET ASSETS

6.1 Capitalisation reserve

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

6.2 Recoverable revenue

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

7. RELATED PARTY TRANSACTIONS

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

8. KEY MANAGEMENT PERSONNEL

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

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

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2007

9. PUBLIC PRIVATE PARTNERSHIPS

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

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

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

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APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

Appropriation per programme									
	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme 1: Administration									
	428 093	–	1 250	429 343	428 208	1 135	99,7	353 012	340 017
Current payments	1 234	–	582	1 816	1 355	461	74,6	1 194	1 184
Transfers and subsidies	45 361	–	–	45 361	46 517	-1 156	102,5	78 159	101 232
Payment for capital assets									
2. Programme 2: Delivery of Services									
	1 293 495	–	-6 490	1 287 005	1 264 632	22 373	98,3	1 077 881	1 192 832
Current payments	2 502	–	4 658	7 160	3 725	3 435	52,0	3 543	4 497
Transfers and subsidies	427 225	–	–	427 225	287 263	139 962	67,2	471 164	399 408
Payment for capital assets									
3. Programme 3: Auxiliary and Associated Services									
	115 144	–	–	115 144	88 420	26 724	76,8	7 200	4 184
Current payments	363 133	–	–	363 133	363 132	1	100,0	964 221	964 220
Transfers and subsidies	124 218	–	–	124 218	63 663	60 555	51,3	76 087	77 889
Payment for capital assets									
TOTAL	2 800 405	–	–	2 800 405	2 546 915	253 490	90,9	3 032 461	
Reconciliation with Statement of Financial Performance									
Add:									
Prior year unauthorised expenditure approved with funding				–					
Departmental receipts				468 239				237 568	
Local and foreign aid assistance received				–					
Actual amounts per Statements of Financial Performance (Total revenue)				3 268 644				3 270 029	
Add:									
Local and foreign aid assistance									
Prior year unauthorised expenditure approved									
Prior year fruitless and wasteful expenditure authorised									
Actual amounts per Statements of Financial Performance (Total expenditure)					2 546 915				3 085 463

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APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

Appropriation per economic classification									
	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	974 000		-72 089	901 911	844 673	57 238	93,7	782 350	717 940
Goods and services	862 732		66 849	929 581	926 559	3 022	99,7	655 743	817 761
Financial transactions in assets and liabilities	-		-	-	10 028	-10 028	-	-	1 332
Transfers and subsidies									
Provinces and municipalities	2 191		-295	1 896	988	908	52,1	2 782	2 306
Departmental agencies and accounts	363 133		-	363 133	363 134	-1	100,0	964 221	964 220
Households	1 545		5 535	7 080	4 090	2 990	57,8	1 955	3 375
Payment for capital assets									
Buildings and other fixed structures	104 913		-	104 913	45 949	58 964	43,8	64 576	72 555
Machinery and equipment	425 657		-	425 657	233 093	192 564	54,8	322 493	364 301
Software and other intangible assets	66 234		-	66 234	118 401	-52 167	178,8	238 341	141 673
Total	2 800 405	-	-	2 800 405	2 546 915	253 490	90,9	3 032 461	3 085 463

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DETAIL PER PROGRAMME 1: ADMINISTRATION FOR THE YEAR ENDED 31 MARCH 2007

Programme per subprogramme	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Minister									
Current payment	885		-	885	845	40	95,5	843	770
1.2 Deputy Minister									
Current payment	687		-	687	654	33	95,2	654	622
1.3 Management									
Current payment	156 563		-13 499	143 064	101 529	41 535	71,0	120 271	84 275
Transfers and subsidies	394		260	654	565	89	86,4	453	356
Payment for capital assets	5 232		-	5 232	2 497	2 735	47,7	3 471	3 436
1.4 Corporate Services									
Current payment	188 891		14 749	203 640	201 923	1 717	99,2	156 502	166 825
Transfers and subsidies	770		-91	679	688	-9	101,3	705	766
Payment for capital assets	2 951		-	2 951	1 744	1 207	59,1	2 114	8 290
1.5 Information Services									
Current payment	81 067		-	81 067	123 257	-42 190	152,0	74 742	87 525
Transfers and subsidies	70		413	483	102	381	21,1	36	62
Payment for capital assets	37 178		-	37 178	42 276	-5 098	113,7	72 574	89 506
Total	474 688	-	1 832	476 520	476 080	440	99,9	432 365	442 433

Programme per Economic Classification	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	217 842	-	-19 599	198 243	165 427	32 816	83,4	163 238	122 432
Goods and services	210 251	-	20 849	231 100	262 747	-31 647	113,7	189 774	216 787
Financial transactions in assets and liabilities	-	-	-	-	34	-34	-	-	798
Transfers and subsidies									
Provinces and municipalities	960	-	-295	665	517	148	77,7	929	511
Departmental agencies and accounts	-	-	-	-	2	-2	-	-	-
Households	274	-	877	1 151	836	315	72,6	265	673
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	38
Machinery and equipment	29 127	-	-	29 127	37 998	-8 871	130,5	33 594	59 255
Software and other intangible assets	16 234	-	-	16 234	8 519	7 715	52,5	44 565	41 939
Total	474 688	-	1 832	476 520	476 080	440	99,9	432 365	442 433

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DETAIL PER PROGRAMME 2: DELIVERY OF SERVICES
FOR THE YEAR ENDED 31 MARCH 2007

Programme per subprogramme	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Travel Documents & Citizenship									
Current payment	41 227	-	-	41 227	40 372	855	97,9	41 318	41 201
Transfers and subsidies	161	-	-	161	81	80	50,3	187	56
Payment for capital assets	304	-	-	304	227	77	74,7	15 099	237
2.2 Population Register									
Current payment	267 862	-	-7 990	259 872	253 155	6 717	97,4	257 904	356 143
Transfers and subsidies	334	-	895	1 229	273	956	22,2	386	437
Payment for capital assets	335 045	-	-	335 045	194 348	140 697	58,0	336 540	273 339
2.3 Service Delivery									
Current payment	708 244	-	-10 500	697 744	690 673	7 071	99,0	564 436	595 444
Transfers and subsidies	1 810	-	2 869	4 679	3 178	1 501	67,9	2 746	3 755
Payment for capital assets	75 775	-	-	75 775	88 960	-13 185	117,4	59 222	101 790
2.4 Admissions									
Current payment	19 953	-	-	19 953	27 983	-8 030	140,2	12 755	10 135
Transfers and subsidies	53	-	653	706	51	655	7,2	69	66
Payment for capital assets	502	-	-	502	418	84	83,3	302	254
2.5 Immigration Control									
Current payment	199 571	-	15 000	214 571	206 323	8 248	96,2	163 033	168 692
Transfers and subsidies	83	-	241	324	101	223	31,2	62	63
Payment for capital assets	14 949	-	-	14 949	2 646	12 303	17,7	59 729	22 862
2.6 Refugee Affairs									
Current payment	48 566	-	-3000	45 566	39 392	6 174	86,5	28 560	15 785
Transfers and subsidies	45	-	-	45	29	16	64,4	13	37
Payment for capital assets	352	-	-	352	442	-90	125,6	104	764
2.7 Board and Committees									
Current payment	8 072	-	-	8 072	6 734	1 338	83,4	9 875	5 432
Transfers and subsidies	16	-	-	16	12	4	75,0	80	83
Payment for capital assets	298	-	-	298	76	222	74,5	168	162
Total	1 723 222	-	-1 832	1 721 390	1 555 620	165 770	90,4	1 552 588	1 596 737

Programme per Economic Classification	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	756 158	-	-52 490	703 668	679 246	24 422	96,5	619 112	595 508
Goods and services	537 337	-	46 000	583 337	575 392	7 945	98,6	458 769	596 790
Financial transactions in assets and liabilities	-	-	-	-	9 994	-9 994	-	-	534
Transfers and subsidies									
Provinces and municipalities	1 231	-	-	1 231	471	760	38,3	1 853	1 795
Households	1 271	-	4 658	5 929	3 254	2 675	54,9	1 690	2 702
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	204
Machinery and equipment	377 225	-	-	377 225	177 381	199 844	47,0	277 388	299 470
Software and other intangible assets	50 000	-	-	50 000	109 882	-59 882	219,8	193 776	99 734
Total	1 723 222	-	-1 832	1 721 390	1 555 620	165 770	90,4	1 552 588	1 596 737

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**DETAIL PER PROGRAMME 3: AUXILIARY AND ASSOCIATED SERVICES
FOR THE YEAR ENDED 31 MARCH 2007**

Programme per subprogramme	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Film and Publication Board									
Transfers and subsidies	12 933	–	–	12 933	12 933	–	100,0	19 774	19 774
3.2 Government Printing Works									
Transfers and subsidies	200	–	–	200	199	1	99,5	189	188
3.3 Government Motor Transport									
Payment for capital assets	19 305	–	–	19 305	17 714	1 591	91,8	11 511	5 550
3.4 Independent Electoral Commission									
Transfers and subsidies	350 000	–	–	350 000	350 000	–	100,0	944 258	944 258
3.5 Property Management									
Current payment	115 144	–	–	115 144	88 420	26 724	76,8	7 200	4 184
Payment for capital assets	104 913	–	–	104 913	45 949	58 964	43,8	64 576	72 339
Total	602 495	–	–	602 495	515 215	87 280	85,5	1 047 508	1 046 293

Programme per Economic Classification	2006/2007							2005/2006	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Goods and services	115 144	–	–	115 144	88 420	26 724	76,8	7 200	4 184
Transfers and subsidies									
Departmental Agencies and Accounts	363 133	–	–	363 133	363 132	1	100,0	964 221	964 220
Payments for capital assets									
Buildings and other fixed structures	104 913	–	–	104 913	45 949	58 964	43,8	64 576	72 313
Machinery and equipment	19 305	–	–	19 305	17 714	1 591	91,8	11 511	5 576
Total	602 495	–	–	602 495	515 215	87 280	85,5	1 047 508	1 046 293

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NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

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

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

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities (theft and losses)) to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	
Programme 1: Administration	476 520	476 080	440	0,09
Programme 2: Delivery of Services	1 721 390	1 555 620	165 770	9,63
Programme 3. Auxiliary and Associated Services	602 495	515 215	87 280	14,49
TOTAL	2 800 405	2 546 915	253 490	9,05

PROGRAMME 1: ADMINISTRATION (R0,440 MILLION)

Under-spending can mainly be attributed to the slow filling of vacant posts due to finalising organisational structure and job evaluation.

PROGRAMME 2: DELIVERY OF SERVICES (R165,770 MILLION)

Under-spending can mainly be attributed to the slow filling of vacant posts due to finalising organisational structure and job evaluation; earmarked funds for payment of employees initiated severance packages, as well as Information Communication Technology (ICT) Projects such as Smart ID Card funds that was earmarked for the Electronic Document Management System (EDMS) project, which did not materialise.

PROGRAMME 3: AUXILIARY AND ASSOCIATED SERVICES (R87,280 MILLION)

Underspensing is mainly due to the late awarding of lease tenders; Devolution of funds that did not materialise, as well as the Repair and Maintenance Programme (RAMP) and construction of buildings that is still in the procurement process.

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NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

4.2 Per Economic classification	2006/07
	R'000
Current payment:	57 238
Compensation of employees	3 022
Goods and services	-10 028
Financial transactions in assets and liabilities	
Transfers and subsidies:	
Provinces and municipalities	908
Departmental agencies and accounts	-1
Households	2 990
Payments for capital assets:	
Buildings and other fixed structures	58 964
Machinery and equipment	192 564
Software and other intangible assets	-52 167

COMPENSATION OF EMPLOYEES – R57,238 MILLION

Under-spending can mainly be attributed to the slow filling of vacant posts due to finalising organisational structure and job evaluation and outstanding claims regarding Foreign Missions as received from the Department of Foreign Affairs.

GOODS AND SERVICES – R3,022 MILLION

Underspending as a result of commitments/orders for which suppliers did not submit invoices prior to the end of the financial year.

FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES – (R10,028) MILLION

Includes mainly thefts and losses, which were written off.

TRANSFERS AND SUBSIDIES – R3,897 MILLION

Underspending is mainly due to earmarked funds for payment of employees initiated severance packages.

PAYMENT OF CAPITAL ASSETS – R199,361 MILLION

Underspending can mainly be attributed to the RAMP and construction of new buildings (R58,964 million) that is in the procurement process, as well as Information Communication Technology (ICT) Projects such as Smart ID Card funds which was earmarked for the EDMS project (R140,397 million), that did not materialise.

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	2 800 405	3 032 461
Departmental revenue	2	468 239	237 568
TOTAL REVENUE		3 268 644	3 270 029
EXPENDITURE			
Current expenditure			
Compensation of employees	3	844 673	717 940
Goods and services	4	926 559	817 761
Financial transactions in assets and liabilities	5	10 028	1 332
Total current expenditure		1 781 260	1 537 033
Transfers and subsidies	6	368 212	969 901
Expenditure for capital assets			
Buildings and other fixed structures	7	45 949	72 555
Machinery and equipment	7	233 093	364 301
Software and other intangible assets	7	118 401	141 673
Total expenditure for capital assets		397 443	578 529
TOTAL EXPENDITURE		2 546 915	3 085 463
SURPLUS/(DEFICIT)		721 729	184 566
Add back unauthorised expenditure	8	–	99 883
SURPLUS/(DEFICIT) FOR THE YEAR		721 729	284 449
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	12	253 490	46 881
Departmental Revenue	13	468 239	237 568
SURPLUS/(DEFICIT) FOR THE YEAR		721 729	284 449

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STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2007

	Notes	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		162 153	477 191
Unauthorised expenditure	8	116 473	116 150
Cash and cash equivalents	9	30 479	332 030
Prepayments and advances	10	1 317	3 421
Receivables	11	13 884	25 590
TOTAL ASSETS		162 153	477 191
LIABILITIES			
Current liabilities		155 084	468 212
Voted funds to be surrendered to the Revenue Fund	12	(20 472)	435 263
Departmental revenue to be surrendered to the Revenue Fund	13	171 217	13 917
Payables	14	4 339	19 032
TOTAL LIABILITIES		155 084	468 212
NET ASSETS		7 069	8 979
Represented by:			
Recoverable revenue		7 069	8 979
TOTAL		7 069	8 979

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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2007

	Note	2006/07 R'000	2005/06 R'000
Recoverable revenue			
Opening balance		8 979	8 956
Transfers		-1 910	23
Irrecoverable amounts written off	5.5	-1 910	23
CLOSING BALANCE		7 069	8 979

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 015 154	3 270 003
Annual appropriated funds received	1.1	2 546 915	3 032 461
Departmental revenue received		468 239	237 542
Net (increase)/decrease in working capital		-1 207	-11 159
Surrendered to Revenue Fund		-766 674	- 236 275
Current payments		-1 781 260	-1 537 033
Transfers and subsidies paid		- 368 212	-969 901
Net cash flow available from operating activities	15	97 801	515 635
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		-397 443	-578 529
Proceeds from sale of capital assets	2	1	26
Proceeds from sale of other financial assets		-	-986
Net cash flows from investing activities		-397 442	-579 489
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-1 910	23
Net cash flows from financing activities		-1 910	23
Net increase/(decrease) in cash and cash equivalents		-301 551	-63 831
Cash and cash equivalents at the beginning of the period		332 030	395 861
Cash and cash equivalents at end of period	16	30 479	332 030

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1. ANNUAL APPROPRIATION

1.1 Annual Appropriation

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

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Appropriation Received 2005/06 R'000
Programme 1	476 520	476 080	440	432 365
Programme 2	1 721 390	1 555 620	165 770	1 552 588
Programme 3	602 495	515 215	87 280	1 047 508
TOTAL	2 800 405	2 546 915	253 490	3 032 461

- Under-spending can mainly be attributed to the slow filling of vacant posts due to finalising organisational structure and job evaluation; earmarked funds for payment of employees initiated severance packages, as well as Information Communication Technology (ICT) Projects such as Smart ID Card funds that was earmarked for the Electronic Document Management System (EDMS) project, which did not materialise.
- Underspending is mainly due to the late awarding of lease tenders; Devolution of funds that did not materialise, as well as the Repair and Maintenance Programme (RAMP) and construction of buildings that is still in the procurement process.

2. DEPARTMENTAL REVENUE TO BE SURRENDERED TO REVENUE FUND

Description	Notes	2006/07 R'000	2005/06 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	445 767	225 273
Fines, penalties and forfeits		18 035	12 235
Interest, dividends and rent on land	2.2	154	172
Sales of capital assets	2.3	1	26
Financial transactions in assets and liabilities	2.4	4 282	-138
Departmental revenue collected		468 239	237 568

2.1 Sales of goods and services other than capital assets

	2006/07 R'000	2005/06 R'000
Sales of goods and services produced by the department		
Administrative fees	445 767	225 273
Total	445 767	225 273

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

During the year under review the Department received R154 million in relation to revenue collected in foreign missions as disclosed in paragraph 15.3.1 of the Accounting Officer's report. This amount is the net of R354 million revenue and R170 million expenditure incurred on behalf of the Department by the Department of Foreign Affairs. The Department could only allocate R4,070 million of the expenditure in this regard because the corresponding budget/allocation has since been surrendered during the 2004 and 2006 financial years as the vouchers were still in transit. The Department has highlighted this challenge with National Treasury's public finance unit and the request for roll over of funds has been made to cater for these timing differences in terms of foreign missions expenditure.

2.2 Interest, dividends and rent on land and buildings	<i>Notes</i>	2006/07 R'000	2005/06 R'000
Interest		154	172
Total		154	172
2.3 Sale of capital assets			
Other capital assets		1	26
Total		1	26
2.4 Financial transactions in assets and liabilities			
Nature of Recovery			
Other Receipts including Recoverable Revenue		4 282	-138
Total		4 282	-138
3. COMPENSATION OF EMPLOYEES			
3.1 Salaries and Wages			
Basic salary		577 705	495 160
Performance award		12 112	20 628
Service Based		1 602	977
Compensative/circumstantial		43 433	32 334
Periodic payments		2 012	2 976
Other non-pensionable allowances		88 450	61 400
Total		725 314	613 475
3.2 Social contributions			
3.2.1 Employer contributions			
Pension		71 325	62 140
Medical		47 805	42 085
Bargaining council		223	207
Insurance		6	33
Total		119 359	104 465
Total compensation of employees		844 673	717 940
Average number of employees		7 334	6 833

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2006/07 R'000	2005/06 R'000
4. GOODS AND SERVICES			
Advertising		16 704	6 974
Attendance fees (including registration fees)		8 877	6 787
Bank charges and card fees		2 031	2 480
Bursaries (employees)		3 381	2 462
Communication		58 857	42 940
Computer services		191 480	287 041
Consultants, contractors and special services		166 065	154 420
Courier and delivery services		3 212	2 912
Drivers' licences and permits		51	20
Entertainment		2 347	672
External audit fees	4.1	8 363	5 745
Equipment less than R5 000		9 326	17 564
Freight service		585	102
Honoraria (Voluntarily workers)		136	72
Inventory	4.2	80 257	73 146
Legal fees		7 122	8 218
Maintenance, repairs and running cost		20 956	11 733
Medical Services		6	2
Municipality Services		16 562	–
Operating leases		72 043	4 533
Photographic services		102	372
Professional bodies and membership fees		19	14
Resettlement cost		1 220	903
Subscriptions		495	575
Translations and transcriptions		33	29
Transport provided as part of the departmental activities		–	6 024
Travel and subsistence	4.3	242 447	176 635
Venues and facilities		4 449	4 254
Protective, special clothing & uniforms		9 433	1 132
Total		926 559	817 761

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

4.1 External audit fees	Notes	2006/07 R'000	2005/06 R'000
Regulatory audits		8 019	5 744
Performance audits		344	-
Other audits		-	1
Total		8 363	5 745
4.2 Inventory			
Domestic consumables		3 515	2 284
Fuel, oil and gas		56	87
Other consumables		62	86
Sport and recreation		77	5
Stationery and printing		76 543	70 639
Medical supplies		4	45
Total		80 257	73 146
4.3 Travel and subsistence			
Local		218 944	173 829
Foreign		23 503	2 806
Total		242 447	176 635
5. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES			
Material losses through criminal conduct		24	1 081
- Theft	5.4	-	597
- Other Material losses	5.1	24	484
Other Material losses written off	5.2	-	11
Debts written off	5.3	8 094	217
Irrecoverable amounts written off	5.5	1 910	23
Total		10 028	1 332
5.1 Other material losses			
Incident	Disciplinary Steps taken/ Criminal proceedings		
Theft of equipment		-	191
Repair to damages		-	14
Theft of accessories		24	279
Total		24	484

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2005/06 R'000	2004/05 R'000
5.2 Other material losses written off			
Nature of losses			
Repair of equipment		-	11
Total		-	-
5.3 Debts written off			
Nature of debts written off			
Salary overpayment and other salary debts		3	217
Penalty charges debt		8 091	-
Total		8 094	217
<p>Further to the corrective measures implemented in debtors management process as indicated in paragraph 15.3.2 of the Accounting Officer's report, the Department has written off R8 million that related to penalty and fines to airline carriers and un-documented persons that appeared to be outstanding whilst payments had already been made and allocated to illegal immigration fines and penalties conveyers illegal fines items without necessary book entries been passed to debtors accounts.</p>			
5.4 Detail of Theft			
Detail of theft			
Theft of State money		-	597
Total		-	597
5.5 Irrecoverable amounts written off			
Receivables written off			
Recoverable revenue salary overpayment		1 910	23
Total		1 910	23
6. TRANSFERS AND SUBSIDIES			
Provinces and municipalities	<i>Ann 1A</i>	988	2 306
Departmental agencies and accounts	<i>Ann 1B</i>	363 134	964 220
Households	<i>Ann 1C</i>	4 090	3 375
Total		368 212	969 901
7. EXPENDITURE FOR CAPITAL ASSETS			
Buildings and other fixed structures	24	45 949	72 555
Machinery and equipment	24	233 093	364 301
Software and other intangible assets		118 401	141 673
Computer software	25	5 334	141 673
Other Intangibles	25	113 067	-
Total		397 443	578 529
	<i>Note</i>		
The following amounts have been included as project costs in Expenditure for capital assets			
Goods and services		113 067	-
Total		113 067	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

8. UNAUTHORISED EXPENDITURE	2006/07 R'000	2005/06 R'000
8.1 Reconciliation of unauthorised expenditure		
Opening balance	116 150	15 281
Unauthorised expenditure – current year		99 883
Transfer to receivables for recovery (not approved)	323	986
Unauthorised expenditure awaiting authorisation	116 473	116 150
9. CASH AND CASH EQUIVALENTS		
Consolidated Paymaster General Account	24 718	330 017
Cash receipts	5 599	1 926
Disbursements	2	-69
Cash on hand	160	156
Total	30 479	332 030
10. PREPAYMENTS AND ADVANCES		
Travel and subsistence	1 317	3 421
Total	1 317	3 421

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

11. RECEIVABLES

	<i>Notes</i>	Less than one year R'000	One to three years R'000	Older than three years R'000	2006/07 Total R'000	2005/06 Total R'000
Staff debtors	11.1	185	595	3 396	4 176	5 571
Other Debtors	11.2	-217	-11 579	20 847	9 051	18 285
Intergovernmental receivables	Annex 3	497	112	48	657	1 734
Total		465	-10 872	24 291	13 884	25 590

As indicated in paragraph 15.3.1 of the Accounting Officer's report the Department of Foreign Affairs reflected in their financial statements that it owes the Department approximately R157 million. This amount has not been recognised in the above note as the supporting vouchers in this regards have not yet been assembled by the DFA and have not been verified by the Department as per the agreed upon procedures.

11.1 Staff Debtors

	<i>Notes</i>	2006/07 R'000	2005/06 R'000
Salary: Tax Dept		10	104
Private Telephone calls		-26	64
Debt Account		4 207	4 829
Debt Suspense Account		-15	528
Other		-	46
Total		4 176	5 571

11.2 Other debtors

Disallowance damages and losses	6 600	7 550
Foreign Affairs vouchers in transit	341	568
Disallowance maintenance	361	361
Disallowance dishonoured cheques	25	25
Penalty Charges: Debt	1 724	9 781
Total	9 051	18 285

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND	2006/07 R'000	2005/06 R'000
Opening balance	435 263	388 382
Transfer from Statement of Financial Performance	253 490	46 881
Voted funds not requested / not received	-253 490	-
Paid during the year	-455 735	-
Closing balance	-20 472	435 263

11.1 Voted funds not requested/not received		
Funds to be rolled over	-206 609	-
Funds not to be requested	-46 881	-
	-253 490	-

13. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND		
Opening balance	13 917	12 624
Transfer from Statement of Financial Performance	468 239	237 568
Paid during the year	-310 939	-236 275
Closing balance	171 217	13 917

14. PAYABLES – CURRENT

Description

	<i>Notes</i>	30 Days R'000	30+ Days R'000	2006/07 Total R'000	2005/06 Total R'000
Clearing accounts	14.1	5 340	-23 712	-18 372	7 588
Other payables	14.2	257 750	-235 039	22 711	11 444
Total		263 090	-258 751	4 339	19 032

14.1 Clearing accounts	2006/07 R'000	2005/06 R'000
Description		
Salary other	422	135
Boat/Plane/Stowaway Deposits	1 087	655
Inter Responsibility Clearing Account	-22 153	7 361
Salary Income Tax	577	692
Conversion: Receipt Deposit Control	-3 147	-3 147
Finance Assistance (SA Citizens)	238	293
Third Party Transport Control	4 604	1 599
Total	-18 372	7 588

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	2006/07 R'000	2005/06 R'000
14.2 Other payables		
<i>Notes</i>		
Description		
Repatriation Deposits	11 752	3 440
Debt Receivable Interest	6 584	5 604
Penalty Charges: Interest	1 043	329
Purchase Capital Assets	3 332	2 071
	22 711	11 444

Included in payables is repatriation deposits of R11,7 million that need to be paid to the Immigration control account as most of the Supporting Vouchers were not yet confirmed with the Department of Foreign Affairs at year end.

15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Net surplus/(deficit) as per Statement of Financial Performance	721 727	284 449
Add back non cash/cash movements not deemed operating activities	-623 925	231 186
(Increase)/decrease in receivables – current	11 706	3 247
(Increase)/decrease in prepayments and advances	2 104	-657
(Increase)/decrease in other current assets	-323	-986
Increase/(decrease) in payables – current	-14 693	-13 749
Proceeds from sale of capital assets		1 946
Proceeds from sale of other financial assets	-323	-986
Expenditure on capital assets	397 443	578 529
Surrenders to Revenue Fund	-766 672	-236 275
Voted funds not requested/not received	-253 490	–
Other non-cash items	–	-99 883
Net cash flow generated by operating activities	97 802	515 635

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

Consolidated Paymaster General account	24 718	330 017
Cash receipts	5 599	1 926
Disbursements	2	-69
Cash on hand	160	156
Total	30 479	332 030

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

17. CONTINGENT LIABILITIES*Annexure*

			2006/07 R'000	2005/06 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	<i>Ann 2A</i>	960	930
Housing loan guarantees	Employees	<i>Ann 2A</i>	10 759	12 802
			11 719	13 732

18. COMMITMENTS**Current expenditure**

Approved and contracted

5 830

118 820

Capital expenditure

Approved and contracted

183

19 914

Total Commitments**6 013****138 734****Accruals****Listed by economic classification**

	30 Days R'000	30+ Days R'000	2006/07 Total R'000	2005/06 Total R'000
Goods and services	12 732	6 279	19 011	17 433
Machinery and equipment	–	–	–	24 667
Total	12 732	6 279	19 011	42 100

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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	2006/07 R'000	2005/06 R'000
Listed by programme level		
Programme 1: Administration	10 744	106 851
Programme 2: Delivery of Services	14 280	71 399
Programme 3: Auxiliary and Associated Services	–	2 584
	25 024	180 834

19. EMPLOYEE BENEFITS

Leave entitlement	26 799	21 642
Thirteenth cheque	25 705	21 850
Capped leave commitments	103 695	102 433
Total	156 199	145 925

20. LEASE COMMITMENTS

20.1 Operating leases

	Land	Buildings and other fixed structures	Machinery and equipment	2006/07 Total R'000
2006/2007				
Not later than 1 year and not later than 5 years				
Operating leases – buildings	–	72 043	–	72 043
Total present value of lease liabilities	–	72 043	–	72 043

	Land	Buildings and other fixed structures	Machinery and equipment	2005/06 Total R'000
2005/2006				
Not later than 1 year and not later than 5 years				
Operating leases – buildings	–	4 553	–	4 553
Total present value of lease liabilities	–	4 553	–	4 553

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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20.2 Finance Leases	Land	Buildings and other fixed structures	Machinery and equipment	2006/07 Total R'000
2006/2007				
Not later than 1 year and not later than 5 years				
Minister and Deputy Cars	–	–	557	557
Total present value of lease liabilities	–	–	557	557

	Land	Buildings and other fixed structures	Machinery and equipment	2005/06 Total R'000
2005/2006				
Not later than 1 year and not later than 5 years				
Operating leases – buildings	–	4 553	–	4 553
Total present value of lease liabilities	–	4 553	–	4 553

	2006/07 R'000	2005/06 R'000
21. RECEIVABLES FOR DEPARTMENTAL REVENUE		
Tax revenue		
Sales of goods and services other than capital assets	445 766	225 273
Fines, penalties and forfeits	18 035	12 235
Interest, dividends and rent on land	154	172
Sales of capital assets	1	26
Financial transactions in assets and liabilities	4 282	-138
Total	468 238	237 568

22. IRREGULAR EXPENDITURE

22.1 Reconciliation of irregular expenditure

Irregular expenditure awaiting condonement

Current expenditure	323	986
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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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		2005/06 R'000	2004/05 R'000
22.2 Irregular expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
Non compliance with Tender Regulations in procurement of Security Services		–	986
Hiring of 10 mobile toilets for 3 months without proper tender procedures		323	–
		323	986

23. KEY MANAGEMENT PERSONNEL		<i>No. of Individuals</i>	
Political office bearers Officials	2	1 791	1 685
Level 15 to 16	6	4 104	4 698
Level 14	30	13 635	5 376
Total		19 530	11 759

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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24. TANGIBLE CAPITAL ASSETS

Movement in tangible capital assets per asset register for the year ended 31 March 2007

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	118 994	–	45 949	–	164 943
Other fixed structures	118 994	–	45 949	–	164 943
MACHINERY AND EQUIPMENT	618 113	–	233 093	45 939	805 267
Transport assets	114 666	–	80 928	–	195 594
Computer equipment	446 882	–	141 901	45 939	542 844
Furniture and office equipment	51 851	–	8 895	–	60 746
Other machinery and equipment	4 714	–	1 369	–	6 083
LAND AND SUBSOIL ASSETS					
Land	–	–	–	–	–
Mineral and similar non- regenerative resources	–	–	–	–	–
INVESTMENT PROPERTY					
Investment Property	–	–	–	–	–
CULTIVATED AND BIOLOGICAL ASSETS					
Cultivated assets	–	–	–	–	–
Biological assets	–	–	–	–	–
TOTAL TANGIBLE ASSETS	737 107	–	279 042	45 939	970 210

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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24.1 Addition to tangible capital assets register for the year ended 31 March 2007

	Cash Cost	Fair Value	(Capital Work in Progress current costs) Cost	Received current, not paid (Paid current year, received prior year) Cost	Total Cost
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	45 949	–	–	–	45 949
Dwellings					
Non-residential buildings					
Other fixed structures	45 949	–	–	–	45 949
MACHINERY AND EQUIPMENT	233 093	–	–	–	233 093
Transport assets	80 928	–	–	–	80 928
Computer equipment	141 901	–	–	–	141 901
Furniture and office equipment	8 895	–	–	–	8 895
Other machinery and equipment	1 369	–	–	–	1 369
LAND AND SUBSOIL ASSETS					
Land	–	–	–	–	–
Mineral and similar non- regenerative resources	–	–	–	–	–
INVESTMENT PROPERTY					
Investment Property	–	–	–	–	–
CULTIVATED AND BIOLOGICAL ASSETS					
Cultivated assets	–	–	–	–	–
Biological assets	–	–	–	–	–
TOTAL	279 042	–	–	–	279 042

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
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24.2 Disposals of tangible capital assets per asset register for the year ended 31 March 2007

	Sold (Cash) Cost R'000	Non-Cash Fair Value R'000	Total Cost R'000	Cash Received Actual Cost R'000
BUILDING AND OTHER FIXED STRUCTURES				
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	45 939	-	45 939	-
Transport assets	-	-	-	-
Specialised military assets	-	-	-	-
Computer equipment (Foreign Affairs)	45 939	-	45 939	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
LAND AND SUBSOIL ASSETS				
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
INVESTMENT PROPERTY				
Investment Property	-	-	-	-
CULTIVATED AND BIOLOGICAL ASSETS				
Cultivated assets	-	-	-	-
Biological assets	-	-	-	-
TOTAL	45 939	-	45 939	-

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2007**

24.3 Movement in tangible capital assets per asset register for the year ended 31 March 2006

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	46 439	72 555	–	118 994
Dwellings				
Non-residential buildings				
Other fixed structures	46 439	72 555	–	118 994
Heritage assets				
MACHINERY AND EQUIPMENT	253 812	364 301	–	618 113
Transport assets	69 974	44 692	–	114 666
Computer equipment	165 691	281 191	–	446 882
Furniture and office equipment	17 068	34 783	–	51 851
Other machinery and equipment	1 079	3 635	–	4 714
LAND AND SUBSOIL ASSETS				
Land	–	–	–	–
Mineral and similar non-regenerative resources	–	–	–	–
INVESTMENT PROPERTY				
Investment Property	–	–	–	–
CULTIVATED AND BIOLOGICAL ASSETS				
Cultivated assets	–	–	–	–
Biological assets	–	–	–	–
TOTAL TANGIBLE ASSETS	300 251	436 856	–	737 107

*Department of Home Affairs
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2007**

25. INTANGIBLE CAPITAL ASSETS

Movement in intangible capital assets per asset register for the year ended 31 March 2006

	Opening balance Cost R'000	Current Year Adjust-ments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing Balance Cost R'000
CAPITALISED DEVELOPMENT COSTS	–	–	–	–	–
COMPUTER SOFTWARE	–	–	5 334	–	5 334
MASTHEADS AND PUBLISHING TITLES	–	–	–	–	–
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	–	–	–	–	–
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	–	–	–	–	–
SERVICES AND OPERATING RIGHTS	–	–	–	–	–
OTHER INTANGIBLES	–	–	113 067	–	113 067
TOTAL INTANGIBLE ASSETS	–	–	118 401	–	118 401

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2007**

25.1 Additions to intangible capital assets per asset register for the year ended 31 March 2007

	Cash Coast	Non-Cash Fair Value	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year) Cost	Total Cost
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	–	–	–	–	–
COMPUTER SOFTWARE	5 334	–	–	–	5 334
MASTHEADS AND PUBLISHING TITLES	–	–	–	–	–
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	–	–	–	–	–
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	–	–	–	–	–
SERVICES AND OPERATING RIGHTS	–	–	–	–	–
OTHER INTANGIBLES	113 067	–	–	–	113 067
TOTAL	118 401	–	–	–	118 401

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007
ANNEXURE 1A: STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2006/07	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of Available funds spent by municipality %	Total Available R'000
Amajuba District Municipality	5	—	—	5	1	20,0	—	—	—	—
Amatole District Municipality	0	—	—	0	4	—	—	—	—	—
Bojanala Platinum District Municipality	38	—	—	38	10	26,3	—	—	—	—
Bophirima District Council	17	—	—	17	9	52,9	—	—	—	—
Cacadu District Municipality	59	—	—	59	24	40,7	—	—	—	—
Cape Metropolitan Council	30	—	—	30	20	66,7	—	—	—	—
Cape Winelands District Municipality	25	—	—	25	2	8,0	—	—	—	—
Capricorn District Municipality	55	—	—	55	21	38,2	—	—	—	—
Central District Municipality	0	—	—	0	11	—	—	—	—	—
Chris Hani District Municipality	4	—	—	4	16	400,0	—	—	—	—
East Freestate District Council	48	—	—	48	11	22,9	—	—	—	—
Eden District Municipality	7	—	—	7	3	42,9	—	—	—	—
Ehlanzeni District Municipality	78	—	—	78	20	25,6	—	—	—	—
Ethekwini Municipality	23	—	—	23	19	82,6	—	—	—	—
Frances Baard District Municipality	0	—	—	0	5	—	—	—	—	—
Gert Sibande District Municipality	0	—	—	0	7	—	—	—	—	—
Greater East Rand Metropolitan	20	—	—	20	27	135,0	—	—	—	—
Greater Jhb Metropolitan Council	35	—	—	35	28	80,0	—	—	—	—
Indlovu Reg Council	27	—	—	27	7	25,9	—	—	—	—
Karoo District Municipality	0	—	—	0	1	—	—	—	—	—
Kgalagadi District Municipality	2	—	—	2	1	50,0	—	—	—	—
Lejweletswa District Municipality	21	—	—	21	3	14,3	—	—	—	—
Lower-Orange District Council	0	—	—	0	4	—	—	—	—	—
Mopani District Council	25	—	—	25	6	24,0	—	—	—	—

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007
ANNEXURE 1A continued : STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2006/07
	Amount	Roll	Adjustments	Total	Actual	Amount	Amount	% of	
	R'000	Overs	R'000	Available	Transfer	received by	spent by	Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Motheo District Municipality	5	-	-	5	11	-	-	220,0	-
Namakwa District Municipality	11	-	-	11	2	-	-	18,2	-
Nkangala District Council	30	-	-	30	9	-	-	30,0	-
Northern Freestate District Council	0	-	-	0	1	-	-	-	-
Overberg District Municipality	2	-	-	2	1	-	-	50,0	-
Sediberg District Municipality	4	-	-	4	6	-	-	150,0	-
Siyanda District Municipality	35	-	-	35	0	-	-	-	-
Southern District Council	36	-	-	36	4	-	-	11,1	-
Tshwane Metropolitan Municipality	1 446	-	-295	1 151	536	-	-	46,4	-
Ugu District Municipality	0	-	-	0	5	-	-	-	-
Umgungundlovu District Municipality	0	-	-	0	4	-	-	-	-
Urmzinyathi District Municipality	4	-	-	4	1	-	-	25,0	-
Uthungulu District Municipality	22	-	-	22	6	-	-	27,3	-
Vehicle Lic: Municipality City Tshwane	0	-	-	0	113	-	-	-	-
Vhembe District Municipality	0	-	-	0	11	-	-	-	-
Waterberg District Municipality	29	-	-	29	5	-	-	17,2	-
West Coast District Municipality	0	-	-	0	1	-	-	-	-
West Rand District Municipality	31	-	-	31	7	-	-	22,6	-
Zululand District Municipality	17	-	-	17	5	-	-	29,4	-
	2 191		- 295	1 896	988				

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007
ANNEXURE 1B: STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	ALLOCATION					TRANSFER		2005/06
	Transfer Ad-justed Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Film and Publication Board	12 933	-	-	12 933	12 933	100,0	19 774	
Government Printing Works	200	-	-	200	199	99,5	188	
Independent Electoral Commission	350 000	-	-	350 000	350 000	100,0	944 258	
Other	-	-	-	-	2	-	-	
	363 133	-	-	363 133	363 134	-	964 220	

*Department of Home Affairs
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007
ANNEXURE 1C: STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Employee Social Benefits-Cash	7 087	-	-	7 087	3 985	56,2	3 078
Claims against the State	-	-	-	-	52	-	284
Donations and Gifts Households-cash	-	-	-	-	53	-	13
Total	7 087	-	-	7 087	4 090	-	3 375

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007
ANNEXURE 2A: STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL**

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2006 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Currency revaluations R'000	Closing balance 31 March 2007 R'000	Guaranteed interest for year ended 31 March 2007 R'000	Realised losses not recoverable R'000
	Motor vehicles								
Stannic		960	930	930	-900	-	960	-	-
	Housing								
Absa Bank		2 465	3 094	83	-712	-	2 465	-	-
African/ Unique Bank		105	84	21	-	-	105	-	-
Boe Bank		975	1 030	-	-55	-	975	-	-
FNB		900	1 244	17	-341	-19	901	-	-
Free State Development		18	18	-	-	-	18	-	-
Green Start H/L		17	30	-	-14	-	16	-	-
Hlano Fin. Services		18	18	-	-	-	18	-	-
Ithala		34	34	-	-	-	34	-	-
Meeg Bank		60	60	-	-	-	60	-	-
N P Develop. Corp.		226	189	37	-	-	226	-	-
NEDCOR		2 634	3 287	9	-656	-6	2 634	-	-
NHFC		66	66	-	-	-	66	-	-
Old Mutual Bank		272	312	-	-41	-	271	-	-
Peoples Bank		483	533	-	-34	-16	483	-	-
Saambou Bank		987	1 097	13	-123	-	987	-	-
Siyanda District Municipality		7	7	-	-	-	7	-	-
Standard Bank		1 275	1 486	18	-228	-	1 276	-	-
TNBS Mutual Bank		34	34	-	-	-	34	-	-
UNI Bank		15	15	-	-	-	15	-	-
VBS Mutual Bank		168	164	4	-	-	168	-	-
Total	Housing	10 759	12 802	202	-2 204	-41	10 759		
		11 719	13 732	1 132	-3 104	-41	11 719		

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007
ANNEXURE 3: INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000	31/03/2007 R'000	31/03/2006 R'000
Department						
Clearing Account	657	1 734	157 153	-	157 810	1 734
TOTAL	657	1 734	157 153	-	157 810	1 734

Annual Financial Statements

Government Printing Works



Department of Home Affairs Annual Report 2006 - 2007



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

GENERAL INFORMATION

Management: T. Moyane (Chief Executive Officer)
 J.P. Engelbrecht (Executive Director: Operations and Technology)
 A. Pretorius (Chief Financial Officer (Acting))
 N. Mdakane (Executive Director: HR and Transformation)
 S. Mbhele (Executive Director: Marketing and Publications)

Physical address: 149 Bosman Street, Pretoria 0002

Postal address: Private Bag X85
 Pretoria
 0001

Auditors: Auditor-General
 Pretoria

Bankers: ABSA Bank Limited
 Reserve Bank of South Africa

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Statement of Changes in Funds	148
Cash Flow Statement	149
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*Annual Financial Statements***GOVERNMENT PRINTING WORKS ACCOUNTING OFFICER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2007****STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITY****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 South African Statements of 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 misstatements and losses. The financial statements have been prepared on the going concern basis and in compliance with South African Statements of Generally Accepted Accounting Practice. Unless otherwise indicated, the financial statements are prepared on the same basis and accounting policies as in previous years to comply with the South African Statements of Generally Accepted Accounting Practice as directed by the National Treasury.

EXECUTIVE SUMMARY

This has been a year with a number of positive developments; however, there are a few blemishes, which still affect the smooth implementation of the organization's strategic objectives. Management through EXCO (Executive Committee) and MANCO (Management committee) has worked tremendously well to deal with both strategic and operational matters. It is important therefore to take stock of how the Government Printing Works has performed during the course of the year under review with respect to the three key strategic objectives, which formed the pillars of the targets, we set ourselves.

1. Background:

The Government Printing Works (GPW) is a Trading Entity operating within the vote of the Department of Home Affairs. In terms of the Public Finance Management Act 1999 (PFMA), Act No. 1 of 1999 as amended by Act No. 29 of 1999, a trading entity is defined as an entity operating within the administration of a department for the provision or sale of goods or services and established with the approval of the National Treasury. Being a trading entity, the Government Printing Works operates purely on a commercial basis, which means it generates revenue to defray its costs, provide for capital requirements and any surplus made is paid over to the Revenue Fund at National Treasury.

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. This entails the following 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.

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**GOVERNMENT PRINTING WORKS ACCOUNTING OFFICER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2007**

- The procurement and distribution of standard stationery items.
- The administration of a 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.

Tariff policy

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

Printing

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

Stationery and government publications

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

2. Corporatisation of Government Printing Works:

The process of corporatisation has significantly been enhanced by the compilation of the Business Case and the Security Bill, which were presented to the Minister of the Department of Home Affairs in mid February 2007. A Deloitte team was responsible for putting together these comprehensive reports. Department of Public Enterprise (DPE) provided guidance and support to Government Printing Works regarding the implementation of Cabinet's Instructions. Department of Public Enterprise, with technical assistance provided by the United Kingdom Government's Department for International Development (DFID), has sought to investigate, assess and make recommendations about:

- 2.1 Factors which must determine whether or not a sustainable business case can be made for the corporatisation of the Government Printing Works.
- 2.2 Actions, which have to be taken to achieve a successful corporatisation.

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

3. Equipment and machinery upgrading:

Government Printing Works has a number of old equipment and technology, which are not in line with international trends, especially in the security printing industry. Over the last decade, there have been fewer investments in new technologies within Government Printing Works making it very difficult for the institution to cope with the ever-changing needs of the industry. In the past three years, the Government Printing Works retained some of its surplus for this purpose and the intention being to accumulate sufficient capital to procure new pieces of equipment to enhance quality and timely delivery of products to its customers, thus creating suitable conditions to expand the organization's competitiveness and capabilities in the high volume but lucrative production markets.

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GOVERNMENT PRINTING WORKS ACCOUNTING OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2007

A tender for the procurement of saddle stitches, a very critical component in the compilation of tender bulletins, gazettes and examination papers, has gone out and the tender is due for adjudication soon.

A new passport production line has been ordered due for delivery in the new financial year 2007/2008. This high technology and security, state-of-the-art equipment will allow the Government Printing Works to have a seamless production of passports (end-to-end capacity) and streamline a centrally coordinated distribution process which will eliminate backlogs in the passport section of the Department of Home Affairs.

4. New Facility (factory and offices)

The delays in the finalization of the procurement option process by the Department of Public Works is a cause of concern because the delivery of the project impacts negatively on point two (2) above because the new state-of-the-art equipment must be installed in this new facility. Government Printing Works is looking at option B to find an amicable long-term solution to the problem. At the core of this problem is the funding and the sources of finance which led amongst other factors to the dismissal of the CFO.

5. Productive environment for the year under review

During the year the following important productive statistics are essential to highlight with a view to demonstrate how the organization performed

- | • Description | Quantities | Value |
|--------------------|------------|--------------|
| Passports | 1 041 478 | R 18 746 604 |
| Identity Documents | 2 078 114 | R 8 316 456 |
- Paper usage: 3 750 674 kg which signifies 9.1% increase from the previous year.
 - Examinations: 12 596 471 printed text equal to 236 053 700 A4 pages.
 - Gazettes: 2 080 editions were released comprised 89 535 pages of text in A4 format.

6. Other Developments

During the year under review the following milestones were achieved:

- 6.1 At management level, EXCO had a dynamic and value adding experience with Executive authority of the Department of Home Affairs, regular meetings with the Director-General on operational and strategic decisions. Regarding the performance of Government Printing Works. Policy decisions were discussed with both the Deputy Minister and the Minister, enabling the organization to meet its mandate. Invaluable support came in the form of authorizations, which allowed management to be functionally operational in discharging the tasks which impact on the department as a whole. Clear-cut lines of communication were put in place thus removing the red tape, which in the past hampered progress.
- 6.2 Establishment and appointment of a GPW Audit Committee – given the pivotal role this body plays in any institution, this has provided Government Printing Works with an opportunity to deal with its financial oversight via independent financial advisors.
- 6.3 Government Printing Works received additional funding of approximately R150 million from the Department of Home Affairs in support of the Capital Projects – Equipment Replacement Programme. These funds will be utilized in the 2007-08 financial year; this will help in fast tracking the procurement of most sought after additional equipment.

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**GOVERNMENT PRINTING WORKS ACCOUNTING OFFICER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

- 6.4 The Gobodo Forensic investigation is continuing whose outcome is yet to be reached, given the complex nature of issues it seeks to address; however, the impact will need to be managed properly.
- 6.5 The Malawi Examination Board visited Government Printing Works to familiarize itself with the view to printing some of their examinations materials in future.
- 6.6 Presentations were made to both the Portfolio Committee of Home Affairs and SCOPA a necessary interaction with the institutions of government, which have an oversight on corporate governance.
- 6.7 The unfortunate development was the dismissal of the Chief Financial Officer for misconduct and once again putting the organization on a back foot in search of yet another senior executive.

Overall performance is encouraging; more emphasis should be placed in talent identification, management and retention in the corporatised entity that the organization is planning for. From a technical advancement perspective, the time has come for an accelerated migration to systems, which will enhance productivity, competitiveness, timely delivery of services in all aspects and high quality products.

The selection of Government Printing Works in March 2007 to print the African Union diplomatic and service passports is one of the most significant breakthroughs and achievements in the history of the organization. This decision by the African Union indicates a huge vote of confidence in the country and the Ministry to showcase the institution's capabilities in the security-printing arena. This selection opens opportunities and possibilities to a much bigger market in Sub-Saharan Africa.

An all embracing marketing strategies will need to be tightened up to align with the institution's vision to garner a customer base, the order book is exciting to permit maximization of the organization's asset base; the main objective being a financial perspective to ensure profitability and a robust cash flow and sound financials.

In order to sustain these positive developments and achievements, policies and procedures must be in place in the new financial year. High on the agenda will be the consolidation of security measures across the whole spectrum, a senior security manager, knowledgeable in such matters has been recruited to guide and provide leadership. Health and safety measures in the factory environment must be upgraded and punitive steps taken against those who violate the basic tenets of safety. Most importantly, guidelines must be written and be communicated to all the employees.

Finally, an institution that serves its customers, especially government, on high security matters must observe ethics, transparency and good corporate governance to meet our customers' and shareholders' expectations.

7. Approval

The Accounting Officer has approved the annual financial statements set out in pages 146 to 163.



T. Moyane
CHIEF EXECUTIVE OFFICER
DATE: 31 MAY 2007

Annual Financial Statements

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE GOVERNMENT PRINTING WORKS FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Government Printing Works (GPW) which comprise the balance sheet as at 31 March 2007, income statement, statement of changes in net funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 146 to 163.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

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

Annual Financial Statements

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS
AND PERFORMANCE INFORMATION OF THE GOVERNMENT PRINTING WORKS FOR THE
YEAR ENDED 31 MARCH 2007**

Basis for adverse opinion

Receivables

9. Receivables were not initially recognised at fair value and were subsequently not measured at amortised cost as required by IAS 39. Estimations indicated that debtors were understated (2006: overstated) by R3,245 million (2006: R5,861 million), income overstated by R15,573 million (2006: R18,179 million) and interest received understated by R18,818 million (2006: R12,318 million).
10. I previously reported on the lack of effective and efficient steps to collect monies due to the GPW timeously, which resulted in poor management of debtors.

The trade and other receivables balance at year-end amounted to R115 million (2006: R155 million), after bad debts amounting to R63 million were written off. Corrective measures implemented by management were still ineffective and insufficient. The following serve as examples:

- No provision for doubtful debts was made, whilst debtors older than 150 days still represented R52,633 million. Estimates indicate that purchases and the provision for doubtful debts were understated by R30,268 million and consequently the net surplus was overstated. Furthermore, the GPW did not have an approved and implemented policy on doubtful debts. Total debts written off in the current year amounted to R63,089 million consisting of the provision for doubtful debts - R0 (2006: R50,831 million) and an income statement amount of R12,258 million (2006: R0).
 - The GPW did not resolve all amounts included in the suspense accounts monthly, as required by Treasury Regulation (TR) 17.1.2.(b). These accounts amounted to R10,610 million (2006: R15,033 million) at year-end and could result in an overstatement of debtors and incorrect interest charged on debtors accounts. Furthermore, estimates indicated that the interest received account was overstated by R2,082 million and consequently the net surplus was overstated.
 - Some debtors included in the debtors age analyses exceeded their approved credit limits. This increased the risk of irrecoverable debts.
 - Individual debtors reconciliations and system-generated age analyses did not always agree at year-end and were not reviewed by a senior person. Furthermore, reconciling items were not followed up on a timely basis.
 - The GPW did not refer long outstanding debts to the State Attorney as required by TR11.2.1 and the PFMA, section 38(1)(c)(i).
11. Non compliance with IAS 18. Irrecoverable printing costs amounting to R1,016 million (2006: R1,861 million) were invoiced to the GPW itself while not meeting the recognition criteria of income. Sales and receivables were overstated.

Inventory

12. Work in progress (WIP) in the amount of R19,093 million could not be verified. No reliance was placed on the WIP report due to inconsistencies between this report and the job tickets on the stock system.
13. Work in progress also incorrectly included a profit margin of 10% on overheads and labour. This represented an understatement of cost of sales, an overstatement of stock and consequently an overstatement of net surplus.

Annual Financial Statements**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE GOVERNMENT PRINTING WORKS FOR THE YEAR ENDED 31 MARCH 2007****Payables**

14. The goods received control account included long outstanding amounts of R1,690 million for prior years and R5,380 million for the current year. These amounts might be overstatements of payables and purchases. Reconciliations of this account were inadequate and not reviewed by a senior person.
15. Payables were not initially recognised at fair value and were subsequently not measured at amortised cost as required by IAS 39. Estimations indicated that payables were understated by R0,473 million (2006: R2,336 million), purchases overstated by R4,913 million (2006: R5,476 million) and interest payable understated by R5,386 million (2006: R7,812 million).

Property, plant and equipment

16. My previous report referred to an amount of R4,013 million for the revaluation of assets that was incorrectly charged to the income statement instead of being debited to the relevant asset accounts. This prior year error was incorrectly reversed in the current year, resulting in an overstatement of income, an understatement of the revaluation reserve and consequently an overstatement of net surplus. The prior period error was also not adjusted and disclosed as required by IAS 8. The residual value and the useful life of property, plant and equipment were not reviewed by the GPW at each financial year-end as required by IAS 16.

Funds distributable to National Revenue Fund

17. The total effect of the matters reported above will result in a deficit of an estimated R24 million mainly due to the inadequate provision of doubtful debts.

Special investigations in progress or completed

18. In note 6.4 of the accounting officer's report, reference is made to a forensic investigation that is still in progress. A final report dated 26 October 2005 from the investigation indicated an amount of R66,492 million which relates to fruitless and wasteful and/or irregular and/or unauthorized expenditure. The investigation covered the period 1 April 2003 to 31 December 2004. According to the report this amount can increase substantially. The report indicated that GPW officials do not follow the applicable policies and procedures and that GPW should consider taking appropriate disciplinary steps in those instances.

This also relates to non-compliance with the PFMA section 38(1)(g), 38(1)(h)(iii) and 40(3)(b).

Adverse opinion

19. In my opinion, because of the significance of the matters discussed in the basis for adverse opinion paragraphs, the financial statements do not present fairly, in all material respects, the financial position of the GPW as at 31 March 2007 and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the PFMA.

OTHER MATTERS

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

20. Non-compliance with applicable legislation

Treasury Regulations

- Fruitless and wasteful expenditure – R14,7 million (2006: R0)

Fruitless and wasteful expenditure disclosed in the financial statements consisted of obsolete and slow-moving stock that was written off during the current financial year relating to prior periods – this was in non-compliance with TR 9.1.1.

Annual Financial Statements

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE GOVERNMENT PRINTING WORKS FOR THE YEAR ENDED 31 MARCH 2007

- Settlement of obligations
The GPW did not settle obligations in the amount of R3,930 million within the prescribed time of 30 days, as required by TR 8.2.3.
- Risk assessment and fraud prevention plan
The fraud prevention plan was approved on 22 March 2007, but was not implemented and fully operational during the financial year as required by TR 3.2.1.

A risk assessment was performed, but not approved, implemented and monitored as required by TR 3.2.1. Management was not in a position to estimate the significance and the likelihood of the risks and management could not respond to the identified risks in good time.

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

- Signing of financial statements
Without the written approval from National Treasury as required by section 36(3)(b) of the PFMA, the financial statements were signed by the chief executive officer and not by the accounting officer.
- Audit committee and internal audit function
During the year the internal audit function reported to the chief financial officer, due to the late constitution of the new audit committee for the GPW. The first meeting was only held on 22 March 2007. The system of internal audit was not under the control and direction of the audit committee as required by section 38(a)(ii) of the PFMA.

Some internal audit documents were not approved or implemented and therefore no reliance could be placed on the work of the internal audit function.

- Budget and cash flow control
No evidence was obtained that the GPW submitted a breakdown of anticipated revenue and expenditure in the format determined by the National Treasury, no later than the last working day of February preceding the financial year to which it relates as required by section 40(4)(a) of the PFMA and TR 15.10.2.1.

The budget of the GPW for 2006-07 was only approved by the chief executive officer on 7 June 2006. The budget of the GPW for 2007-08 was only approved by the chief executive officer and the budget committee on 20 March 2007.

Furthermore, the GPW did not submit information, on actual revenue and expenditure for the preceding month in the prescribed format as required by section 40(4)(b) and (c) of the PFMA. The three-year strategic plan for the GPW was obtained, but the approval was still outstanding.

Basic Conditions of Employment Act

- Overtime
The GPW did not, as prescribed by the Basic Conditions of Employment Act section D.2.(c), provide written authorisation from the accounting officer in advance for overtime worked. Overtime that constituted more than 30% of the employee's monthly salary was compensated in contravention with section D.2.(d). Some employees worked excessive overtime of more than 100% of their monthly salary.

21. Matters of governance

No evidence was available that the GPW reported back to the Standing Committee on Public Accounts (SCOPA) on steps taken within 60 days after the resolution on the annual report and the report of the Auditor-General on the GPW's 2003-04 and 2004-05 financial statements as adopted by Parliament.

Annual Financial Statements**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE GOVERNMENT PRINTING WORKS FOR THE YEAR ENDED 31 MARCH 2007**

22. Material corrections made to the financial statements submitted for audit

The financial statements, approved by the accounting officer as submitted for audit on 31 May 2007 have been significantly revised in respect of the following misstatements identified during the audit:

- Credit balance included in debtors and debit balances included in creditors in the amounts of R17,943 million & R1 thousand respectively were incorrectly disclosed
- Accruals were understated by R2,386 million
- Depreciation of R8,490 million was incorrectly disclosed under operating expenses and not cost of sales
- Double processing of a creditor in the amount of R0,963 million
- Incorrect allocation of the stock transfer account in the amount of R50 thousand
- Creditor's age analyses and the creditors control account disagreed by R50 thousand
- Fruitless and wasteful expenditure in the amount of R14,7 million was not properly disclosed

23. Internal control

Information system controls and communication

- A documented and approved information technology (IT) security policy had not been established. User account management procedures and a network monitoring package had not been implemented to regulate and monitor access to the operating system, applications and the internet. The antivirus policy was also not comprehensively applied.
- The change control policy had not yet been approved to ensure that only authorised changes would be made to the systems, applications and network infrastructure.
- No documented and approved IT operator's manual and procedures were in place to ensure the completeness of operations.
- The disaster recovery plan was not comprehensive enough and had not been approved to ensure the prompt recovery of the critical systems in the event of a disaster. The data backup and recovery strategy was, furthermore, incomplete.
- The lack of some IT steering committee minutes and an approved IT operating plan could have a negative impact on the attainment of the organisation's business objectives and goals. The IT operational structure was, furthermore, inappropriate and could cause the segregation of duties to be compromised.
- Service level agreements with service providers had not been signed and no policies or procedures were in place against which the contractors' outputs could be evaluated. It could therefore not be determined whether the services delivered were indeed those that the contractors should be paid for.
- Policies, procedures and standards in terms of environmental and physical access controls were inadequate.

Control environment

- The GPW does not have current, approved and appropriate policies, procedures, techniques and mechanisms with respect to all activities.
- Creditors reconciliations were inadequate, did not agree to the creditors age analyses and were not reviewed by a senior person.
- Internal control over fixed assets was inadequate as not all assets were numbered, there was no physical verification of some assets and assets verified did not agree with or were not included in the fixed asset register.

24. Delay in the finalisation of the audit

Due to the national public sector strike action during June 2007 the finalisation of the audit for the 2006-07 financial year was delayed until 31 August 2007.

Annual Financial Statements

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS
AND PERFORMANCE INFORMATION OF THE GOVERNMENT PRINTING WORKS FOR THE
YEAR ENDED 31 MARCH 2007**

25. Unaudited supplementary schedules
The supplementary information set out on page 164 do not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion on them.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

26. I have not audited the performance information - refer to the audit findings below.

Responsibility of the accounting officer

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

Responsibility of the Auditor-General

28. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.
29. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The audit procedures selected depend on the auditor's judgement.
30. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

31. Non-compliance with regulatory requirements

No reporting of performance information

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

Content of strategic/corporate plan

The strategic plan of the GPW did not include the measurable objectives, expected outcomes, programme outputs, indicators (measures) and targets of the institution's programmes as required by Treasury Regulation, chapter 5, section 5.2.2(d).

APPRECIATION

32. The assistance rendered by the staff of the Government Printing Works during the audit is sincerely appreciated.



D E L Zondo for Auditor-General
Pretoria
30 August 2007



A U D I T O R - G E N E R A L

Government Printing Works
BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 R'000	2006 R'000
ASSETS			
Non-current assets		25 520	35 723
Property, plant and equipment	2	25 520	35 723
Current assets		406 004	392 488
Inventories	3	96 022	103 338
Trade and other receivables	4	143 025	170 941
Cash and cash equivalents	5	166 957	118 209
Total assets		431 524	428 211
FUNDS AND LIABILITIES			
Funds		346 314	346 093
Capital fund	6	189 098	189 098
Machinery and Equipment fund	7	152 911	95 932
Funds distributable to National Treasury	8	4 305	61 063
Current liabilities		85 210	82 118
Trade and other payables	9	78 782	74 249
Provisions	10	6 428	7 869
Total funds and liabilities		431 524	428 211

Government Printing Works

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 R'000	2006 R'000
Revenue	11	475 703	464 062
Cost of sales		(398 456)	(337 553)
Gross surplus		77 247	126 509
Other income	12	7 420	2 344
Operating surplus		84 667	128 853
Operating expenditure	13	(80 362)	(67 790)
Net surplus for the year before distributions		4 305	61 063
Funds distributable to National Revenue Fund		(4 305)	(61 063)
Transfers to National Revenue Fund		-	-

Government Printing Works

STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2007

Notes	Capital fund R'000	Machinery & Equipment Fund R'000	Retained income R'000	Total equity R'000
Restated Balance at 01 April 2005	189 879	60 154	31 765	281 798
Net surplus for the year	8	–	61 063	61 063
Adjustment for replacement value	7	–	4 013	4 013
Restatement of prior year error – building	6	(781)	–	(781)
Prior year surplus	7	–	31 765	–
Prior year error		–	(71)	(71)
Balance on 1 April 2006	189 098	95 861	61 063	346 022
Net surplus for the year	8	–	4 305	4 305
Adjustment for replacement value	7	–	(4 013)	(4 013)
Previous year surplus	8	–	61 063	–
Balance at end of year 31 March 2007	189 098	152 911	4 305	346 314

Government Printing Works

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2007 R'000	2006 R'000
Cash flows from operating activities			
Cash generated from operations	14	3 343	70 455
Net changes in working capital	15	39 766	(31 224)
Other income	12	67	38
Interest received	12	7 131	2 118
Net cash generated by operating activities		50 307	41 387
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1 781)	(2 601)
Proceeds on sale of assets written off in previous year	12	23	–
Net cash outflow from investing activities		(1 758)	(2 601)
Cash flows from financing activities			
Administration fees (Home Affairs)	12	199	188
Net cash inflow from finance activities		199	188
Net increase in cash and cash equivalents		48 748	38 974
Cash and cash equivalents at beginning of year		118 209	79 235
Cash and cash equivalents at end of year		166 957	118 209

Government Printing Works**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007****1. ACCOUNTING POLICIES AND BASIS OF PREPARATION**

The accounting policies adopted in the preparation of the financial statements for the year under review are in accordance with South African Statements of Generally Accepted Accounting Practice.

The Financial Statements have been prepared in accordance with the historical cost basis on the basis that the Government Printing Works is a going concern and are presented in South African Rands. All values are rounded to the nearest thousand Rand except where otherwise indicated.

The Financial Statements incorporate the following principal accounting policies, which comply with the South African Statements of Generally Accepted Accounting Practice:

1.1 Changes in accounting policies and comparability

The accounting policies adopted are consistent with those of the previous year, except where the trading entity has adopted certain new and amended South African Statements of Generally Accepted Accounting Standards, which are mandatory for financial years beginning on or after 1 January 2006 and 2007.

1.2 Significant Judgements

In preparing the Financial Statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Significant estimates and judgements made relate to an allowance for doubtful debts, allowances for slow moving inventory, residual values, useful lives and depreciation methods, employee obligations and asset impairment tests.

Other judgements made relate to classifying financial assets and liabilities into categories.

1.3 Foreign currency transactions

The functional and presentation currency of Government Printing Works is the South African Rand. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency, being the South African Rand, at exchange rates ruling at the balance sheet date. Exchange differences arising on the settlement of transactions, at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in the income statement and included in financing costs.

1.4 Financial Instruments

Financial instruments recognized on the balance sheet include trade and other receivables, cash and cash equivalents and trade and other payables. Financial instruments are initially measured at fair value, including transaction costs.

1.4.1 Trade and other receivables

Trade and other receivables are stated at cost less an allowance for doubtful debts. The allowance rose being debtors whose balances exceed 120 days and greater.

Government Printing Works**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007****1.4.2 Cash and cash equivalents**

Cash and cash equivalents are measured at fair value. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held and owed by Paymaster General.

1.4.3 Financial Instruments**Initial recognition**

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified as at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value. Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is not recognised for assets carried at cost or amortised cost, other than impairment losses.

Subsequent measurement

After initial recognition financial liabilities are measured as follows:

- financial liabilities at fair value through profit or loss, including derivatives that are liabilities, are measured at fair value
- other financial liabilities are measured at amortised cost using the effective interest method.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.
- Gains and losses are recognised directly in equity, through the statement of changes in equity, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss.
- Financial assets and financial liabilities carried at amortised cost: a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

1.4.4 Impairment of assets

The entity assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Government Printing Works**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

Irrespective of whether there is any indication of impairment, the entity also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual year and at the same time every year.

If there is any indication that an asset may be impaired, recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Finance leases are recognised as assets and liabilities in the balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value on the minimum lease payments. Any initial direct costs are added to the amount recognised as an asset. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability. Any contingent rents are expensed in the period they are incurred.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Government Printing Works**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007****1.7 Property, plant and equipment**

The cost of an item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised.

Plant and equipment are carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided on all plant and equipment to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Useful life
Plant and equipment	8 years
Office furniture	6 years
Computer equipment	3 years
Motor vehicles	5 years

The depreciation charge for each period is recognised in profit or loss. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.8 Provisions

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions shall not be recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. Contingent assets and contingent liabilities are not recognised.

1.9 Revenue recognition

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Government Printing Works**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments;
- to the extent that it is probable that they will result in revenue; and
- they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Employee benefits**Retirement benefit cost**

- **Pension fund**

Government Printing Works contributes to the Government Employees Pension Fund in respect of employer's contribution to the Fund, as prescribed by law and therefore recognized as an expense in the accounting period. These contributions are funded by both the employer and employees respectively. No provision is made for pension retirement benefits in the financial statements of Government Printing Works as the pension scheme is administrated by National Treasury. Once the employee leaves the Department, he/she becomes a pension member under the auspices of National Treasury and has no relationship with Government Printing Works.

- **Medical benefits**

The Government Printing Works provides medical benefits for its employees in accordance with Public Service conditions of service benefits. These benefits are funded by employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is therefore made for medical benefits in the financial statements of the Government Printing Works.

GPW does not bear any responsibility for medical benefits for employees that have retired.

- **Termination benefits**

Termination benefits are recognised and expensed only when payment is made and the actual costs are reflected. These benefits are pro rata leave when an employee resigns or when an employee retires. The benefits will include pro rata leave, pro rata bonus and capped leave.

Government Printing Works

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

2. Property, plant and equipment

Nature of assets	2007			2006		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Plant and Equipment	77 939	(57 600)	20 339	77 880	(49 463)	28 417
Computer equipment	13 203	(11 467)	1 736	13 023	(8 431)	4 592
Office furniture	8 825	(6 260)	2 565	8 163	(5 449)	2 714
Motor Vehicle	880	–	880	–	–	–
	100 847	(75 327)	25 520	99 066	(63 343)	35 723

Reconciliation of property, plant and equipment - 2007

Nature of assets	Opening balance	Additions	Disposals/ Write-offs	Revaluations/ (Impairments)	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Plant and Equipment	28 417	59	–	–	(8 137)	20 339
Computer equipment	4 592	180	–	–	(3 036)	1 736
Office furniture	2 714	662	–	–	(810)	2 565
Motor Vehicle	–	880	–	–	–	880
	35 723	1 781	–	–	(11 983)	25 520

Reconciliation of property, plant and equipment - 2006

Nature of assets	Opening balance	Additions	Disposals/ Write-offs	Revaluations/ (Impairments)	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Plant and Equipment	34 341	781	(11)	–	(6 694)	28 417
Computer equipment	5 475	1 089	(147)	–	(1 825)	4 592
Office furniture	2 673	731	(23)	–	(667)	2 714
Land and Building	781	–	(781)	–	–	–
	43 270	2 601	(962)	–	(9 186)	35 723

Government Printing Works**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007**

The 2006 reconciliation has been adjusted to reflect an error made in the processing of asset write-offs (see note 31).

3. Inventories

	2007 R'000	2006 R'000
Raw materials	23 934	19 226
Finished goods	48 968	55 177
Work in progress	19 093	25 151
Government Gazettes	4 027	3 784
	96 022	103 338

Inventories are valued consistent to previous years as stated on note 1.5. During the year under review slow moving and obsolete stock amounting to R 14.7 million (2006 – R0) was written off.

4. Trade and other receivables

The provision for doubtful debts was utilised in full when the National Treasury recommended the write-off of long outstanding trade receivables. In view of the fact that all long outstanding debts have been written off, no contributions were made to the provision for the year under review, resulting in no provision for doubtful debts being made.

	2007 R'000	2006 R'000
Trade receivables	135 418	208 914
Less: Provision for doubtful debts	–	(50 831)
	135 418	158 083
Other receivables	7 606	12 858
Deferred lease payments	1	–
	143 025	170 941

Government Printing Works

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007

5. Cash and cash equivalents

	2007 R'000	2006 R'000
Paymaster General	161 330	118 201
Petty cash	16	8
Bank	5 611	–
	166 957	118 209

6. Capital fund

The accounting treatment of the capital fund has been consistent with prior years but does not conform to the statements of Generally Accepted Accounting Practice. The departure from the Generally Accepted Accounting Practice does not have any financial implications but disclosure on the annual financial statements.

	2007 R'000	2006 R'000
Balance at the beginning of year	189 098	189 879
Restatement of prior year error on the value of the building	–	(781)
Balance at the end of the year	189 098	189 098

7. Machinery and Equipment fund

The accounting treatment of the machinery and equipment fund does not conform to the statements of General Accepted Accounting Practice. The departure from the Generally Accepted Accounting Practice does not have any financial implications but disclosure on the annual financial statements. In response to an audit query in 2006, it was decided to reverse the adjustment for replacement value made in 2006 pending the finalization of a comprehensive asset management policy, which will include a formal asset revaluation policy.

	2007 R'000	2006 R'000
Balance at the beginning of the year	95 932	60 122
Transfer for capital expenditure	60 992	31 765
Adjustment for replacement value	(4 013)	4 013
Restatement of prior year error	–	32
Balance at the end of the year	152 911	95 932

Government Printing Works

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007

8. Funds distributable to the National Treasury

This fund has been created to reflect surplus funds generated during the year and approval has been requested from National Treasury to allow Government Printing Works to transfer the funds to machinery and equipment fund.

Transfer from income statement

	2007 R'000	2006 R'000
Transfer from income statement	4 305	61 063
	4 305	61 063

9. Trade and other payables

Trade payables

Other payables

	2007 R'000	2006 R'000
Trade payables	42 719	47 612
Other payables	36 063	26 637
	78 782	74 249

10. Provisions

Opening balances 1/4/2006

Additional Provisions made during the year

Amounts utilised during the year/Reversal of capped leave

Closing balances 31/3/2007

	Leave Pay R'000	Service Bonus R'000	Total 2006/7 R'000
Opening balances 1/4/2006	6 240	1 629	7 869
Additional Provisions made during the year	–	3 746	3 746
Amounts utilised during the year/Reversal of capped leave	(1 734)	(3 453)	(5 187)
Closing balances 31/3/2007	4 506	1 922	6 428

11. Revenue

Revenue represents net invoiced sales to customers, excluding Value Added Tax.

Regular sales
Contract printing

	2007 R'000	2006 R'000
Regular sales	400 170	346 965
Contract printing	75 533	117 097
	475 703	464 062

Government Printing Works

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
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12. Other income

	2007 R'000	2006 R'000
Interest received	7 131	2 118
Administration fees (Home Affairs)	199	188
Telephone refunds	67	38
Proceeds on sale of assets written off in previous year	23	–
	7 420	2 344

13. Operating expenditure

	2007 R'000	2006 R'000
Audit fees	3 536	2 085
Depreciation	3 494	2 487
Employee benefits	37 176	32 142
Provisions	(1 441)	(1 675)
Other operating expenditure	37 597	32 751
	80 362	67 790

14. Cash flows from operating activities

	2007 R'000	2006 R'0000
Net surplus for the year	4 305	61 063
Adjusted for:		
Other income	(7 420)	(2 344)
	(3 115)	58 719
Adjusted for:		
Restatement of prior year errors	(71)	32
Depreciation	11 983	9 186
Provisions	(1 441)	(1 675)
Adjustment for replacement value	(4 013)	4 013
Write off assets	–	180
Operating profit before working capital changes	3 343	70 455

15. Net changes in working capital

	2007 R'000	2006 R'000
Decrease in inventory	7 316	15 944
Decrease/(increase) in trade and other receivables	12 819	(24 057)
Increase/(decrease) in trade and other payables	19 631	(23 111)
	39 766	(31 224)

Government Printing Works

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007**16. Net surplus for the year**

The following items have been charged in arriving at net surplus:

	2007 R'000	2006 R'000
Depreciation on plant and equipment, computers and office furniture	3 494	9 186
Auditors' remuneration		
Audit fees - current year	3 536	2 085
Consultant fees	4 453	4 456

17. Employee benefits

	2007 R'000	2006 R'000
Salaries and wages	58 658	51 428
Employer contribution:		
Pension	5 537	4 760
Housing	1 167	1 172
Medical	3 845	3 906
Public Service Co-ordinate Bargaining Council	3	4
General Public Service Bargaining Council	14	15
	69 224	61 285

18. Contingent liabilities

	2007 R'000	2006 R'000
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These contingent liabilities represent guarantees to various financial institutions for housing loans to personnel. In the event the liability arises, then Government Printing Works will be liable to pay out and then institute a claim against personnel. Although the exposure appears reasonable, there is no limit to these contingent liabilities because they are purely dependent on employees exercising the benefit.

Guarantees to various financial institutions for housing loans	606	896
	606	896

Government Printing Works

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007**19. Capital Commitments**

None after the year-end to date of this report.

20. Related party transactions

The core business of the Government Printing Works is the provision of printing and related services to government entities across all spheres of government. Due to the number of entities involved, the disclosure requirements of IAS is considered impractical and is not provided.

As the Government Printing Works is a trading entity operating within the vote of the Department of Home Affairs, transactions with the Department is disclosed below:

	2007 R'000	2006 R'000
Sales	31 930	37 900
Debtor	13 800	5 776
Administration fees received from Department of Home Affairs	199	188

21. Executive remuneration

	2007 R'000	2006 R'000
Chief Executive Officer	740	706
Chief Financial Officer	479	231
Executive Director: Operations	567	479
Executive Director: HR and Transformation	538	–
Executive Director: Marketing and Branding	557	–
Director: Costing	469	–
Director: Administration	449	446
Factory Manager (Director)	482	–
	4 281	1 862

22. Remuneration of Audit Committee Members

	2007 R'000	2006 R'000
Audit Committee Members	–	13

23. Unauthorised Expenditure

There was no unauthorised expenditure during the year.

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24. Irregular Expenditure

There was no irregular expenditure during the year.

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Government Printing Works**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007****25. Fruitless and wasteful expenditure**

	2007 R'000	2006 R'000
Obsolete and slow moving stock were written off during the current financial year but actually relates to at least the last five financial years and the period prior to that.	14 700	–

26. Gifts and Donations

No gifts and donations were made during the year. Obsolete inventory to the value of R 801 895.87 that had been written off was donated to the Department of Education.

27. Risk management**Credit Risk Management**

Government Printing Works 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 liabilities as reported in the balance sheet are approximately their fair values.

28. Events after the balance sheet

Events that occurred after the balance sheet date, but before the financial statements were authorized for issue, were considered. There were no events that indicate evidence of any adverse conditions that existed on balance sheet date that should be adjusted for.

29. Operating leases

The Government Printing Works leases various items of office equipment, including photocopying machines, fax machines, a franking machine and a letter opener from various lessors. These lessors are Minolta, Nashua Fintech, Olivetti, Katlego Solutions, OCE, Pitney Bowes and Bytes Document Solutions. The lease agreements are for 3 years and can be renewed at the end of the lease term. The Government Printing Works does not have the option to purchase at the end of the lease term. The lease arrangement does not impose any restrictions.

Future minimum lease payments at 31 March 2007:

Up to 1 year	1 to 5 years	More than 5 years
R436 263	R554 053	R0

30. Change in presentation

Following an audit query in the 2006 financial year, the Government Printing Works has changed the format of its detailed income statement. In prior years, for example, the cost of labour directly involved in the manufacturing process was not allocated to cost of sales but formed part of administrative expenses. In the financial year under review the Government Printing Works completed an exercise during which all expense line items were evaluated and linked to cost of sales, administration expenses or other expenses, whichever is considered most appropriate. The result is that cost of sales, particularly, now accurately reflects all expenses relating to the manufacturing process.

Government Printing Works

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007

The income statement for 2006 has been restated to match the revised allocation format. The change in presentation affects reporting only and not the valuation of stock.

31. Errors**Plant and equipment written off**

The write-off of various items of plant and equipment was accounted for incorrectly in the 2006 financial year. In addition, Government Printing Works neglected to process the entries required to recognise operating lease payments as an expense on a straight line basis over the lease term.

Correcting entries have been processed in the current financial year and comparative figures appropriately adjusted. The effect of this error on the comparative figures of 2006 is as follows:

	2006 R'000
Decrease in expenses	71
Increase in surplus	71
Increase in plant and equipment	72
Increase in trade and other payables	1

Suspense accounts

Amounts received without supporting documentation or reference numbers are allocated to various suspense accounts until the source and nature of the receipt can be identified. In previous years these accounts have been viewed as debtor accounts and deducted from trade and other receivables. As such an assumption cannot be made reliably, these suspense accounts are now disclosed as trade and other payables. The comparative figures have been restated to reflect this correction. The effect of this error on the 2006 comparative figures is as follows:

	2006 R'000
Increase in trade and other receivables	307
Increase in cash and cash equivalents	15 033
Increase in trade and other payables	15 341

32. Rental of buildings

Certain buildings occupied by the Government Printing Works are owned by the Department of Public Works and are provided free of charge. These transactions are not accounted for.

Government Printing Works

**DETAILED INCOME STATEMENT NOT FORMING PART OF THE ANNUAL FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2007**

	2007	2006
	R'000	R'000
Revenue	475 703	464 062
Regular sales	400 170	346 965
Contract Printing	75 533	117 097
Less: Cost of sales	398 456	337 553
Gross surplus	77 247	126 509
Other income	7 420	2 344
Interest	7 131	2 118
Administration fees	199	188
Other Income	67	38
Profit from sales of assets	23	-
Operating surplus	84 667	128 853
Less: Expenditure	80 362	67 790
Administration expenses	14 949	14 905
Audit fees	3 536	2 085
Depreciation	3 494	2 487
Adjustment for replacement value	(4 013)	4 013
Employee benefits	35 734	30 466
Other operating expenditure	14 404	12 861
Bad debts written off	12 258	973
Surplus for the year before capitalisation	4 305	61 063

Human Resources

Department of Home Affairs



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

Department of Home Affairs

HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES

DEPARTMENT OF HOME AFFAIRS

1. SERVICE DELIVERY

The tables below reflect the components of the Service Delivery Improvement Plan as well as the progress made with its implementation.

Table 1.1 – Main services for service delivery improvement and standards

Main Services	Actual Customers	Potential Customers who may be integrated	Standard Of Services	Actual Achievement Against Standards
Civic Services and Migration	All South African citizens in South Africa and abroad as well as 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	Service 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	<ul style="list-style-type: none"> Floorwalkers improved the flow of public in offices Public suggestion boxes were utilised to improve service delivery
Queue management system introduced in certain offices			<ul style="list-style-type: none"> Queue management system assisted with more effective and efficient service delivery
Internet: DHA Website			<ul style="list-style-type: none"> Worldwide access has been ensured. Total of 7680 visits for the entire year and 640 per month have been recorded
Client Service Centre			<ul style="list-style-type: none"> The Client Service Centre is operational. A 24 hour Centre is envisaged and work is in progress regarding the establishment
Campaigns & surveys: Client is always right campaign			<ul style="list-style-type: none"> SAMP report was submitted (South African's Migrations Project) UNISA conducted an opinion survey

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Table 1.3 – Service Delivery Access Strategy

Access Strategy	Actual Achievements
Deployment of service points and mobile units in rural areas	A further 42 state-of-the-art mobile units were provided to the provinces to further improve access to services. A uniform programme for provincial activities was developed in October 2005.
New departmental structure makes provision for additional offices	CSIR study identified 172 locations to be established to improve access to DHA services. 482 mobile stop-over points identified during the survey.

Table 1.4 – Service information tool

Type of Information Tool	Actual Achievements
Proper information at counters, enquiry counters and floor walkers Information available on website	Improved flow of the public through departmental offices. Information available on requirement and procedures in the publication "Know your Home Affairs Service"

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual Achievements
Toll-free line, suggestion boxes, internet website and Client Service Centre	Lines operational, although not optimally.

2. EXPENDITURE

The Department budgets in terms of clearly defined programmes. The tables below 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 exhausted on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 2.1 – Personnel Costs by Programme

Programme	Total Expenditure R'000	Personnel Expenditure R'000	Training Expenditure R'000	Professional and Special Services R'000	Personnel Cost as a Percent of Total Expenditure	Average Personnel Cost per Employee R'
Administration	476 080	165 427	20 740	25 821	34.7	66 437
Delivery of Services	1602 501	679 246	–	184 950	42.4	131 688
Auxiliary and associated services	515 215	–	–	–	–	–
Theft and losses	–	–	–	–	–	–
Total	2 593 796	844 673	20 740	210 771	32.6	110

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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)	52 714	6.2	55 430
Skilled (Levels 3-5)	235 504	27.9	71 257
Highly skilled production (Levels 6-8)	408 086	48.3	137 542
Highly skilled supervision (Levels 9-12)	89 089	10.5	256 003
Senior management (Levels 13-16)	42 325	5	549 675
Other	70	1.8	–
Periodical remuneration	2 087	–	–
Total	829 875	100	110 444

Table 2.3 – Salaries, overtime, home owners' allowance and medical aid by programme

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount R'000	Salaries as a % of Personnel Cost	Amount R'000	Overtime as a % of Personnel Cost	Amount R'000	HOA as a % of Personnel Cost	Amount R'000	Medical Assistance as a % of Personnel Cost
Administration	104 940	63.4	4 030	2.4	1 505	0.9	5 826	3.5
Services to citizens	472 847	69.6	31 889	4.7	10 474	1.5	39 019	5.7
Auxiliary and associated services	–	–	–	–	–	–	–	–
Thefts and losses	–	–	–	–	–	–	–	–
Total	577 787	68.4	35 919	4.3	11 979	1.4	44 845	5.3

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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		
	R'000		R'000		R'000			
Lower skilled (Levels 1-2)	37 249	70.7	1 581	3	808	1.5	2 540	4.8
Skilled (Levels 3-5)	163 725	69.5	14 703	6.2	4 112	1.7	15 648	6.6
Highly skilled production (Levels 6-8)	274 729	67.3	18 594	4.6	6 001	1.5	22 655	5.6
Highly skilled supervision (Levels 9-12)	61 883	69.5	1 041	1.2	650	0.7	3 200	3.6
Senior Management (Levels 13-16)	25 333	59.9	–	–	408	1	802	1.9
Other	14 868	87.7	–	–	–	–	–	–
Periodical Payments	–	–	–	–	–	–	–	–
Total	577 787	68.4	35 919	4.3	11 979	1.4	44 845	5.3

3. EMPLOYMENT AND VACANCIES

The tables below summarise the number of posts on the establishment, the number of employees, the vacancy rate, and any personnel who 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 2007

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	3 544	2 490	29.7	545
Services to citizens	6 691	5 157	23	148
Auxiliary and associated services	12	1	91.7	–
Total	10 247	7 648	25.4	693

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Table: 3.2 – Employment and vacancies by salary bands, 31 March 2007

Salary band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	1 214	951	21.7	339
Skilled (Levels 3-5)	4 148	3 305	20.3	256
Highly skilled production (Levels 6-8)	4 067	2 967	27	80
Highly skilled supervision (Levels 9-12)	703	348	50.5	8
Senior Management (Levels 13-16)	115	77	33	10
TOTAL	10 247	7 648	25.4	693

Table: 3.3 – Employment and vacancies by critical occupation, 31 March 2007

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Information technology related, Permanent	43	21	51.2	–
Information technology related, Permanent	104	52	50	–
Regulatory inspectors, Permanent	1 655	1 234	25.4	–
TOTAL	1 802	1 307	27.5	–

The information in each case reflects the situation as on 31 March 2007. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

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HUMAN RESOURCES MANAGEMENT

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, an executing authority may evaluate or re-evaluate any occupation in his or her organisation. In terms of the Regulations, all vacancies on Salary Level 9 and higher must be evaluated before being filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS occupations should be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of occupations 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 (Levels 1-2)	962	27	3%	27	3%	–	–
Skilled (Levels 3-5)	4 767	992	21%	276	6%	–	–
Highly skilled production (Levels 6-8)	3 868	349	9%	219	6%	–	–
Highly skilled supervision (Levels 9-12)	676	61	9%	16	2%	–	–
Senior Management Service Band A	63	17	27%	–	–	–	–
Senior Management Service Band B	27	7	26%	–	–	–	–
Senior Management Service Band C	5	2	40%	–	–	–	–
Senior Management Service Band D	1	–	–	–	–	–	–
Total	10 369	1 455	14%	538	5%	–	–

Note: The following tables have a nil return

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Table 4.2 – Profile of Employees whose Positions were Upgraded due to their Posts being Upgraded

Beneficiaries	African	Asian	Coloured	White	Total
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 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Occupation	Number of Employees	Job evaluation Level	Remuneration Level	No. of Employees in the Dept
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 during 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 2006 to 31 March 2007

Salary Band	Employment at Beginning of Period	Appointment and Transfers into the Department	Termination and Transfers out of the Department	Turnover Rate
Lower skilled (Levels 1-2)	1 045	193	201	19.2
Skilled (Levels 3-5)	3 347	584	186	5.6
Highly skilled production (Levels 6-8)	2 761	217	207	7.5
Highly skilled supervision (Levels 9-12)	324	29	21	6.5
Senior Management Service Band A	48	8	3	6.3
Senior Management Service Band B	21	7	3	14.3
Senior Management Service Band C	6	1	1	16.7
Senior Management Service Band D	1	–	1	100
Other	56	457	86	67.9
Total	7 609	1 496	709	9.3

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Table 5.2 – Annual Turnover Rates by Critical Occupation for the period 1 April 2006 to 31 March 2007

Occupation	Employment at Beginning of Period	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover % Rate
Computer programmers, Permanent	–	–	–	–
Computer system designers and analysts, Permanent	1	–	–	–
Information technology related, Permanent	56	10	4	7.1
Regulatory inspectors, Permanent	1 017	262	55	5.4
Total	1 074	272	59	5.5

Table 5.3 – Reasons why staff are leaving the Department.

Termination Type	Number	Percentage of Total Employment
Death	54	6.4
Resignation	103	12.2
Expiry of contract	383	45.7
Dismissal-operational changes	65	7.7
Dismissal- misconduct	58	6.9
Dismissal- inefficiency	–	–
Discharged due to ill health	11	1.3
Retirement. Permanent	26	3.1
Transfers to other Public Service Departments	71	8.4
Other	67	7.9
Total	838	11

Total number of employees who left as a % of the total employment	11
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Department of Home Affairs
HUMAN RESOURCES MANAGEMENT

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	–	–	–	–	–
Computer system designers and analysts, Permanent	1	–	–	–	–
Information technology related, Permanent	56	7	12.5	19	33.9
Regulatory inspectors, Permanent	1 017	93	9.1	698	68.6
Total	1 074	100	9.3	717	66.8

Table 5.5 – Promotions by Salary Band

Salary Band	Employees as at 1 April 2006	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)	811	3	0.4	514	63.4
Skilled (Levels 3-5)	3 259	66	2	2 084	63.9
Highly skilled production (Levels 6-8)	2 754	378	13.7	1 537	55.8
Highly skilled supervision (Levels 9-12)	318	48	15.1	120	37.7
Senior Management (Levels 13-16)	66	4	6.1	–	–
Contract (Levels 1-2)	234	–	–	–	–
Contract (Levels 3-5)	88	–	–	–	–
Contract (Levels 6-8)	7	–	–	–	–
Contract (Levels 9-12)	6	–	–	–	–
Contract (Levels 13-16)	10	–	–	–	–
Total	7 609	499	6.6	4 255	55.9

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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 2007

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	28	4	–	8	19	1	1	2	50
Professionals	952	78	22	183	824	42	14	137	1 949
Clerks	1 418	98	18	84	2 151	220	29	612	4 251
Service and sales workers	167	11	–	2	48	3	–	1	234
Craft and related trades workers	–	–	–	–	3	–	–	–	3
Plant and machine operators and assemblers	29	–	–	–	2	–	–	–	30
Elementary occupations	130	14	–	2	266	19	–	4	432
Other	1	–	–	–	1	–	–	–	14
Total	2 725	205	40	279	3 314	285	44	756	7 648
Employees with disabilities	13	–	–	8	7	2	–	7	37

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Table 6.2 – Total Number of Employees (including Employees with disabilities) per Occupational Bands as on 31 March 2007

Occupational Bands	Male African	Female Coloured	Total Indian						Total
				White	African	Coloured	Indian	White	
Top Management	4	–	–	–	3	–	–	1	8
Senior Management	24	5	–	9	23	2	1	3	67
Professionally qualified and experienced specialists and mid-management	145	4	8	43	104	4	5	26	339
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1 039	64	23	174	1 204	87	23	546	3 160
Semi-skilled and discretionary decision making	1 070	102	9	48	1 363	149	12	173	2 926
Unskilled and defined decision making	301	25	–	2	364	24	1	4	721
Not Available	142	5	–	3	253	19	2	3	421
Total	2 725	205	40	279	3 314	285	44	756	7 648

Table 6.3 – Recruitment for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	5	1	–	1	6	1	1	1	16
Professionally qualified and experienced specialists and mid-management	14	–	1	3	8	2	–	1	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	106	5	–	1	100	2	3	–	217
Semi-skilled and discretionary decision making	196	16	1	–	349	19	–	3	584
Unskilled and defined decision making	71	8	1	–	108	5	–	–	193
Not Available	160	7	–	3	262	20	2	3	457
Total	552	37	3	8	833	49	6	8	1 496

Department of Home Affairs
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Table 6.4 – Promotions for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	–	–	–	2	–	–	–	4
Senior Management	65	2	4	26	48	2	3	18	168
Professionally qualified and experienced specialists and mid-management	618	35	16	131	687	66	16	347	1 916
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	798	75	7	48	954	109	9	152	2 152
Semi-skilled and discretionary decision making	226	20	–	2	248	16	1	4	517
Unskilled and defined decision making	214	24	–	3	243	14	1	6	505
Total	1 709	132	27	207	1 939	193	29	521	4 757
Employees with disabilities	12	–	–	4	5	2	–	6	

Table 6.5 – Terminations for the Period 1 April 2006 to 31 March 2007

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	1	–	–	–	–	–	–	2
Senior Management	3	–	–	–	2	1	–	–	6
Professionally qualified and experienced specialists and mid-management	9	–	–	3	7	–	–	2	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	89	4	1	10	64	6	1	32	207
Semi-skilled and discretionary decision making	70	3	–	7	90	6	–	10	186
Unskilled and defined decision making	81	3	1	2	111	1	–	2	201
Not Available	36	2	–	–	42	3	–	3	86
Total	290	12	2	22	316	17	1	49	709

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Table 6.6 – Disciplinary Action for the Period 1 April 2006 to 31 March 2007

	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 2006 to 31 March 2007

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior officials and managers	74	4	3	16	55	4	–	12	168
Professionals	411	18	3	42	386	13	5	57	935
Technicians and associate professionals					413				
Clerks	327	29	2	15	413	55	9	16	866
Elementary occupations	174	18	3	13	258	16	4	9	495
Total	986	69	11	86	1 112	88	18	94	2 464

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).

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Table 7.1 – Performance Rewards by Race, Gender and Disability, 1 April 2006 to 31 March 2007

	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	740	2 212	27.3	3 228	4 363
Female	904	3 307	27.3	4 073	4 505
Indian					
Male	15	40	37.5	149	9 959
Female	13	44	29.5	118	9 092
Coloured					
Male	47	205	22.9	236	5 022
Female	96	283	33.9	481	5 009
White					
Male	128	271	47.2	1 183	6 058
Female	450	749	60.1	2 726	9 243
Employees with a disability	18	37	48.6	84	4 677
Total	2 411	7 648	31.5	12 279	5 093

Table 7.2 – Performance Rewards by Salary Bands for Personnel below Senior Management Service, 1 April 2006 to 31 March 2007

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)	255	605	42.1	676	2 651	–
Skilled (Levels 3-5)	900	2 861	31.5	2 807	3 119	–
Highly skilled production (Levels 6-8)	1 123	3 078	36.5	6 600	5 877	–
Highly skilled supervision (Levels 9-12)	133	325	40.9	2 197	16 519	–
Other	–	425	–	–	–	–
Contract (Levels 1-2)	–	117	–	–	–	–
Contract (Levels 3-5)	–	66	–	–	–	–
Contract (Levels 6-8)	–	80	–	–	–	–
Contract (Levels 9-12)	–	15	–	–	–	–
Periodical Remuneration	–	11	–	–	–	–
Total	2 411	7 583	31.8	12 280	5 093	–

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Table 7.3 – Performance Rewards by Critical Occupations, 1 April 2006 to 31 March 2007

Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost R'000	Average Cost per Beneficiary
Computer programmers, Permanent	–	–	–	–	–
Computer system designers and analysts, Permanent	–	1	–	–	–
Information technology related, Permanent	17	68	25	204	12 000
Regulatory inspectors	382	1 235	30.9	1 773	4 641
Total	399	1 304	30.6	1 977	4 955

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	–	43	–	–	–
Band B	–	25	–	–	–
Band C	–	8	–	–	–
Band D	–	1	–	–	–
Total	–	76	–	–	–

8. FOREIGN WORKERS

No foreign workers were employed in the Department during the period 1 April 2006 to 31 March 2007.

9. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2007 TO 31 DECEMBER 2007

The Public Service Commission identified the need for thorough 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.

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Table 9.1 – Sick Leave, 1 January 2007 to 31 December 2007

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost R'000
Lower skilled (Levels 1-2)	3 001	79.5	438	9.1	7	454
Skilled (Levels 3-5)	14 405	74.1	1 966	41	7	2 886
Highly skilled production (Levels 6-8)	14 284.5	76.9	2 084	43.4	7	5 039
Highly skilled supervision (Levels 9-12)	1 234	76.8	207	4.3	6	985
Senior Management (Levels 13-16)	268	74.3	43	0.9	6	534
Other	161	68.9	59	1.2	3	15
Total	33 354.5	76.7	4 797	100	7	9 913

Table 9.2 – Disability Leave (Temporary and Permanent), 1 January 2006 to 31 December 2007

Salary Band	Total Days taken	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost R'000
Lower skilled (Levels 1-2)	845	98.7	59	7	14	129
Skilled (Levels 3-5)	3 989	97.4	382	45.1	10	849
Highly skilled production (Levels 6-8)	4 672	97.3	393	46.4	12	1 655
Highly skilled supervision (Levels 9-12)	177	100	12	1.4	15	126
Senior Management (Levels 13-16)	1	100	1	0.1	1	3
Total	9 684	97.5	847	100	11	2 762

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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 on termination of service.

Table 9.3 – Annual Leave, 1 January 2006 to 31 December 2006

Salary band	Total Days Taken	Average per Employee
Lower skilled (Levels 1-2)	12 719.92	18
Skilled (Levels 3-5)	54 027.16	19
Highly skilled production (Levels 6-8)	66 587.72	22
Highly skilled supervision (Levels 9-12)	6 247	18
Senior Management (Levels 13-16)	985	14
Other	444	4
Total	141 010.8	20

Table 9.4 – Capped Leave, 1 January 2006 to 31 December 2006

Salary Band	Total Days of capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 December 2005
Lower skilled (Levels 1-2)	229	6	63
Skilled (Levels 3-5)	854	5	30
Highly skilled production (Levels 6-8)	2 172	7	77
Highly skilled supervision (Levels 9-12)	74	5	71
Senior Management (Levels 13-16)	4	4	100
Total	3 333	6	61

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 2006 to 31 March 2007*

Reason	Total Amount R'000	Number of Employees	Average Payment per Employee
Leave payout for 2003/04 due to non-utilisation of leave for the previous cycle	396	73	5 425
Capped leave payouts on termination of service	1 480	332	4 458
Total	1 876	405	4 632

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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	<ul style="list-style-type: none"> • First Aid Training provided to 400 officials • Condoms are being distributed, and gloves have been provided. • Inoculation of officials and Refugee Reception Offices-650 officials • Health Risks survey conducted at Beit Bridge and Lindela Holding facility

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 TC Khumalo, Director: Employee Wellness
Does the Department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Directorate: Employee Wellness with an overall budget of R7 000 000 for 2006/07
Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	√		Support and Counselling Services, HIV and AIDS Workplace programme, Life skills training, Sports and Recreation programme and Support groups for People living with HIV and AIDS.
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.	√		Occupational Health and Safety and Employee Wellness Committees.
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 integrated Employee Wellness policy
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.	√		Draft integrated Employee Wellness policy
Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		√	Plans are underway to launch a Voluntary Counselling and Testing programme
Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		√	Departmental Quarterly Reviews Report, Chief Directorate: HR monthly and operational plan

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List of HIV/AIDS Committee Members

OFFICE	NAME	TEL	FAX	CELL	EMAIL
Eastern Cape	Nomfundo Filtane	(047) 502 5014	(047) 531 2060	0826598125	Tudo.Filtane@dha.gov.za
Free State	Mandla Ngozo	(058) 303 7110	(058) 3034866	0823304906	Mandla.Ngozo@dha.gov.za
Gauteng East	Dorothy Makinta	(012) 324 1860	(012) 326 8328	0826474422	Dorothy.Makinta@dha.gov.za
Gauteng West	Sibongile Filand	(011) 882 7814	N/A	0833820834	Sibongile.Finand@dha.gov.za
Kwa-Zulu Natal	Nozipho Ncgobo	(033) 845 5018	(033) 345 5079	0731268904	Nozipho.Ncgobo@dha.gov.za
Limpopo	Kgomotso Gama	(015) 491 3111	(015) 491 3768	0833331169	Makgenene.Gama@dha.gov.za
Mpumalanga	Ranveer Jogessar	(015) 297 5803	(015) 297 6168	0833339977	Ranveer.Jogessar@dha.gov.za
North West	Clifton Groep	(053) 998 3366/7	(053) 9271188	0825884559	Clifton.Groep@dha.gov.za
Northern Cape	Lulu Hlophe	(053) 839 5400	(053) 8314836	0845208788	Lulu.hlophe@dha.gov.za
Western Cape	Chris Samaai	(021) 426 1306	(021) 4627322	0736058221	Chris.Samaai@dha.gov.za
Head Office Waitloo	Rabbie Legora	(012) 810 8203	012 8107303	0760607460	Rabbie.Legora@dha.gov.za
Head Office BVR	Moses Munsanje	(012) 810 8772	012 323 8383	0763169105	N/A
Head Office GPW	Sylvia Berense	(012) 334 4602	012 323 0009	0764204924	Sylvia.Berense@gpw.gov.za

11. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the Department.

Table 11.1 – Collective Agreements, 1 April 2006 to 31 March 2007

Subject matter	Date
Shortlisting and Interviewing of SMS Officials	September 2006
Internship Policy	September 2006

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 2006 to 31 March 2007

Outcomes of Disciplinary Hearings	Number	Percentage of Total
Correctional counselling	24	10.76
Verbal warning	24	10.76
Written warning	41	18.38
Final written warning	53	23.76
Suspended without pay	15	6.72
Fine	–	–
Demotion	3	1.34
Dismissal	58	26
Not guilty	3	1.34
Cases withdrawn	2	0.89
Total	223	99.95

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Table 11.3 – Types of Misconduct addressed at Disciplinary Hearings

Type of Misconduct	Number	Percentage of Total
Assault	4	2.1
Disrespect and abusive behaviour	13	6.7
Aiding and abetting, and corruption	32	16.5
Theft	24	12.4
Fraud/False statement	33	17.1
Unauthorised absence/abscondment	42	21.76
Discrimination against fellow employees	–	–
Damage to/loss of state property	–	–
Unauthorised use of government vehicles	13	6.7
Dereliction of duty	32	16.5
Total	193	99.76

Table 11.4 – Grievances Lodged for the Period 1 April 2006 to 31 March 2007

	Number	Percentage of Total
Number of grievances resolved	408	79.8
Number of grievances not resolved	7	20.2
Total number of grievances lodged	415	100

Table 11.5 – Disputes lodged with Councils for the Period 1 April 2006 to 31 March 2007

	Number	Percentage of Total
Number of disputes upheld	37	86.05
Number of disputes dismissed (against) DHA	6	13.95
Total number of disputes lodged	43	100

Table 11.6 – Strike Actions for the period 1 April 2006 to 31 March 2007

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

Table 11.7 – Precautionary Suspensions for the Period 1 April 2006 to 31 March 2007

Number of people suspended	41
Number of people whose suspensions exceeded 30 days	41
Average number of days suspended	60
Cost (R'000) of Suspensions	R 2 486 676.11

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12. SKILLS DEVELOPMENT

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

Table 12.1 – Training Needs Identified, 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of Employees as at 1 April 2006	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		–	600	–	600
	Male		–	850	–	850
Clerks	Female		–	9 146	–	9 146
	Male		–	5 154	–	5 154
Total			–	15 750	–	15 750

Table 12.2

Occupational Categories	Gender	Number of Employees as at 1 April 2006	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	386	295	130	46	857
	Male	258	198	75	–	531
Clerks	Female	1 209	–	800	–	2 009
	Male	806	–	1 020	46	1 826
Total		2 659	493	2 025	92	5 223

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Table 12.2 – Training Provided, 1 April 2006 to 31 March 2007

Occupational Categories	Number of Employees trained as at 1 April 2007	Training Needs Identified at Start of Reporting Period			Total
		Internship/ National Youth Service Program	Skills Programmes and Other Short Courses	Other Forms of Training	
Supervisory training	120	473	205	46	724
Emerging Management Development	105				105
Advanced Management	30				30
Customer Service and Batho-pele revitalisation	945			–	945
Immigration Officers	290				290
International and Regional Migration Policy and trends	60				60
Civic Services officers	315			–	315
Promotion of Administrative Justice	60				60
Basic computer skills	505				505
Detection of Fraudulent document and investigative skills	59				59
Mentorship and coaching	210				210
Other courses			1 840		1840
Total	2 699	473	2 045	46	5 143

12.3 National Youth Service Programme

The Department continued its commitment to alleviate unemployment amongst the youth. The Department launched the National Youth Service Programme (NYSP) in May 2006. This is the second programme targeted at unemployed youth. Unlike the Internship programme which focused on unemployed graduates, the NYS focused on unemployed matriculants throughout the country. The Department recruited, trained and placed 375 unemployed matriculants in all the Provinces. The objective of the programme is to give unemployed youth an opportunity to acquire meaningful work experience and skills that will enhance the opportunity of permanent employment in the Department or in the Public Service. The programme is also aimed at establishing a pool of skilled and competent people, with the correct attitude and commitment to serve a future position in the Department.

The NYS participants were inducted into the objective of the NYS programme as well as the Department's core business, namely: Civic Services and Immigration, as well as customer service training to ensure effectiveness and add value to the various frontline offices.

Table 12.3 National Youth Service 2006/7

DIRECTORATE/PROVINCE	NUMBER OF NYS	GENDER	
		MALE	FEMALE
North West	35	16	19
Limpopo	31	13	18
Free State	26	7	19
Kwazulu Natal	32	9	23
Mpumalanga	17	6	11
Western Cape	40	8	32
Northern Cape	15	6	9
Eastern Cape	29	11	18
Gauteng West	16	9	7
Gauteng East	61	22	39
Client Service Centre	9	3	6

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12.4 Internship and National Youth Service Programme

The Department continues to employ unemployed graduates as part of its internship programme. The Department has strengthened its management and monitoring of this programme to ensure that unemployed graduates acquire meaningful and relevant skills and competencies, thus enhancing opportunities of securing permanent employment.

The Department takes pride in the success of the internship programme. 366 DHA interns received permanent employment since the inception of the internship programme. DHA is the largest employer of interns, with 214 interns appointed permanently by DHA and 152 interns employed by other Government departments.

DIRECTORATE/PROVINCE	NUMBER OF INTERNS	GENDER	
		MALE	FEMALE
Information services	48	27	21
Human resources Management	2	1	1
Provisioning administration and finance	1	–	1
Permanent Residence	18	12	6
Communications	4	1	3
Internal Audit	7	2	5
Office of the Minister	8	1	7
Human Resources Development	3	–	3
Refugee Appeal Board	2	–	2
Refugee Affairs	9	2	7
Management Services	4	3	1
Standing Committee	4	2	2
Foreign Mission Coordination	–	–	–
Refugee Affairs	–	–	–
Refugee Affairs (ROs) (Gauteng)	–	–	–
Refugee Affairs RO (DBN, PE, CT)	7	3	4
NIB:Inspectorate	–	–	–
Strategic Executive Support Services	–	–	–
Limpopo	–	–	–
North West	–	–	–
Mpumalanga	–	–	–
Northern Cape	–	–	–
Eastern Cape	10	2	8
Western Cape	8	2	6
Free State	–	–	–
KwaZulu-Natal	–	–	–
Gauteng East	–	–	–
Gauteng West	11	6	5
Films and Publications Board	–	–	–

12.5 Mentorship Training

In order to ensure successful implementation of the NYSP, the Department identified experienced and competent long serving officials to serve as mentors and instructors to the young inexperienced youth, thus ensuring skills transfer. A total of 210 mentors and instructors were trained countrywide.

12.6 Immigration Qualifications

During the period under review the Department succeeded in registering three Immigration qualifications and unit standards with the South African Qualifications Authority. The following qualifications have been registered and are ready for implementation:

- National Certificate: Port Control and Admissions;
- National Certificate: Immigration Services; and
- National Certificate: Immigration Law Enforcement.

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12.7 Bursaries

A total of 292 bursaries were awarded to employees who wish to further their studies and acquire nationally recognised qualifications.

12.8 Summary of all HRD Interventions

The primary aim of Human Resource interventions is to assist the organisation to achieve its purpose by adding value to its key resource, and its employees. This means investing in people through training and development to enable them to perform better and empower them to make the best use of their natural abilities.

The following HRD interventions were implemented during the financial year under review.

Table: Training interventions

TRAINING INTERVENTIONS IMPLEMENTED
Public Finance Management Act Training
Emerging Management Development programme
Advanced Management Development programme
Basic Computer Skills Training
Civic Services Training
Immigration Training
Performance Management and Development Training
Customer Service Training and Batho-Pele Revitalisation
Certificate in International Migration
Training in the Promotion of Administrative justice Act
Detection of Fraudulent Travel Documents

13. INJURY ON DUTY

The following table provides basic information on injury on duty.

Table 13.1 – Injury on Duty, 1 April 2006 to 31 March 2007

Nature of Injury on Duty	Number	% of Total
Required basic medical attention only	36	–
Temporary total disablement	–	–
Permanent disablement	–	–
Fatal	–	–
Total	36	–

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14. UTILISATION OF CONSULTANTS**Table 14.1 – Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Recruitment and selection (JobVest)	3	01/04/05 –09/10/07	R7 465 318.00
Business Analyst	2	1 year	R1,553,971.20
Border Posts	1	1 year	R765,216.00
IS Project Manager	6	1 year	R5,180,317.20
Network Administrator	3	1 year	R1,639,238.40
Programme Manager	1	1 year	R864,000.00
IS Finance	2	1 year	R1,647,340.80
IS Project Administrators	2	1 year	R249,600.00
Facilitating Strategic Panning Workshop - Michael Gering and Associates	1	18 Days	R160 000.00
PWC- Refugee Backlog - Price Waterhouse Coopers and Xabiso	5	06/2006-03/ 2007	R222 041.00
PWC-Refugee Backlog	5	06/2006-03/ 2007	R1201 354.67
Adv D le Roux	1	2 days	R27 500.00
Adv F Boonzaaier	1	76 hours	R22 800.00
Ms M C S Slier	1	Ongoing	R5 225.00
Total number of projects	Total individual consultants	Total duration: Work Days	total contract value in Rand
14	34	Range between 2 days – 1 year	R21 003 922.27

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Branding of mobile toilets	100% HDI 100% W/E	100%	NONE
Erection of outdoor billboards at border posts	100% HDI	100%	1
Catering and canteen services	66% HDI Male	15%	1
Implementation of an integrated security system	90% HDI 10% White female	NONE	NONE
Accommodation and travel arrangements	66.5% HDI Male 10.7% Black Female	4% 6%	18 DIRECTORS
Implementation of an integrated security system	27% HDI 53% White female	NONE	NONE
Implementation of an integrated security system	54% HDI	54%	1
Animation and DVD movie-making	30% HDI 5% Black female 5% White female	53%	NONE

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Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Erection of exterior signage	30% HDI 5% Black female 5% White female	10%	1
DVD and movie-making services	30% HDI 5% Black female 5% White female	53%	NONE
Provision of transcription services	100% HDI	100%	1
True Recall (Pty) Ltd	41% HDI	100%	1
Research services to assess media perceptions	66% Black female	NONE	NONE
Conducting a feasibility study for asylum seekers	49% HDI 13% WE	DID NOT MATERIALISE	DID NOT MATERIALISE
Cleaning services at Refugee Reception Offices in Crown Mines	50% Black male 50% Black female	NONE	NONE
Cleaning services at Refugee Reception Offices in Durban	100% Black female		
Cleaning services at Refugee Reception Offices in Cape Town	100% Black female	60% 40%	2
Cleaning services at Refugee Reception Offices in Port Elizabeth	50% Black male 50% Black female	NONE	NONE
Conducting a study on transit visa and visa policies	NIL	NONE	NONE
Establishment of a live capture concept office with audio and visual equipment	NIL 26% HDI 26%	NONE	NONE
Supply and installation of emergency power supply and modification of small power for the Refugee Reception Office in PE	100% HDI 10% Black female	NONE	NONE
Provision of cleaning services at Rosslyn Stores	100% HDI	NONE	NONE
Cleaning services at Heyvries Building and Sanlam Centre	100% HDI 50% Black female	NONE	NONE
Turnaround intervention project	NIL	NONE	NONE
Provision of an outsourced solution for a contact centre.	26% HDI	NONE	NONE
Maintaining mainframe system	10% HDI 90% White		

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project

Human Resources

Government Printing Works



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

Government Printing Works

HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES

GOVERNMENT PRINTING WORKS

1. SERVICE DELIVERY

Table 1. 5 – Complaints Mechanism

Complaints Mechanism	Actual Achievements
Suggestion boxes	Fair

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), in particular, it provides an indication of the amount spent on personnel costs in terms of the salary bands within the Government Printing Works.

Table 2. 1 – Personnel costs by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as percent of Total Expenditure (%)	Average Personnel Cost per Employee (R)	Employment
Government Printing Works	478 578	69 224	172	3 017	14.46%	119 558	579
Total	478 578	69 224	172	3 017	14.46%	119 558	579

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)	5 337	7.7	54 143
Semi skilled factory staff and skilled administration (Levels 3-5)	27 569	39.8	86 423
Highly skilled production (Levels 6-8)	23 337	33.7	144 950
Highly skilled supervision (Levels 9-12)	6 158	8.9	256 583
Senior management (Levels 13-16)	4 225	6.1	704 167
Interns Contractual Appointments	1 140	1.6	25 333
Periodical Remuneration	1 458	2.1	33 881
Total	69 224	100	119 558

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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 Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost
Government Printing Works	43 389	62.6	8 442	12.1	1 191	1.7	3 822	5.5
Total	43 389	62.6	8 442	12.1	1 191	1.7	3 822	5.5

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

Salary Band	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)	3 237	60.5	847	15.8	152	2.8	333	6.2
Semi skilled factory staff and skilled administration (Levels 3-5)	17 117	62	4 081	14.8	628	2.3	1 954	7.1
Highly skilled production (Levels 6-8)	15 386	65.8	2 730	11.7	381	1.6	1 239	5.3
Highly skilled supervision (Levels 9-12)	4 117	66.7	668	10.8	30	0.5	211	3.4
Senior management (Levels 13-16)	2 522	72.1	–	–	–	–	85	2.4
Interns Contractual appointments	1 010	88.6	115	10.1	–	–	–	–
Total	43 389	62.6	8 442	12.1	1 191	1.7	3 822	5.5

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3. EMPLOYMENT AND VACANCIES

The table 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 2007. The 1037 posts include 47 additional posts to accommodate Interns and IT contract employees. Most of the vacancies are however obsolete and will be abolished during the financial year 2007/08 as Government Printing Works is in the process of transformation.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and any staff that are additional to the establishment.

Table 3.1 - Employment and Vacancies by Programme, 31 March 2007

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Government Printing Works	1 037	579	44.2	47
Total	1 037	579	44.2	47

Table 3.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	189	51	73	–
Skilled (Levels 3-5)	474	302	36.3	–
Highly skilled production (Levels 6-8)	281	151	46.3	–
Highly skilled supervision (Levels 9-12)	38	21	44.7	–
Senior management (Levels 13-16)	8	7	12.5	–
Interns and Learners	45	45	–	45
Contracts (Levels 9-12)	2	2	–	2
Total	1 037	579	44.2	47

Table 3.3 - Employment and Vacancies by Critical Occupation, 31 March 2007

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related	17	15	11.8	–
Binding and related workers	25	18	28	–
Bookbinding and related machine operators	16	8	50	–
Cashiers tellers and related clerks	1	1	–	–
Cleaners in offices workshops hospitals etc.	46	35	23.9	–
Client inform clerks (switchb recept inform clerks)	4	3	25	–
Compositors typesetters & related printing workers	64	33	48.4	–
Finance and economics related	6	3	50	–
Financial and related professionals	4	1	75	–

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Table 3.3 (continued) - Employment and Vacancies by Critical Occupation, 31 March 2007

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Financial clerks and credit controllers	32	27	15.6	–
Head of department/chief executive officer	1	1	–	–
Human resources clerks	6	3	50	–
Human resources related	3	3	–	–
Information technology related	3	2	66.6	2
Library mail and related clerks	9	7	22.2	–
Light vehicle drivers	5	3	40	–
Logistical support personnel	61	41	32.8	–
Material-recording and transport clerks	85	62	27.1	–
Messengers porters and deliverers	8	5	37.5	–
Other administrat & related clerks and organisers	56	49	12.5	45
Other administrative policy and related officers	2	1	50	–
Other printing trade workers	14	6	57.1	–
Photographic lithographic and related workers	75	20	73.3	–
Printing and related machine operators	387	183	52.7	–
Printing management and supervisory personnel	58	25	56.9	–
Printing planners and production controllers	15	6	60	–
Secretaries & other keyboard operating clerks	8	3	62.5	–
Security guards	8	–	100	–
Security officers	12	10	16.7	–
Other	1	1	–	–
Senior managers	7	6	14.3	–
Total	1 037	579	44.2	47

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4 JOB EVALUATION

The Government Printing Works has job evaluated all active posts in terms of the Public Service Regulations, 2001 as a mechanism to address inadequate remuneration. This was completed and implemented. However, critical scarce skills such as Lithographers and Mechanized Bookbinders were not addressed.

The following table (Table 4.1) summarises the number of occupations that were evaluated during the year under review. The table also provides the statistics on the number of posts that were upgraded or downgraded.

Table 4.1 – Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	486	433	89.1	415	85.4	–	–
Skilled (Levels 3-5)	14	–	–	–	–	–	–
Skilled (Levels 3-5)	269	244	90.7	194	72.1	–	–
Highly skilled production (Levels 6-8)	202	192	95.0	122	60.4	–	–
Highly skilled supervision (Levels 9-12)	25	25	100.0	8	32.0	1	4
Senior Management (Salary Band A)	3	–	–	–	–	–	–
Senior Management (Salary Band B)	4	–	–	–	–	–	–
Senior Management (Salary Band C)	1	–	–	–	–	–	–
Total	1 004	894	89	739	73.6	1	–

Table 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Beneficiaries	258	5	30	242	–

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

Total number of Employees whose salaries exceeded the upgrades determined by job evaluation in 2004/2005	None
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Table 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	–	–	–	–	–
Male	–	–	–	–	–
Total	–	–	–	–	–
Employees with a Disability	–	–	–	–	–

5 EMPLOYMENT CHANGES

This section provides information on changes in employment during the financial year. Table 5.1 summarises appointments, promotions and service terminations by race, gender and disability. In addition, the table provides an indication of the impact of these changes on the employment of the Government Printing Works.

Table 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2)	276	–	2	0.7
Skilled (Levels 3-5)	143	–	14	9.8
Highly skilled production (Levels 6-8)	119	4	11	9.2
Highly skilled supervision (Levels 9-12)	15	–	1	6.7
Senior Management Service Band A	2	1	–	–
Senior Management Service Band B	1	2	1	100
Interns & Learners	14	59	28	200
Total	570	66	57	10

Table 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Administrative related	3	–	1	33.3
Binding and related workers	14	–	1	7.1
Cleaners in offices workshops hospitals etc.	69	–	1	1.4
Compositors typesetters & related printing workers	28	–	2	7.1
Finance and economics related	4	–	1	25
Financial clerks and credit controllers	27	1	–	–
Interns & Learners	14	59	28	200
Logistical support personnel	8	0	2	25
Material-recording and transport clerks	66	2	3	4.5
Other information technology personnel	1	–	1	100
Photographic lithographic and related workers	21	1	2	9.5
Printing and related machine operators	202	1	12	5.9
Secretaries & other keyboard operating Clerks	3	–	1	33.3
Security officers	11	–	1	9.1
Senior managers (Level 13)	1	1	–	–
Senior managers (Level 14 - 15)	2	1	1	50
TOTAL	474	66	57	12

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Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death	2	3.5	0.4
Resignation	20	35.1	3.5
Expiry of contract (Learners & Interns)	22	38.6	3.9
Discharged due to ill health	2	3.5	0.4
Dismissal-misconduct	4	7	0.7
Dismissal operational changes	–	–	–
Dismissal inefficiency	–	–	–
Transfer to other Public Service Departments	2	3.5	0.4
Retirement	5	8.8	0.9
TOTAL	57	100	10.00

Resignations as % of Employment
10

Table 5.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Binding and related workers	14	–	–	2	14.3
Bookbinding and related machine operators	11	–	–	1	9.1
Cleaners in offices workshops hospitals etc.	69	–	–	4	5.8
Compositors typesetters & related printing workers	28	–	–	1	3.6
Material-recording and transport clerks	66	–	–	8	12.1
Other administrat & related clerks and organisers	30	–	–	3	10
Photographic lithographic and related workers	21	–	–	1	4.8
Printing management and supervisory personnel	28	–	–	6	21.4
Secretaries & other keyboard operating clerks	3	1	33.3	–	–
Senior managers	4	1	25	–	–
TOTAL	274	2	0.7	26	9.5

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Table 5.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period	Promotions to another salary level	Salary Level Promotions as a % of employment	Progressions to another notch within Salary Level	Notch progressions as a % of employment
Lower skilled (Levels 1-2)	276	–	–	4	1.4
Skilled (Levels 3-5)	143	–	–	5	3.5
Highly skilled production (Levels 6-8)	119	1	0.8	11	9.2
Highly skilled supervision (Levels 9-12)	15	–	–	6	40
Senior management (Levels 13-16)	3	1	33.3	–	–
Interns and Learners	14	–	–	–	–
Total	570	2	0.4	26	4.6

6 EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1 – Total Number of Employees (including Employees with Disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	2	–	1	3	1	2	–	–	2	–	6
Professionals	30	3	–	33	20	20	3	1	24	17	94
Clerks	49	2	–	51	6	58	3	2	63	21	141
Service and sales workers	6	1	–	7	2	2	–	–	2	–	11
Craft and related trades workers	25	1	–	26	46	13	–	–	13	14	99
Plant and machine operators and assemblers	47	6	–	53	38	27	9	1	37	65	193
Elementary occupations	12	1	–	13	5	13	1	–	14	1	33
Total	171	14	1	186	118	135	16	4	155	118	577

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	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	3	–	–	3	5	1	–	–	1	4	13

Table 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands as on 31 March 2007

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	2	–	1	3	1	2	–	–	2	–	6
Professionally qualified and experienced specialists	7	–	–	7	10	4	–	–	4	3	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen	41	3	–	44	42	40	2	1	43	32	161
Semi-skilled and discretionary decision making	91	10	–	101	65	54	13	3	70	83	319
Unskilled and defined decision making	6	1	–	7	–	13	1	–	14	–	21
Contract (Top Management)	1	–	–	1	–	–	–	–	–	–	1
Contract Learners & Interns	23	–	–	23	–	22	–	–	22	–	45
Total	171	14	1	186	118	135	16	4	155	118	577

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Table 6.3 – Recruitment for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	–	–	1	1	–	2	–	–	2	–	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	1	–	3	–	1	–	–	2	–	4
Contract (Learners & Interns)	31	–	–	31	–	28	–	–	28	–	59
Total	33	1	1	35	–	31	–	–	32	–	66
Employees with disabilities	–	–	–	–	–	–	–	–	–	–	–

Table 6.4 – Promotions for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	–	–	–	–	1	–	–	–	–	–	1
Semi-skilled and discretionary decision making	–	–	–	–	–	–	–	–	–	1	1
Total	–	–	–	–	1	–	–	–	–	1	2

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Table 6.5 – Terminations for the Period 1 April 2006 to 31 March 2007

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management	1	–	–	1	–	–	–	–	–	–	1
Professionally qualified and experienced specialists and mid-management	1	–	–	1	–	–	–	–	–	–	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen	4	–	–	3	5	–	–	–	–	1	10
Semi-skilled and discretionary decision making	1	1	1	3	5	1	–	–	–	6	15
Unskilled and defined decision making	1	–	–	1	–	–	1	–	1	–	2
Contract Learners & Interns	14	–	–	14	–	14	–	–	14	–	28
Total	22	1	1	23	10	15	1	–	15	7	57

Table 6.6 - Disciplinary Action for the Period 1 April 2006 till 31 March 2007

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	21	2	1	24	17	6	2	–	8	4	53

Table 6.7 - Skills Development for the Period 1 April 2006 to 31 March 2007

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior officials and managers	1	–	1	–	2	–	–	–	4
Professionals	5	–	–	8	2	–	–	2	17
Technicians and associate professionals	10	–	–	1	2	–	–	4	17
Clerks	21	4	1	7	21	3	1	12	70
Elementary occupations	4	–	–	–	10	1	–	–	15
Total	41	4	2	16	37	4	1	18	123
Employees with disabilities	–	–	–	–	–	–	–	–	–

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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 7.2), 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 2006 to 31 March 2007

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	8	135	5.9	36	4 531
African, Male	6	170	3.5	54	9 081
Asian, Female	–	4	–	–	–
Asian, Male	–	1	–	–	–
Coloured, Female	1	16	6.3	6	5 768
Coloured, Male	–	14	–	–	–
Total Blacks, Female	9	155	5.8	42	4 669
Total Blacks, Male	6	185	3.2	54	9 081
White Female	3	117	2.6	17	5 665
White Male	6	118	5.1	83	13 887
Total	24	577	4.2	197	8 201

Table 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service, 1 April 2006 to 31 March 2007

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	3	21	14.3	9	3 000
Skilled (Levels 3-5)	4	319	1.3	15	3 750
Highly skilled production (Levels 6-8)	11	161	6.8	85	7 727
Highly skilled supervision (Levels 9-12)	6	24	25	87	14 500
Contract (Levels 1-2)	–	45	–	–	–
Periodical Remuneration	–	42	–	–	–
Total	24	612	3.9	196	8 167

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Table 7.3 - Performance Rewards by Critical Occupation, 1 April 2006 to 31 March 2007

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	1	31	3.2	13	13 000
Binding and related workers	–	16	–	–	–
Bookbinding and related machine operators	–	10	–	–	–
Cleaners in offices workshops hospitals etc.	3	26	11.5	9	3 000
Client inform clerks (switchboard receipt inform clerks)	2	4	50	8	4 000
Compositors typesetters & related printing workers	–	26	–	–	–
Finance and economics related	–	3	–	–	–
Financial and related professionals	–	2	–	–	–
Financial clerks and credit controllers	1	9	11.1	7	7 000
Head of department/ chief executive officer	–	3	–	–	–
Human resources clerks	1	6	16.7	4	4 000
Human resources related	1	1	100	20	20 000
Logistical support personnel	2	53	3.8	20	10 000
Library mail and related clerks	–	5	–	–	–
Material-recording and transport clerks	4	61	6.6	25	6 250
Messengers porters and deliverers	–	7	–	–	–
Other administrative & related clerks and organisers	–	53	–	–	–
Other administrative policy and related officers	1	4	25	9	9 000
Other printing trade workers	–	6	–	–	–
Photographic lithographic and related workers	–	13	–	–	–
Printing and related machine operators	–	183	–	–	–
Printing management and supervisory personnel	7	33	21.2	76	10 857
Printing planners and production controllers	–	5	–	–	–
Secretaries & other keyboard operating clerks	1	3	33.3	6	6 000
Security officers	–	11	–	–	–
Senior managers	–	3	–	–	–
TOTAL	24	577	4.2	197	8 208

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Table 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service, 1 April 2006 to 31 March 2007

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	-	-	-	-	-	-	-

8. FOREIGN WORKERS

The tables below summarized the employment of foreign nationals in the Department in terms of salary bands and major occupations. The table also summarized changes in the total number of foreign workers in each salary band and by each major occupation.

Table 8.1 - Foreign Workers by Salary Band, 1 April 2006 to 31 March 2007

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Lower skilled (Levels 1-2)	-	-	-	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Table 8.2 - Foreign Workers by Major Occupation, 1 April 2006 to 31 March 2007

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Total	-	-	-	-	-	-	-	-	-

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9. LEAVE UTILIZATION

The Public Service Commission identified the need for thorough 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 2006 till 31 December 2006

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	139	85.6	14	3.8	10	21	372	119
Semi skilled factory personnel and skilled administrative personnel (Levels 3-5)	1 552	86.9	210	56.5	7	298	372	1 348
Highly skilled production (Levels 6-8)	837	74.8	122	32.8	7	286	372	626
Highly skilled supervision (Levels 9-12)	111	80.2	17	4.6	7	68	372	89
Senior management (Levels 13-16)	30	73.3	6	1.6	5	55	372	22

Table 9.2 - Disability Leave (Temporary and Permanent), 1 January 2006 till 31 December 2006

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Lower skilled (Levels 1-2)	73	100	4	4.1	18	12	73	97
Semi skilled factory personnel and skilled administrative personnel (Levels 3-5)	627	100	58	59.8	11	118	627	97
Highly skilled production (Levels 6-8)	446	100	33	34	14	168	446	97
Highly skilled supervision (Levels 9-12)	17	100	2	2.1	9	9	17	97
Total	1 163	100	97	100	12	307	1 163	97

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Table 9.3 - Annual Leave, 1 January 2006 till 31 December 2006

Salary Band	Total Days Taken	Average Employee	per Employment
Lower skilled (Levels 1-2)	550	23	24
Semi skilled factory personnel and skilled administrative personnel (Levels 3-5)	7 727	23	335
Highly skilled production (Levels 6-8)	3 927	23	172
Highly skilled supervision (Levels 9-12)	598	25	24
Senior management (Levels 13-16)	100	14	7
Other	17	17	1
Contract (Learners & Interns)	6	3	2
Total	12 925	23	566

Table 9.4 - Capped Leave, 1 January 2006 till 31 December 2006

Salary Band	Total days of capped leave taken	Average number of days taken per employee
Lower skilled (Levels 1-2)	15	8
Semi skilled factory personnel and skilled administrative (Levels 3-5)	118	4
Highly skilled production (Levels 6-8)	114	5
Highly skilled supervision (Levels 9-12)	3	3
Senior management (Levels 13-16)	11	11
Total	261	4

Table 9.5 - Leave Pay-outs, 1 April 2006 till 31 March 2007

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	28	12	2 333
Capped leave payouts on termination of service for 2006/07	81	34	2 382
Current leave payout on termination of service for 2006/07	25	12	2 083
Total	134	58	2 310

10. HIV/AIDS & HEALTH PROMOTION PROGRAMS

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

As a Chief Directorate of the Department of Home Affairs this responsibility is vested at the Department of Home Affairs. Government Printing Works however has late during the reporting period embarked on its own initiatives to address it.

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Table 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
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As a Branch of the Department of Home Affairs this responsibility is vested in the Department of Home Affairs. Government Printing Works was late during the reporting period, however it embarked on its own initiatives to address these programmes and will report on this for the 2007/2008 financial year. Government Printing Works however actively participated in HIV/AIDS Programmes of the Department of Home Affairs and is also represented on the Employee Wellness Committee of the Department of Home Affairs. Employee Assistance initiatives are also in place and dedicated Government Printing Works staff is responsible for it.

11. LABOUR RELATIONS**Table 11.1 - Collective Agreements, 1 April 2006 to 31 March 2007**

As Government Printing Works is an entity of the Department of Home Affairs, this information will be included in the Department of Home Affairs annual report.

Table 11.2 – Misconduct and Disciplinary Hearings Finalised. 1 April 2006 till 31 March 2007

Outcomes of disciplinary hearings	Number	Percentage of Total
Corrective counseling	–	–
Verbal warning	–	–
Written warning	–	–
Final written warning	1	16.67
Suspended without pay	1	16.67
Fine	–	–
Demotion	–	–
Dismissal	4	66.66
Not guilty	–	–
Case withdrawn	–	–
Total	6	100

Table 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total
Unauthorised absenteeism	2	33.23
Disrespective conduct	4	66.67
Total	6	100

Table 11.4 - Grievances Lodged, 1 April - 2006 till 31 March 2007

Number of grievances addressed	Number	% of total
Resolved	4	66.67
Not resolved	2	33.23
Total	6	50

Table 11.5 - Disputes Lodged, 1 April - 2006 till 31 March 2007

Number of disputes addressed	Number	% of total
Upheld	–	–
Dismissed	1	100
Total	1	100

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Table 11.6 - Strike Actions for the Period 1 April - 2006 till 31 March 2007

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

Table 11.7 - Precautionary Suspensions for the Period 1 April - 2006 till 31 March 2007

Precautionary Suspensions	
Number of people suspended	–
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	55
Cost (R'000) of suspensions	8

12. SKILLS DEVELOPMENT

Table 12.1 - Training Needs identified, 1 April 2006 to 31 March 2007

Occupational categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	20	–	18	3	23
	Male	38	–	24	34	58
Clerks and lower skilled	Female	244	6	77	70	150
	Male	266	12	63	22	97
Total		570	18	182	129	328

Table 12.2 - Training Provided, 1 April 2006 to 31 March 2007

Occupational categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials and managers	Female	20	–	14	8	22
	Male	38	–	26	33	59
Clerks and lower skilled	Female	244	4	63	68	131
	Male	266	12	51	22	73
Total		570	16	154	131	285

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Table 12.3 – Internship Programme 1 April 2006 to 31 March 2007

Unit	No of interns		
	Male	Female	Total
Human Resources & Transformation	5	3	8
Finance and Administration	14	8	22
Marketing & Branding	2	5	7
Internal Audit	2	–	2
Information Technology	–	3	3
Operations & Technology	1	1	2
Costing	1	1	2
Total	25	21	46

13. INJURY ON DUTY

The following table provides basic information on injury on duty.

Table 13.1 - Injury on Duty, 1 April 2006 to 31 March 2007

Nature of injury on duty	Number	% of total
Required basic medical attention only	67	100
Temporary Total Disablement	–	–
Permanent Disablement	–	–
Fatal	–	–
Total	67	100

14. UTILIZATION OF CONSULTANTS

Project title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in Rand (R'000)
Human Resource consultant to develop HR Plan	4	15	81
Appointment of a consultant to conduct a climate survey	1	20	174
Appointment of Human Resource consultant on disciplinary matter	3	20	242
Appointment of a consultant to prepare a business case towards corporatization	9	30	2 520
4	17	85	3 017

Table 14.2 – Analysis of consultant appointments using appropriated funds in terms of Historical Disadvantaged Individuals (HDI's)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Human Resource consultant to develop HR Plan	66	66	–
Appointment of a consultant to conduct a climate survey	100	100	2
Appointment of Human Resource consultant on disciplinary matter	50	50	2
Appointment of a consultant to prepare a business case towards corporatization	–	–	4

Table 14.3 – Report on consultant appointments using Donor funds.

No donor funds were used to appoint consultants.

