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## CENTRE FOR PUBLIC SERVICE INNOVATION











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## **General Information**



## Department's General Information

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**GPS COORDINATES:** 25°51′11.19″S 28°11′44.52″E

## List of Abbreviations/Acronyms

AGSA Auditor General of South Africa

AO Accounting Officer

APRM African Peer Review Mechanism

CAPAM Common Wealth Association of Public Administration and Management

**CD** Chief Director

**CFO** Chief Financial Officer

CHBH Chris Hani Baragwananth Hospital
CPSI Centre for Public Service Innovation

D Director

**DPSA**Department of Public Service and Administration

**ED** Executive Director

GEMS
Government Employees Medical Scheme
Information and Communication Technology
KTHC
KTHC
KIErksdorp Tshepong Hospital Complex

MMIC Multi-media Innovation Centre

MPSA Minister for the Public Service and Administration

MTSF Medium Term Expenditure Framework
MTSF Medium Term Strategic Framework

NDP National Development Plan

**NESTA**National Endowment for Science, Technology and the Arts

NSG National School of Government

OECD Organisation for Economic Co-operation and Development

Open Government Partnership

OPSC Office of the Public Service Commission
PERSAL PERSAL Public Service Salary Payment System
Public Finance Management Act

PHC Primary Health Care
PHRC Prenatal HIV Research Unit

PMDS Performance Management and Development System

SADC Southern African Development Community

SCM Supply Chain Management

**SMME** Small Medium and Micro Enterprises

SMS Senior Management Service

TR Treasury Regulations
UN United Nations

UNDP United Nations Development Programme
UNPAN United Nations Public Administration Network



## Foreword by the Minister

The government of South Africa is structured and legislated in such a way that the Minister of Public Service and Administration has the responsibility to lead the transformation and reinvention of the public service for improved and optimal performance.

This entails continuous implementation and coordination of interventions aimed at achieving an efficient and effective public service which is an essential element of a capable developmental state.

The work of this Portfolio extends beyond capacity building for the public service as it also serves as the service delivery engine of the state machinery. It includes transformative measures that would result in a new, innovative, self-less and inspired type of public service. These key qualities are in line with the principles of the Constitution of the Republic to "provide an effective, transparent, accountable and coherent government", which is most importantly development-oriented

Our work as a portfolio finds expression in the National Development Plan (NDP) which calls for development-oriented Public Service that supports socioeconomic transformation. The

hallmarks or defining characteristics of such a capable government that delivers on the key priorities of a developmental state include agility, responsiveness to citizens needs and relevance. These would enable it to move swiftly to intervene with the much-needed services to alleviate the triple challenge of unemployment, inequality and poverty.

The NDP revealed the continued existence of disparity in capacity that leads to uneven performance in the public service. It also identifies some complex contributing factors, including tensions in the political-administrative interface, instability of the administrative leadership, skills deficits, insufficient attention to the role of the state in reproducing the skills it needs, the erosion of accountability and authority, poor organizational design and low staff morale.

In addressing these shortcomings, Vision 2030 of the NDP demands of the public sector major adjustments both in policy and operations to achieve performance levels to further accelerate delivery on our developmental agenda. It also raises an urgent need for the strengthening of inter-governmental relations for integrated, collaborative and seamless service delivery at all levels and building an enabling environment.

Guided by the NDP, our portfolio, through the Centre for Public Service Innovation (CPSI), has prioritised the promotion and entrenchment of innovation as a key ingredient for successful government transformation for optimal performance. The NDP ordered the uptake and inculcation of innovation across state, business and social sectors while specifically targeting improved public service delivery.

The CPSI, as a cross-cutting facility of government, is well-positioned for this role as a catalyst for



collaborative innovation. Part of the mandate of the CPSI is to drive and entrench the culture and practice of innovation in the public sector to address service delivery challenges.

The adoption and ongoing practise of innovation is a critical part of transformation and reform in the public sector to enable us to find new ways of adding value to the existing systems and practices or, if no longer rendering the required result, to replace current systems and practices. Such a public service will be more open minded and able to embrace new thinking, new ways of doing things, while recognising new opportunities to derive simpler solutions to our common day challenges.

Through the support of the CPSI, government institutions are able

to fully leverage innovation as one of the main building-blocks for a capable state.

The CPSI therefore embarks on various projects and programmes to create and support a culture in which innovation is encouraged, rewarded and mainstreamed in the public sector. Most notably, through the efforts of the CPSI, we are developing new partnerships between institutions across the three spheres of our government, SMME innovators and lately the youth, to unearth solutions aimed at addressing the triple challenges identified in the NDP.

In conclusion, I acknowledge and congratulate the CPSI for its outstanding efforts in highlighting the importance of innovation and creativity as key guiding principles for future growth and success of government's efforts to improve services to citizens. Innovation is beyond any doubt, an indispensable ingredient that will ensure that our government remains relevant and responsive in its efforts to deliver services successfully within the context of a technologically advanced citizenry.



MS A. DLODLO; MP MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION



## Deputy Minister's Statement

In 2015, as a member state to the United Nations (UN), South Africa participated in the adoption of the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development which established a set of global priorities to help eradicate extreme poverty and shift all countries toward inclusive, sustainable development.

In 2015, as a member state to the United Nations (UN), South Africa participated in the adoption of the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development which established a set of global priorities to help eradicate extreme poverty and shift all countries toward inclusive, sustainable development.

As part of the global community, South Africa continues to take part in various engagements on this development agenda, in particular engagements on the African continent. We are also consistently taking part in programmes and platforms that create space for engagement and reflection aimed at finding collective solutions to the continued global challenges of poverty, inequality and unemployment.

This common and shared commitment that we have as part

of the global village stems from the reality about the universality of the triple challenges of poverty, inequality and unemployment in most developing countries. The UN's SDGs are almost a mirror image of our own government's priorities and targets as expressed in our collective vision of the future contained in our National Development Plan. In fact, a recent study by the UNDP showed that of the 169 SDG targets, 125 (74%) are aligned with the NDP and of the 44 remaining targets 32 are covered by other government plans and the remaining 12 are not applicable to the South African context. Therefore in implementing our NDP we are also implementing the SDGs. Globally there is also concensus that none of our national, regional and global visionary plans would be achieved without introducing innovation as a critical ingredient to change the current development trajectory.

It is for this reason that, across the globe, innovation is regarded as a key that unlocks value to governments. Innovation is not a luxury of rich countries, it is growth, development and sustainability. It is therefore essential to Africa's future economic prosperity and quality. Innovation is about fostering entrepreneurship to raise productivity, fostering competitiveness, meeting challenges of globalisation in order to thrive as a nation within our environmental, geographic and demographic limits. The advent of the Fourth Industrial Revolution has also accellerated the need for urgent change, lest we want to be left behind. For States to meet the SDGs, the AU's Agenda 2063 and national plans, a more conceited effort is required to leverage on public sector innovation. cannot be done in isolation. We have to partner, globally, with the private sector and not-for-profit

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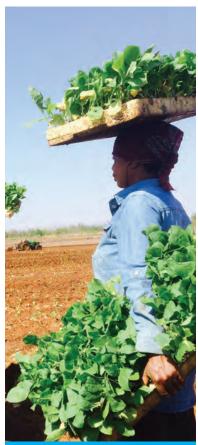
entities, with citizens but importantly with social innovators.

Our government, through the CPSI, thrives on partnerships to harness new thinking and new technologies offer opportunities information sharing, public participation and collaboration. Our country is striving to harness new opportunities in line with the Open Government Partnership commitment to foster a global culture of sharing that empowers citizens, and advances the ideals of open and participatory 21st century governance.

Our work has been premised on the notion that transparency foster access and accountability, it is also about sharing and using information that is open - freely accessible and useable in various formats, including machine readable formats. This recent narrative has given citizens a new voice to participate in government activities that affect their daily lives; and a tool to hold local government, especially their cities, accountable. Moreover, in encouraging the use, reuse of freely available data, governments promote problem solving, business creation and innovative, citizencentric services.

South Africa is committed to putting our people at the centre of service delivery and ensure that all our public servants entrusted with the noble duty of providing services at our schools, clinics, police stations, front-line service departments, and all our service points, treat all with dignity and provide all with the service that they deserve!

We are also committed to putting more efforts on transforming governance and administrative processes and systems to uphold the principles of transparency,



We need to eradicate the triple challenges of poverty, inequality and unemployment

accountability and clean governance.

congratulate the CPSI on contribution made in the past financial year to driving innovation and stimulating creativity and forward-thinking in the public sector. We further appreciate the pivotal role that the CPSI played in creating awareness around the value of innovation as a key enabler of improved service delivery as well as good governance, transparency and accountability to citizens. As we continue on our commitment to strengthen government's capacity to deliver on our key priority areas, we will continue to look up to the CPSI for practical solutions that will improve the lives of our citizens.



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



# Report of the Accounting Officer

## OVERVIEW OF THE OPERATIONS OF THE ORGANISATION

This Annual Report outlines the work of the Centre for Public Service Innovation (CPSI) which was carried out during the 2017/18 financial year. The 2017/18 financial year as reviewed in this Annual Report, is the fourth and penultimate year in the five-year Strategic Plan of the CPSI.

This multi-year strategic plan is informed by the strategic mandate of the Public Service portfolio and Administration of which the CPSI is part. This portfolio contributes towards the building of an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. This can be achieved by overhauling the state in its various processes and systems, its structural configuration, its operational model and even more important, its key priorities or outcomes with the ultimate objective of facilitating the development of an enabling environment that is ideal for innovation to thrive.

Additionally, the portfolio mandate spells out the responsibilities that each entity within the portfolio should carry out in order to ensure the creation of an enabling environment. The CPSI spearheads the promotion of innovation in the public service. This is the CPSI's contribution at building a public service which, according to the NDP, is a foundation for a capable and developmental state.

As a valued member and key roleplayer within this portfolio, the CPSI shares and fully supports the overall mandate of the portfolio to build the capacity of the public service to deliver services to the citizens of this country. Its vision, namely to contribute towards the building of a solution-focussed, effective and efficient public service through innovation, is premised on the provisions of the Public Service Act.

The mandate of the CPSI entrusts upon the organisation a key responsibility of stimulating the culture and practice of innovation in the public sector. This, importantly, responds to Vision 2030 of the

NDP. Vision 2030 highlights the need for an enabling public sector environment that is suitable for collaborative innovation across state, business and social sectors aimed at improving its performance to achieve the developmental agenda. This, amongst others, requires strengthening of intergovernmental relations for integrated, collaborative and seamless service delivery at all levels.

In dispatching this unique and strategic mandate, the CPSI models its operation guided by a firm perception of the importance of innovation as a key indispensable pillar upon which public sector reform and transformation is based. Innovation is a proven enabler and catalyst for improved public service performance and productivity

Amongst others, the CPSI unearths, promotes and showcases innovation in the public service to ensure that we continue to facilitate an innovation-friendly environment. This kind of environment is ideal for public officials to freely unleash

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their talent, ingenuity and creativity to spur modernisation of our government and accelerate the achievement of Vision 2030.

During the year under review, the CPSI delivered on a number of key programmes, including a journal on innovation that serves as a compendium for valuable case studies and the Annual Public Sector Innovation Awards Programme for showcasing and rewarding public sector innovation.

The Awards Programme also provides a rich source of projects for possible replication where similar challenges exist. This ensures that government resources, which could have been wasted through reinvention of the wheel, are correctly channelled for optimal purpose. In addition, through the Annual Public Sector Innovation Conference, innovation experts teased out the impact of the Fourth Industrial Revolution on the public service. The year under review saw the emergence of what we aptly call Public Sector Innovation Trailblazers - a breed of public servants that are transforming the delivery of services by developing systems inhouse, saving government millions of rands.

Integration, collaboration and coordination are some of the key operating principles which are central in achieving enhanced citizen access to service delivery. Accordingly, the CPSI continues to put much emphasis on forging partnerships with government institutions within the health, safety and security and education spheres as well as other institutions which are at the forefront of service delivery. That way, the CPSI becomes an invaluable resource for the whole of government that also enjoys a cross-sector reach that is able to bridge institutional boundaries.

From this vantage point, the CPSI is able to provide services and solutions that respond to identified and clearly articulated service delivery challenges and their root causes while nurturing and sustaining a public service innovation and learning culture. Most importantly, it ensures a consolidated commitment by frontline departments to leverage innovation as a fulcrum for

improved citizen access to vital government services.

On a global level, the CPSI continues to strengthen partnerships with the United Nations and the African Union, amongst others. In this regard, the CPSI supported the UNPAN Annual Capacity Building Workshops in partnership with the UNDP to enhance the participation of SADC member states in the Network and its activities relating to public sector innovation and the implementation of Sustainable Development Goals (SDGs).

Our government faces a daunting challenge to deliver on the developmental agenda as set out in the National Development Plan in the context of the Fourth Industrial Revolution. Vision 2030 of the NDP envisages a state where all citizens impartially enjoy all government services. To achieve such a state of inclusion, participation and empowerment will require an innovative public service which is accessible to all its citizens. Innovation holds the trump card for our success in delivering on the developmental agenda as outlined in the NDP.

## OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT:

#### Departmental receipts

Departmental receipts for 2017/18 were Generated Commission on Insurances and funds received in May 2017 for a sponsored trip for 2016/17. Due to the nature of the activities carried out by the CPSI, the organisation is not required to collect revenue as a core function.

Departmental		2016/17			2017/18	
Receipts	Estimate R'000	Actual Amount Collected R'000	(Over)/ Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	(Over)/ Under Collection R'000
Tax revenue						
Sales of goods and services other than capital assets	3	3	-	24	24	-
Total	3	3	-	24	24	-

## CENTRE FOR PUBLIC SERVICE INNOVATION

#### **Programme Expenditure**

Voted Funds		2016/17			2017/18	
Programme	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
1 Administration	18 279	17 909	370	18 675	18 327	348
2 Public Sector Innovation	13 815	13 498	317	15 380	14 195	1 185
Total	32 094	31 407	687	34 055	32 522	1 533

The CPSI's actual expenditure for the period under review amounted to R32.407 million of the allocated amount of R34.055 million (i.e. 95.2 per cent of the total budget).

The under spending under compensation of employees was mainly due to three vacant posts, which were filled during the second quarter of the financial year.

The under spending on goods and services is mainly due to nine procurement initiatives which were ordered but not delivered by 31 March 2018. These were only delivered and paid for in April 2018. The budgeted payments to The Innovation Hub could not be processed because of the delay in obtaining permission from the

Department of Home Affairs to initiate the piloting of the selected solution. In addition, the banking details of one supplier could not be verified on the National Treasury's Central Supplier Database by 31 March 2017, resulting in payment being made only in April 2018. These resulted in an under spending in Goods and Services.

The CPSI received donor funding from the European Union valued at R2.507 million, and an amount of R900 000 from The Kingdom of the Belgium Government towards the piloting of the Memeza solution within the Education Sector. An amount of R4.705 million from the Canadian Government received in the 2016/17 was returned to the donor in 2017/18 due to a change

in the scope of support by the Canadian Government.

#### Virements/roll overs

During the period under review no virements were required between programmes and no additional funding was received from roll over funding. Funds were however moved between line items within the programmes and sub-programmes.

The Chief Financial Officer has assessed the overall expenditure of the organisation in order to recommend the appropriate movement of funds within programmes and sub-programmes and within the organisation's appropriation.

		201	7/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
1 Administration	18 675	-	-	18 675
2 Public Sector Innovation	15 380	-	-	15 380
TOTAL	34 055	-	-	34 055

#### FUND SHIFT PER ECONOMIC CLASSIFICATION

R43 000 were shifted from Goods and Services to accommodate R34 000 procurement of Capital Equipment and R9 000 towards payment of Financial Assets related to expenditure on damages to a hired vehicle.

		201	7/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
Compensation of employees	18 360		-	18 360
Goods and services	15 104	(43)	-	15 061
Transfers and subsidies	1	-	-	1
Payments for capital assets	590	34	-	624
Payment of financial assets	-	9	-	9
TOTAL	34 055		-	34 055

#### **ROLL OVERS**

No additional funding was received from roll over funding during the year under review.

## Unauthorised, Fruitless And Wasteful Expenditure

During the 2017/18 financial year the CPSI had once incident of fruitless and wasteful expenditure to the value of R5 580 where the CPSI Supply-Chain Management were prejuduced through concealing a quotation with a lower amount which was received from the service provider during the bidding/quotation process. Following a formal disciplinary process and hearing, the SCM official was dismissed for soliciting a bribe from the service provider.

One case was confirmed as irregular expenditure due to non-compliance to Treasury Regulations to the payment of interest for goods and services (R2 091.32). The investigation was not completed at year-end to determine liability.

## • Public Private Partnerships

The CPSI did not participated in any Public Private Partnerships during the 2017/18 financial year.

## Discontinued activities / activities to be discontinue

No activities were discontinued or are to be discontinued.

#### • New or proposed activities

There are no new or proposed activities.

### Supply Chain Management

During the 2017/2018 financial year, the CPSI did not receive nor conclude any unsolicited bid proposals. All SCM processes and systems are in place in the Organisation. There are approved Supply Chain Management and an Asset Management and Disposal policies which are fully implemented and compliance is closely monitored.

Bid Committee structures, namely the Bid Specification Committee, Bid Evaluation Committee and the Bid Adjudication Committee are fully functional in line with the National Treasury guidelines on Supply Chain Management. These committees fulfil the role of compliance monitoring within the procurement process in terms of Treasury prescripts as well as internal organisational policies.

All Supply Chain Management Practitioners and Bid Adjudication Committee members have signed a code of conduct whereby, to the extent required by their position, they should declare any business, commercial and financial interests or activities undertaken for financial gain that may raise possible conflict of interest.

The CPSI uses procurement checklists to prevent irregular expenditure. These are continuously revised within the Supply Chain Management environment. For the 2017/18 financial year, irregular expenditure amounting to R207 000 was reported. Three cases (R38 000)were declared as irregular expenditure in 2017/18 due to noncompliance to National SCM instruction note 3 of

## OCENTRE FOR PUBLIC SERVICE INNOVATION

2016/17 to obtain prior written approval from the National Treasury for contract variation exceeding 15% of the original contract value. Internal control processes were tightened to prevent reccurrence, these cases were referred to the National Treasury for condonement. For the 2016/17 one case confirmed as irregular expenditure due to noncompliance to Treasury Regulations 15.10.1.2 (c) to avoid prepayments for goods or services, amounting to R133 000. The investigation into the above to determine liability was not concluded by the end of the current reporting period.

Four cases (R3 663.30) were identified as irregular expenditure in 2017/18 due to non-compliance to the CPSI Travel Policy (paragraph 6.7.3) to obtain prior approval for payment of additional expensed incurred on a trip. Investigation to determine liability was not concluded at end of reporting period.

One case R59,724.60) was confirmed as irregular expenditure due to non-compliance to Treasury Regulation 16.A.3.2 to avoid awarding an order to a supplier who submitted their quotation after the closing time Investigation to determine liability was not concluded at end of reporting period.

One case (R350 000) was confirmed as irregular expenditure due to non-compliance to Preferential Procurement Policy Framework Act section 5(7) by not evaluating a supplier on functionality, price and BBB EE. Investigation to determine liability was not concluded at end of reporting period.

### Gifts and Donations received in kind from nonrelated parties

Sponsorships in kind valued at R35 000, from Datacentrix, were received towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme.

A sponsorship in kind valued at R43 000 was received towards the travelling expenses for the adjudication of the competition for the AAPAM Award for Innovation Management from the African Association for Public Administration and Management (AAPAM).

An amount of R8 000 was received towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme from the Huawei.

The UNDP has further supported a number of projects through in-kind contributions and cofunding, including co-funding the 2017 SADC-UNPAN workshop (flights of SADC delegates, estimated R270 000) two sector specific

workshops (facilitator, estimated R120 000), promotion of Foresight in the Eastern Cape (flights and accommodation, estimated R5 000) and background study on Funding Innovation (estimated R300 000).

## Exemptions and deviations received from the National Treasury

Two requests for approval of deviations were submitted to the National Treasury during the period under review, namely for the extension of the contracts while the procurement processes were being finalised for Travel with Flair and XDSL.

#### Events after the reporting date

None

Other

None

## Acknowledgement

In conclusion, I would like to thank the Minister and the Deputy Minister for the Public Service and Administration for their astute leadership and guidance. Through their support and guidance and of course their confidence in us, we were able to continue to forge ahead to entrench the culture and practice of innovation in the public sector which is critical in service delivery improvement.

I present this report as the final outcome of the work of a dedicated team who share the passion and commitment to drive innovation in the public sector as a key enabler for improved citizen access to vital government services.

Approval and sign off

Toolbe

MS THULI RADEBE
EXECUTIVE DIRECTOR
CENTRE FOR PUBLIC SERVICE INNOVATION

# Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The Auditor General is engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the CPSI for the financial year ended 31 March 2018.

Yours faithfully

MS THULI RADEBE EXECUTIVE DIRECTOR

CENTRE FOR PUBLIC SERVICE INNOVATION

# **7**Strategic Overview

#### 7.1. Vision

A solution-focussed effective and efficient Public Sector through Innovation

#### 7.2. Mission

The Centre for Public Service Innovation (CPSI) aims to entrench the culture and practice of innovation in the public service through:

- o Unearthing existing innovations for learning and replication;
- o Researching, leading and promoting the development and testing of new innovations;
- o Investigating and facilitating the replication and mainstreaming of innovations, and
- o Providing content driven platforms and products for public officials to adopt innovative approaches.

#### 7.3. Values

The CPSI's strategic direction is guided by the following values:

- o **Nurturing:** The CPSI supports and encourages public sector institutions in their efforts to innovate, from unearthing innovative initiatives to replication and mainstreaming.
- o **Recognition:** The CPSI publicly recognises and rewards innovators and innovative institutions to acknowledge their contribution towards the improvement of service delivery and for further replication.
- o **Partnering:** The CPSI values partnerships with other public sector entities, the private and non-governmental organisation (NGO) sectors, the South African National System of Innovation (NSI) and key global role players within the space of public sector innovation.
- o **Compassion and empathy:** The CPSI endeavours to respond to the needs of the citizens by addressing the root causes of service delivery failures in an empathetic manner.
- o Efficiency and effectiveness: Efficiency and effectiveness remain core drivers for public sector innovation.
- o **Knowledge sharing:** The CPSI applies the principles of a learning organisation through its innovation practices, platforms and programmes.

## Legislative and Other Mandates

The responsibility for public sector innovation is vested in the Minister who, in terms of section 3(1)(i) of the Act, is responsible for establishing norms and standards relating to transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

#### The CPSI is:

 Providing the Minister with independent, diverse, and forward-looking research findings and advice on innovative service delivery with a specific focus on government's priorities.

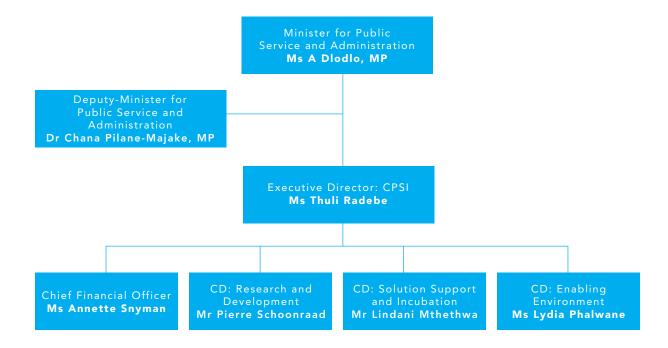
- Enhancing public service transformation and reform through innovation partnerships and projects.
- Supporting the creation of an enabling environment for innovation within the structures and agencies of the South African government (encouraging, learning and rewarding).

The function of the CPSI is thus to entrench a culture and practice of innovation in the public service through-

- advancing needs-driven research and development;
- unearthing, demonstrating, sharing on, encouraging and rewarding innovation;
- testing, piloting, incubating new innovations and supporting the replication of innovative solutions; and
- partnering with public, private, academic and civil society sectors on supporting the mandate of the CPSI.



## Organisational Structure



## Entities Reporting to the Minister

The following entities fall within the portfolio of the Minister for the Public Service and Administration:

- o Department of Public Service and Administration;
- o National School of Government;
- o Office of the Public Service Commission; and
- o Government Employee Medical Scheme.

The CPSI has no oversight role over any entity reporting to the MPSA. The Organisation received its annual appropriation by means of a transfer from the Department of Public Service and Administration. The CPSI has a related party relationship with these entities. During the period under review all transactions entered into with these entities were at arm's length. No CPSI officials disclosed related party transactions with any of the entities reporting to the Minister.



## Performance Information



# Auditor General's Report: Predetermined Objectives

The Auditor General of South Africa (AGSA) performed the necessary audit procedures on the performance information in order to provide reasonable assurance of performance against predetermined objectives in the form of an audit conclusion. The audit conclusion is included in the report to management under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the AGSA report. Refer to page 84 to 86 of the Report of the Auditor General, published as Part E: Financial Information.

## 2

## Overview of Departmental Performance

## 2.1 Service Environment

Delivery

The CPSI renders it services in a decentralised environment where each department functions autonomous with regards to accountability in terms of the PSA and PFMA. It is therefore not possible to enforce any innovation onto a department or institution.

The CPSI thus adopted an approach build on four pillars, namey recognising and rewarding innovation (to create an enabling environment for innovation and to effect cultural change within organisations), sharing knowledge on public sector innovation and innovative practices (to encourage officials to implement in their own environments), support the development of new solutions for identified challenges, and facilitate the replication and scaling of innovations.

The CPSI is therefore required to

work with a multiplicity of partners both in the public and private sector, academia and civil society, to unearth, development and scale innovative ideas and solutions to improve public sector service delivery.

Leveraging partners beyond the Portfolio institutions, allows for the re-engineering and transformation of the public sector through innovation, to achieve improved productivity and performance. This partnership model further allows us to leverage financial and/or intellectual capital in support of government priorities. The absence of a funding mechanism for public sector innovation has resulted in limited capability for innovation to thrive in the public sector. This, in some instances, has resulted in the lack of take-up and/or scaling-up and/or mainstreaming of innovative solutions that improve service delivery. In this regard, the CPSI will be developing a position paper for MPSA on Public Sector Innovation

Funding and Procurement. It is hoped that this paper will lead into some policy directive for South Afica on public sector innovation.

We have also noticed that ensuring stakeholder participation securing resources severly limit the pace and number of innovations that can be replicated. These dynamics require greater agility of the organisation and more flexibility in planning. One such example is the introduction of pharmacy automation at Chris Hani Baragwanath Hospital which could not be initiated by the end of the financial year due to externalities. The process was however agile enough to support the leveraging of resources for opening a dispensing unit (PDU) at Alexandra Plaza, thus still improving service delivery through automation.

In order to respond to the demand to support the building of a culture of innovation in the public sector, the CPSI has at its disposal a wide range

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of active knowledge platforms, fora and products. These are used to encourage the sharing of lessons and information on innovation trends nationally, across Africa and internationally. One recent change in the service delivery environment relates to the growing phenomenon of developers within government leading innovations. As such the CPSI responded by recognizing these individuas and teams through a special Award.

Another robust programme is the SADC-UNPAN network. Partnering with our SADC counterparts, the network enables the sharing innovative practices learning and replication. It further provides an opportunity for SADC countries to contribute their own unique stories to the growing global knowledge repository on public administration and public sector innovation. With member states now all aligning national development plans with the SDGs, this initiative has been expanded to provide thought leadership and South-South learining opportunities on innovations supporting the implementation of these plans and goals.

## 2.2 Service Delivery Improvement Plan

We have witnessed how the need for facilitating the replication of innovations unearthed through the Annual Public Sector Innovation Awards, is growing rapidly. It is for this reason that the CPSI is now also providing replication support to institutions and departments.

Through both the development and replication programmes, CPSI further support these institutions and departments to improve their own service offering. With this very objective in mind that the CPSI has worked with various hospitals in

seeking solutions to the challenges they encounter. One such example is the successful replication at Bheki Mlangeni Hospital of the high-volume cataract theatre that has tripled the number of cataract operations being performed. This innovative diversion of patients to Bheki Mlangeni Hospital has eased the cataract operations backlog that was experienced by Chris Hani Barangwanath Hospital.

Another example of such an out-of-the-box solution is the Limpopo Revenue Enhancement Project, the 2016 Public Sector Innovation Awards Innovator of the Year. Through this initiative the province has increased revenue collection within two years with R719 million. In 2017/18 financial year, through the CPSI's sector specific innovation workshops, this initiative was extended to North-West and Free State provinces. It was also further replicated in other departments in Limpopo.

Our colleagues in the education portfolio are relentlessly driving innovation through the use of Information and Communication Technology at our schools. Sadly, their efforts to produce quality outcomes from our schooling system are being undermined by criminal elements within our communities. In 2015, the CPSI in partnership with the Innovation successfully piloted the Memeza Safety Programme, which features a Household Alarm, within the Diepsloot community, in Gauteng. Memeza, which means "shout" in isiZulu, works through a network of alarms that are installed in households in low income residential areas.

The smart alarms are in turn linked to South African Police Service (SAPS) sector policing vehicles, police stations and community policing forums. The programme involves the active participation of 45 police stations, 2000 households and now also in 23 schools across Gauteng and the North West provinces. Since 2015, we have witnessed drastic reduction in crime, in particular gender-based violence in those areas where the household alarm system is operative. Furthermore we also observed a 100% prevention of theft of ICT equipment in schools where the alarms were installed. This indicates that the alarm serves as a deterrent to would-be thieves. Most importantly, the connection of alarms to local police stations has positively impacted on the response time to acts of crime by reducing the rate from 48 hours to about 7 minutes.

The CPSI continued to spark the flames of innovation among more and more public servants through the use of the Multi Media Innovation Centre (MMIC). The MMIC is a virtual and safe space in which public servants interactively generate ideas to resolve service delivery challenges and unencumbered inside-the-box thinking that leads to innovation.

## 2.3 Organisational environment

The CPSI's strategic objectives are implemented by the following programmes:

- 1. Programme 1: Administration
- 2. Programme 2: Public Sector Innovation

As at 31 March 2018 the CPSI had 38 posts on the approved establishment. This includes 8 posts additional to the establishment and 2 vacant posts. Considering the above mentioned service delivery demands, there is a need to strengthen the replication capacity, in particular as one of the donor-

## OCENTRE FOR PUBLIC SERVICE INNOVATION

funded project management posts has now come to an end. There is a further need to establish a dedicated project management unit from where all projects can be coordinated.

Some of our development projects demand the building of a skill set

within the organisation to respond to the demands of the 4th Industrial Revolution. The CPSI will therefore have to ensure the recruitment of a cohort with such skills.

## 2.4 Key policy developments and legislative changes

No new policy developments or legislative changes affected the CPSI's operations during the period under review.

3

## Strategic Outcome Oriented Goals

In the revised Strategic Plan for 2015/20 the CPSI identified the following strategic outcome oriented goals that are aligned to Government's priority outcomes:

# The culture and practice of innovation entrenched in the public sector

This goal is achieved through unearthing, encouraging, rewarding, showcasing, piloting & facilitating the replication and mainstreaming of innovation in the public sector.

There is a growing concern that the public service is not evolving with the times and therefore is lacking in innovation in the delivery of services. The CPSI is closing this gap with introducing new innovative measures.

The CPSI has further intensified its efforts to create an enabling environment for innovation to thrive and a culture of innovation within departments and especially at service delivery points. It is of critical importance to empower teachers, doctors, nurses, police officers and frontline officials to embrace future technologies to become innovative in their own fields of expertise.

Although this behind-the-scene work of the CPSI often goes unnoticed, what does not go unnoticed is a 22% increase in theatre utilization, a 67% reduction in gender-based

violence or an increase in matric pass rate from 53% to 92%. These are all results from projects advised by and supported by the CPSI but implemented by public servants and social innovators themselves across the country.

The CPSI has also introduced a new Ministerial category aptly named Public Sector Innovation Trailblazers. These Trailblazers are ordinary public servants who are developing systems in-house to address many inefficiencies withing the public sector, saving government millions of rands in software and licencing fees, amongst others.

4

## Performance Information by Programme

## 4.1 Programme Administration

This programme provides strategic leadership, overall management of and support to the organisation

#### 1: There are three sub-programmes

 Strategic Management provides administrative support to the Executive Director and co-ordinate implementation, monitoring and reporting on the organisation's overall performance.

• Corporate Resources Management manages

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and monitors the provision of corporate resource management services; information communication and technology management services; security management services; office support and auxiliary services.

Office of the Chief Financial
 Officer ensures compliance
 with all relevant financial
 management statutes and
 regulations, notably the
 Public Finance Management
 Act (PFMA) and oversees the
 effective Financial and Supply
 Chain Management of the
 organisation.

The strategic objectives of this programme for the year under review were as follows:

- Effective Integrated Planning And Reporting
- Effective Corporate Resource Management
- Effective Financial Management

# Strategic objectives, performance indicators, planned targets and actual achievements

During the year under review the CPSI prepared and submitted annual and quarterly Financial Statements free from material misstatements to AGSA, DPSA and the National Treasury. 100 Percent of all undisputed invoices paid were paid within 30 days. The average payment period in the year under review was 5.63 days from receipt of an invoice.

The CPSI successfully implemented the Corporate Governance of ICT Framework. This included the approval and implementation of the following:

- ICT Continuity Plan
- ICT Strategic Plan
- ICT Security Policy.
- ICT Implementation Plan with annual milestones linked to an enabling budget

In addition, a password controlled Wi-Fi was successfully implemented for both mobile and computer devices granting CPSI employees internet access whilst maintaining security protocols. We also implemented a voucher system which caters for guests.



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TRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Achievement         Achievement         Achievement           2014/2015         2015/2016         2016/20           The 2016/17         The 2017/18           Annual         Annual
6/17
Performance Plan submitted to DPSA, DPME, the Auditor General and the National Treasury and tabled in Parliament
Ouarterly performance reports submitted to MPSA, DPSA, DPME and National Treasury as per required time frames

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Deviation Comment on from planned deviations target to Actual Achievement for 2017/2018	None	None
from targe Achiev 201	None	None
Actual Achievement 2017/2018	Achieved Annual Report developed and submitted to AGSA for audit, the National Treasury and to the Executive Authority for tabling in Parliament within the required time frames	Achieved  Two (2) CRM policies were developed, approved and implemented: • Gifts, Donations and Sponsorships Policy • Information Technology Security Policy
Planned target 2017/18	Annual Report developed and submitted to AGSA for audit, the National Treasury and to the Executive Authority for tabling in Parliament within the required time frames	At least two (2) CRM policies and/ or strategies developed and/ or reviewed and implemented, annually
Actual Achievement 2016/2017	The 2015/16 Annual Report submitted to DPSA, DPME, the Auditor General and the National Treasury and tabled in Parliament	Two (2) CRM policies were developed, approved and implemented:  • Performance Management and Development policy and Procedure on Bereavement and Hospitalisation
Actual Achievement 2015/2016	The 2016/17 Annual Performance Plan and 2014/15 Annual Report submitted to DPSA, DPME, the Auditor General and the National Treasury and tabled in Parliament	Three Policies were developed, approved and implemented:  • The Job Evaluation and Job Description Policy  • Recruitment Policy  • Wireless Remote Access, Device and Simcard Policy
Actual Achievement 2014/2015	1	
Performance Indicator	Annual Report developed and submitted for auditing	Number of CRM policies, procedures and strategies identified, developed and implemented
Indicator	1.3	4.
Strategic Objective		

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PROGRAMME 1: ADMINISTRATION	1: ADMIN	ISTRATION							
Strategic Objective	Indicator	Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
	1.5	ICT Corporate Governance reports developed and submitted for approval	ı		ı	Ouarterly ICT Corporate Governance Reports developed and submitted to EXCO for approval	Achieved Quarterly ICT Corporate Governance Reports developed and submitted to EXCO for approval	None	one N
	1.6	Number of budget planning reports developed and submitted		The organisation's medium term expenditure framework input was submitted to the DPSA and the National Treasury within the required time frames	One (1) medium term expenditure framework input was submitted to the DPSA and the National Treasury within the required timeframes	Three (3) budget review documents prepared and submitted to the DPSA and the National Treasury	Achieved Three (3) budget review documents prepared and submitted to the DPSA and the National Treasury	None	None
				The organisation's Adjusted Estimates of National Expenditure was submitted to the DPSA and the National Treasury within the required timeframes The organisation's Estimates of National Expenditure was submitted to the DPSA and the National Treasury within the required timeframes of National Expenditure was submitted to the DPSA and the National Treasury within the required timeframes	One (1) Adjusted Estimates of National Expenditure was submitted to the DPSA and the National Treasury within the required timeframes One (1) Estimates of National Expenditure was submitted to the DPSA and the DPSA and the National Treasury within the required timeframes				

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PROGRAMME 1: ADMINISTRATION	I: ADMIN	ISTRATION							
Strategic Objective	Indicator	Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
	1.7 (A)	Organisational financial performance monitored and reported	1	Quarterly Financial reports were submitted to the MPSA, DPSA and the National Treasury within the required timeframes	Financial reports were submitted to the MPSA, DPSA and the National Treasury within the required timeframes The organisation's Financial Statements	Annual and quarterly Financial Statements, free from material misstatements, prepared and submitted to AGSA, DPSA and the National Treasury	Achieved Annual and quarterly Financial Statements, free from material misstatements, prepared and submitted to AGSA, DPSA	None None	None
					were submitted to the Auditor General, the DPSA and the National Treasury on 31 May 2016		and the National Treasury		
	1.7 (B)		ı	ı	1	100 Percent of all undisputed invoices paid within 30 days	Achieved 100 Percent of all undisputed invoices paid within 30 days	None	None
	1.7 (C)			The Organisational Procurement Plan and Consultancy Reduction Plan were submitted to the DPSA and the National Treasury within the required timeframes	The Organisational Procurement Plan was submitted to the National Treasury and DPSA	Annual Organisational Procurement plan submitted to the Chief Procurement Officer and Implementation monitored and reported quarterly	Achieved Annual Organisational Procurement plan submitted to the Chief Procurement Officer and Implementation monitored and reported quarterly		

#### STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

During the period under review all planned targets were achieved.

### Changes to planned targets

There were no changes to planned targets in 2017/18.

#### Linking performance with budgets

Prog	gramme 1:		2016/2017			2017/2018	
Adn	ninistration	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
1	Strategic Management	3 723	3 698	25	3 717	3 677	40
2	Corporate Resource Management	9 690	9 583	107	9 116	8 936	180
3	Office of the Chief Financial Officer	4 866	4 628	238	5 842	5 714	128
Tota	ıl	18 279	17 909	370	18 675	18 327	348

Programme 1 performance is fully aligned with the budget allocation as most activities relate to statutory compliance related and corporate expenditure such as leases and audit fees.

## 4.2 Programme 2: Public Sector • Innovation

This programme drives service delivery innovation in the Public Sector in line with government priorities.

### There are three sub-programmes

- Research and Development leads the development of potential innovative models and solutions. It thus requires the establishment of a knowledge and skills base to investigate service delivery challenges and inform the selection or development of solutions to address the identified challenge(s).
- Solution Support and Incubation facilitates the demonstration, replication and mainstreaming of innovative solutions for the public sector.

 Enabling Environment nurtures and sustains an enabling environment, which entrenches a culture and practice of innovation in the public sector through innovative platforms and products.

The strategic objectives of this programme for the year under review were as follows:

# Objective: Identification and confirmation of challenges for targeted solutions

As part of its mandate, which is to develop innovative, sustainable and responsive models for improved service delivery, the CPSI investigates service delivery challenges and possible solutions to these challenges. Some of these solutions are already available and can be replicated whilst others have to be developed through our

stakeholders.

In the period 2017/18 the CPSI investigated the following three challenges:

#### Paper-based Submission

Obsolete, paper-based processes and their inefficient nature are often one of the root causes of many public sector departments' inability to improve service delivery to citizens.

Although this investigation focussed on electronic submissions, it is critical to look at document workflows in a comprehensive manner in order for departments to have an integrated paperless environment.

These solutions should further be integrated with a department's disaster recovery plans and

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related activities whilst ensuring that the necessary Minimum Information Security measures are in place.

Through the investigation, the a number of existing solutions have been identified. However it will come at a cost and not all departments are able to afford these.

An alternative would be to consider in-house solutions such as Statistics SA's Invoice Tracking System that can be adapted as a solution to replace paper-based submissions. The system involved a conversion of a semi-automated invoice tracking system (ITC) database into a web based system to allow usage by multiple users. This has an added facility of allowing service providers to view status of their invoices at any given point, via web-based application to enable the department to ascertain the value, status and location of outstanding invoices at any given point.

## Medical Litigations Challenge.

The escalating antimicrobial resistance (AMR) The second challenge that was investigated relates to medical litigations faced by the public health sector which results in what is commonly referred to as medico-legal claims. These claims which run into billions of rands have the potential of collapsing the South African public health sector. As we were finalising work on this challenge it was reported in the media that the Gauteng province has a bill of about R18 billion that it is paying as a result of medical litigations. This is indicative of the scale of the problem, which we explore in detail below.

A lot has been said about the growing numbers of medico-legal claims in the South African health sector. This has been a culmination of a progressive trend in South Africa and is often compared to the trends in the USA. It can be safely said that the burden of the litigation, both in numbers of cases and quantum of claims, is born by both the public and the private sectors. The economies of scale around litigations are such that they threaten the fiscus to the extent of undermining funding for regular healthcare.

The 2016 mid-year estimate of the population of South Africa was nearly 56 million people. The public health sector delivers services to about 80% of the population, thus more than 40 million people. The sheer number of people using public health care gives an indication of the proportion of the community that are affected by health care funds. The national budget

for 2016/17 indicates that an amount of R527.9 billion was allocated to health. For a developing country such as South Africa, where the right to health care services is constitutionally guaranteed, higher spending on health care is a positive sign. However, the same budget which provides for actual health care services is also used to pay out medico-legal claims. The increase in payments for medico legal claims means that money has to be diverted away from the delivery of health care services, which further reduces the funding of an already severely burdened system. An analysis of provincial annual plans revealed liabilities of more than R40 billion, this almost 10% of the entire health budget.

The impact of these claims is reaching dire proportions, especially in the public health sector. Claims are instituted against a Member of the Executive Council (MEC) for Health in a particular province, but the money to pay the claim, which could run into several million rand in each case, is in most instances derived from the budget of the hospital concerned. The more damages to be paid, the less money is available for service delivery, the poorer the quality of the service rendered by the hospital, the more room for negligence and error, the more the claims. It is a vicious cycle and it is not addressed, the entire public health system could implode.

There is a need to develop a conflict resolution system that ensures justice for all – the state and litigants. On this matter we can get lessons from the Road Accident Fund (RAF). The RAF used the Road Accident Fund Amendment Act to ensure that a claim process can be finalised without the use of expensive intermediaries. Taking a lesson from RAF, it is recommended that a similar amendment be made to the State Liability Act to allow for mediation and alternative settling mechanisms.

South Africa has no legislation that specifically addresses legal claims in the medical field, which means that claims based on medical negligence are dealt with under the common law. There have been positive developments in this regard, such as the introduction of the State Liability Amendment Bill.

The study also recommended the further investigation of a Patient Complaints System as a solution that will facilitate communication between medical professionals and patients, to hopefully avoid medical claims from happening

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## Funding Public Sector Innovation.

The third challenge that was investigated is the lack or insufficiency of dedicated funding mechanisms to develop and implement innovative service delivery concepts and solutions.

A number of international studies have identified the barriers and challenges to implementing innovations in the public sector. The most common challenges countries face are related to risk aversion, management resistance, personnel and skills capacity and political support. There is also a lack of incentives and awareness. The disconnect between public procurement and policy objectives, and the fragmentation of public procurement markets inhibits the sourcing of external innovations. Moreover, price competition, fundamental which is public procurement, does not encourage suppliers to invest in developing new tailor-made solutions but rather offer ofthe-shelf and mostly imported solutions.

The investigation of this challenge focused on one of the most important underlying inhibitors of service delivery innovation, namely the lack of appropriate funding mechanisms in the public service. Through this investigation major reasons why funding of innovation is inhibited where found. In addition recommendations on how this challenge can be addressed were made.

#### Recommendations

A roundtable discussion

between key stakeholders should be convened to engage on appropriate local mechanisms to fund innovation and support the objectives of the NDP. Decision-makers from Treasury (national and provincial), entities in the NSI, and beneficiaries could all contribute to the conceptualisation of such a mechanism.

Subsequent to the roundtable, a policy paper and Cabinet Memorandum should be drafted for consideration by the cabinet. Depending on the final recommendations, this may include amendments to the Treasury Regulations or the drafting of a Practice Note on innovation bids.

## Objective: Pilot, demonstrate and facilitate the replication of innovative models and solutions Pilot Projects

Hospitals as Innovation Hubs: The CPSI successfully established a hospital-based Innovation Hub to enhance service delivery at Bertha Gxowa Hospital. The idea of an Innovation Hub has provided the opportunity for hospital staff to be innovative around service delivery challenges that they experience in their own work environment and motivated them to come up with solutions.

During the period under review, one of the solutions implemented as part of this initiative was the **Optimisation** of **Patient Flow** to minimise the waiting time of patients for admission and increase bed availability. Part of the solution was to set up what is termed Discharge Lounges which ensures that patients in the process of being discharged do not occupy much needed ward beds. Improving patient flow within the hospital

further resulted in the **Optimisation of Theatre** Use from 29% to 51% at Bertha Gxowa Hospital. A case study and toolkit will be finalised for sharing with other hospitals.

Whilst a lot of effort was put into ensuring that the Pharmacy Automation project was piloted in Chris Hani Baragwanath Hospital (CHBH) in the 2017/18 financial year, due to a change of approach and need, this project was rather piloted in Alexandra Township by our partner Right to Care. This was done as part of profiling the project within the donor community for more funding as the CHBH project would require more funding. The CPSI will continue in the 2018/19 to partner with Right to Care to ensure implementation of this project in CHBH.

### **Replication projects**

During the period under review two replication projects were undertaken, the Revenue Enhancement Project and the Mpumalanga-Gauteng Teleradiology project. Due to dependencies on stakeholder buyin for implementation, both projects were not finalised by the end of the financial year. The CPSI has undertaken to continue to facilate the replication of these projects in the 2018/19 financial year as they have demonstrated great benefits and high impact to improving service delivery to the citizens of South Africa.

# Objective: Innovation knowledge programmes, products and platforms

The CPSI continues to capacitate public servants to innovate through the Multi Media Innovation Centre (MMIC) and sector specific innovation workshops. There is a concern that public servants are not evolving fast enough to ensure the

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improvement of service delivery. It is important to note that innovation offers a great opportunity for the country to meet its development targets and requires that our public servants are capacitated to create an enabling environment for innovation to thrive within the public service, especially at service delivery points. The CPSI, through is Multi-media Innovation Centre, a learning, demonstrating and planning platform capacitated 569 visitors in 2017/18 as part of capacitating public officials on public sector innovation. The increased in the visitors can also be attributed to platforms such as attendance of the Africa Public Servic Day in Rwanda and others using our mobile MMIC.

In addition, in the period under review four innovation Workshops were conducted in Limpopo, Gauteng, Free State and North West. One if these workshops focused on revenue enhancement and has led to the replication of this solution across all Limpopo departments.

The Annual Public Sector Innovation Conference was held under the theme Positioning the Public Sector Innovation for the 4th Industrial Revolution. It is at this conference that the PSC, CPSI and DPSA: OGCIO committed to modernise the public service recruitment process and in particular, eradicate the "infamous" Z83 application form.

In the 2017/2018 year we saw, for the first time, the recognition of Public Sector Innovation Trailblazers, ordinary public servants who develop in-house innovative solutions instead of procuring expensive off the shelf solutions. This is a growing phenomenon within the public sector that needs to be nurtured and encouraged. During the 2017 Public Sector Innovation Awards, the Minister for the Public Service and Administration recognised Mr Xolani Phakathi, a Systems Developer from the KZN Department of Health. Xolani developed innovative solutions that are improving service delivery and already saving the

department millions of rands. He developed these systems using a trial software. Xolani symbolises the next generation solution-focused public servants who will lead us into the 4th Industrial Revolution.

Furthermore, the 2017 **Public Sector Innovator of the Year**, Mpumalanga Department of Health developed an innovative in-house solution to optimise the dispatching and the tracking of ambulances. This solution saved the department at least R60 million whilst significantly improving the response time.

The following are finalists and the category winners in the 2017 Public Sector Innovation Awards Programme:

CATEGORY A: INNOVATIVE SOLUTIONS RI	DUCING THE COST O	F DELIVERING SERVICES
Name of the project		Province
Emergency Medical Dispatch System Winner Mpumalanga		
VulAmanzi Initiative	1st Runner-up	National
Prepared Patient Ready Packs	3rd Runner -up	KwaZulu Natal

CATEGORY B: INNOVATIVE USE O	FICT's FOR EFFECTIVE S	SERVICE DELIVERY
Name of the project		Province
Modernisation of Company Registration Regime	Winner	National
Central Supplier Database	Winner	National
Assistive Device Electronic Management System	2nd Runner - up	KwaZulu Natal

CATEGORY C: INNOVATIVE S	SERVICE DELIVERY INS	TITUTIONS
Name of the project		Province
Oncology Service	Winner	North West
KTHC/PHRU Health Project	1st Runner -up	North West
Safe Disposal of Insulin Needles and Syringes	2nd Runner -up	KwaZulu Natal
Umzinyathi PHC Project	3rd Runner -up	KwaZulu Natal

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CATEGORY D: INNOVATIVE ENHANC	CEMENTS OF INTERNAL SYSTE	EMS OF GOVERNMENT
Name of the project		Province
Online Admissions Application	Winner	Gauteng
e-Procurement System	1stRunner -up	KwaZulu Natal
Job Application Profiling System	2ndRunner -up	Mpumalanga
E-Recuritment	3rd Runner-up	Gauteng

GEMS HEALTH AWARD	SPECIAL MINISTERIAL AWARDS
Ocology Service – North West	MIA Sanitary Towels - Gauteng
	Optical Laboratory - Mpumalanga

## 2017 PUBLIC SECTOR INNOVATOR OF THE YEAR Emergency Medical Dispatch System

#### The Challenge

Before the introduction of computer system at the Communication Control Centres (EMS control Rooms), People or personnel used to answer calls using a paper and a pen. One of the problems was that many calls were lost and priorities could not be determined

The call taker was also the call dispatcher, so over time this resulted in only half of all calls being taken. The efficiently and integrity of the data or information was also inaccurate. Some calls were hoax calls or children playing with the emergency number so the operator would waste time recording the call and there would be a number of duplicate calls.

With the introduction of the computer system through Italian donor-funding the control centre introduced the system for call takers and call dispatchers. They were able to track or monitor the movement of ambulance around the district. With the introduction of 2010 World Cup, a new online system was introduced to phase out the donated system. The system was efficient and effective but there was no support nor skill transfer to one of the departmental staff and when the contract lapsed and the company left and the department was left astray. The company could also still control and monitor the system wherever they were and that was a security risk for the department. The data needs and lack of support resulted in becoming sluggish and crashed regularly. No one understood the internal design because there was no blue print of the system.

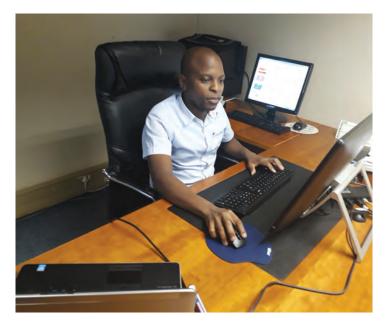
#### The Innovation

An in-house solution was developed at no cost to the department versus the R50 million quote received (development and support done internally). There is no license or fees required as it was developed in-house. It is an integrated and flexible system (the whole of Mpumalanga, i.e. the three districts are all part of the system). The capturing of incident information on the system saves time unlike when it was previously done manually. The system allows the dispatching of ambulances quickly and where they are needed the most. The system is fully automated and refreshes every 5 seconds shows calls that are not closed so they are attended to before end of business. The system is able to detect call duplication, e.g. when three people call for the same incident / accident along the road. It is also able to dispatch ambulance type based on triage / needs. The system is able to monitor the ambulances and their utilization.

#### The Impact

The limited funding available was then used to procure more ambulances. With the old manual process, the call taker was also responsible for dispatching. Which posed a challenge in cases where calls kept on coming, this would result in taking more calls and delaying the dispatching of ambulances and affected the response time. With the new system, the roles are separated where there are call takers and dispatchers. As soon as the call taker captures the incident information it is immediately displayed on the dispatcher's screen for immediate dispatching. Which makes it easy for the call taker to attend to the next call. The dispatcher has full visibility of the available ambulances. Since implementation of the system, the dispatcher is able to dispatch the appropriate ambulance, e.g. if they receive a call for a woman who is in labour they are able to dispatch an obs/gynae ambulance that is fitted with an incubator. The response time from the time the ambulance is dispatched has improved due the system's ability to identify the closest ambulance to the accident. The system throughput per day is between 200 to 300 calls a day, but call volume increase during peak seasons.

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Objective: Participating in regional and international innovation programmes for learning, sharing and profiling of South African innovations to strengthen good governance initiatives

As successful SADC Regional United Nations Public Administration Network (UNPAN) was held in June 2017 wherein number of Southern African public sector innovations were shared as part of our efforts to

strengthen regional integration in line with Outcome 12. The case studies included the innovative Agri-parks by the Gauteng Department of Agriculture and Rural Development.

South Africa, through the CPSI, served its second term as an adjudicator of the prestigious continental AAPAM Innovative Management Award.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME 2: PUBLIC SECTOR INNOVATION	UBLIC SECT	OR INNOVATION							
Strategic Objective	Indicator ID	Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Improve the effectiveness and efficiency of public sector service delivery	2.1 (A)	Number of specific service delivery challenges investigated to determine root causes and possible solutions		Three (3) service delivery challenges investigated, possible solutions identified and lnvestigative Report developed and approved by the ED: Ant infestation in informal settlements and state facilities such as prisons • Long queues and overcrowding in hospitals • Waste Management in hospitals	Three (3) service delivery challenges investigated, possible solutions identified for two of the challenges and Investigative Reports were developed and approved by the ED: • DTI reporting and performance management of entities investigated and potential solutions identified • Antibiotic resistance in the health sector Investigated and potential solutions identified • Department of Home Affairs Reporting Tool for front line service delivery investigated	Investigate at least three (3) service delivery challenges to identify possible solutions	Achieved  Three (3) service delivery challenges Investigated to identify possible solutions, namely: • Funding Public Sector Innovation • Medical Litigations • Paper Based Submissions	e None	e c o N

3RAMME 2: P	UBLIC SECT	PROGRAMME 2: PUBLIC SECTOR INNOVATION							
Strategic Objective	Indicator ID	Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
	2.2 (A)	Number of innovative service delivery solution initiated for piloting with service owners over a <b>short-term period</b>		The Memeza Community Alarm solution that was developed in 2014/15 through The Innovation Hub was identified for piloting in the 2015/16 financial year. A further 560 units were installed with Private Sector funding support	One (1) pilot project initiated in 2015/16 to address service delivery challenges was completed The final report on the Memeza Community Alarm solution project was submitted, the outcome has informed the planning for further replication of the project	Complete one (1) pilot project initiated in 2016/17 to address service delivery challenges	Achieved  One (1) pilot project Hospitals as Innovation Hubs (Bertha Gxwa Hospital Project) initiated in 2016/17 to address service delivery challenges was completed.	None	None
	2.2 (B)				One (1) new pilot project, the Health Sector Innovation Hub project for Bertha Gxowa Hospital, was initiated to address service delivery challenges.	At least one (1) new pilot project initiated to address service delivery challenges	Achieved  One (1) pilot project, the Hospital Patient Flow Management was Initiated to address service delivery challenges.	None	on e N

Strategic Indicator Performance Actual Actual Actual Activement Objective ID Indicator Achievement Achievement Achievement 2015/2016  2.3.(A) Number of innovative innitiated of innitiated for solution initiated for policing with service owners over a multi-year period  period  Strategic ID Indicator Achievement Achievement 2015/18  Achievement Achievement Achievement 2015/18  Achievement Achievement 2015/2016  Planted File Innovative initiated for continued the oneign patterns initiated for linitiated for cost of energy in in partnership address service in period period  Period Indicator I	PROGRAMME 2: PUBLIC SECTOR INNOVATION	BLIC SECT	OR INNOVATION							
Number of innovative innovative service delivery solution initiated for piloting with service owners over a multi-year period period  Plot Project continued the initiated at Helen monitoring of piloted project solution initiated for cost of energy in state hospital service owners service owners service owners service owners anulti-year period period  Plot Project continued the piloted project service piloting with to address high of the hospital and the Gauteng and the Gauteng period period  Period Cost of energy in partnership address service anulti-year period period period project selectively introduce technical and behavioural		Indicator ID	Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
interventions to reduce the energy consumption of the hospital			Number of innovative service delivery solution initiated for piloting with service owners over a <b>multi-year</b> <b>period</b>		Energy Efficiency Pilot Project initiated at Helen Joseph Hospital to address high cost of energy in state hospitals			Achieved Helen Joseph Energy Efficiency piloted project initiated in 2015/16 to address service delivery challenges was finalised	None	None

	Comment on deviations	Pharmacy Automation Project: Alexander PDU launched with partners Right to Care and Gauteng Department of Health: Further work and financial mobilisation to be further undertaken in the 2018/19 as this is a Multi- year project
	Deviation from planned target to Actual Achievement for 2017/2018	Chris Hani Baragwanath Hospital Pharmacy Automation. Stakeholder sessions were held where risk analysis and drafting of Project plan was approved. CPSI's partner on the Project Right to Care, suspended the project as they were implementing and preparing to launch another project in Alexander to demonstrate to funders the solution in order to mobilise more funding for Chris Hani Baragwanath Hospital Project
	Actual Achievement 2017/2018	Not achieved
	Planned target 2017/18	At least one (1) new pilot project initiated to address service delivery challenges
	Actual Achievement 2016/2017	
	Actual Achievement 2015/2016	
	Actual Achievement 2014/2015	-
OR INNOVATION	Performance Indicator	Number of innovative service delivery solution initiated for piloting with service owners over a multi-year period
UBLIC SECT	Indicator	2.3 (B)
PROGRAMME 2: PUBLIC SECTOR INNOVATION	Strategic Objective	

	Comment on deviations	Project plans were drafted and resource mobilisation undertaken for 2 projects approved for replication Mpumalanga Tele-Radiology - Revenue Enhancement to mobilise financial resources for the Mpumalanga Tele-radiology project from its partners to assist in the mimplementation of the project from its partners to assist in the implementation of the Revenue Enhancement Project will be undertaken in the 2018/19 due to delays in getting approvals
	Deviation from planned target to Actual Achievement for 2017/2018	Two (2) CPSI award winning and/or other innovation projects that were identified and supported for replication were not initiated.  The replication were not initiated.  The replication of the Revenue Enhancement Project was identified and supported but the project could not yet be initiated due to late approvals in the implementing departments in Limpopo.  Whumalanga Tele-Radiology (link adiology (link adiology (link adiology (link beatwen Mpumalanga and Gauteng Department of health) was identified as a project to be replicated, a project Charter and Plan developed but could not be initiated due to leadership changes at the Gauteng Department of Health. The project was handed over to a new person in February 2018 which affected the implementation plan. Gauteng further intended to merge the project with a larger initiative, contributing to the delay into the
	Actual Achievement 2017/2018	Not achieved
	Planned target 2017/18	Identify, facilitate and support two (2) CPSI award winning and/or other innovation projects for replication
	Actual Achievement 2016/2017	Two (2) CPSI award winning projects were facilitated for replication: • Saving Blood, Saving Lives was replicated at Far East, Tembisa and Leratong Hospitals • High Volume Cataract Project was replicated at Bheki Mlangeni Hospital
	Actual Achievement 2015/2016	Two (2) CPSI award winning projects were identified, facilitated and supported for Replication: • Replication: • Replication: • Replication: • Replication: • Replication of the Saving Blood, Saving Ilves Project was facilitated and initiated at Bertha Gxowa Hospital • Dietetics project was facilitated for replication at Mokopane Hospital in the Waterberg District
ATION	Actual Achievement 2014/2015	·
PROGRAMME 2: PUBLIC SECTOR INNOVATION	Performance Indicator	Number of innovative projects facilitated for replication
2: PUBLIC 5	Indicator ID	5.4
PROGRAMME	Strategic Objective	

	Deviation from Comment on the planned target deviations to Actual Achievement for 2017/2018	239 more More plartforms officials and and events other partners were made accessed the Mobile MMIC exhibit. This included, amongst others, - United Nations Country Team-South Africa - Kingdom of Lesotho Delegation - World Bank - South African Council of Administrators - Office of the Auditor General of South Africa - Delegate attending the attending the attending the attending the 2017 GEMS
	Actual Achievement 2017/2018	Achieved A total of 569 officials and other partners accessed the MMIC
	Planned target 2017/18	At least 330 officials and other partners accessed the MMIC
	Actual Achievement 2016/2017	A total of 165 public sector officials and other partners visited and used the MMIC. This included, amongst others, SADC/UNPAN delegates, Members of the Portfolio Committee on Public Service and Administration and the Office of the Public Service Commission
	Actual Achievement 2015/2016	A total of 333 public sector officials and other partners visited and used the MMIC. The visitors included amongst others, City of Tshwane, NSG, City of Johannesburg, Technology Innovation Agency, National Treasury, Civilian Secretariat of Police, The UNDP, SAHRC, SALGA
7	Actual Achievement 2014/2015	
TOR INNOVATION	Performance Indicator	Number of public sector officials and other partners accessing the MMIC facilities to interrogate service delivery challenges, demonstrate innovative models and solutions; and infuse innovation
<b>'UBLIC SECT</b>	Indicator ID	2.5 (A)
PROGRAMME 2: PUBLIC SECTOR INNOVATION	Strategic Objective	

	Comment on deviations	The identification of projects that are recognised through the CPSI awards programme is done an Adjudication Panel who also determines the number of projects to be recognised. In this case they decided on three projects for two of the categories. The adjudicated results were audited by an external party before the awards ceremony
	Deviation from planned target to Actual Achievement for 2017/2018	Four projects were recognised for two of the categories and three projects were recognised for the other two categories as determined by the Adjudication Panel
	Actual Achievement 2017/2018	Not achieved
	Planned target 2017/18	At least four (4) projects per category identified and recognised through the CPSI awards programme
	Actual Achievement 2016/2017	Entries were received to the 14th CPSI Public Sector Innovation Awards. Sixteen projects (four per category) were recognised and awarded for their innovative solutions to improve service delivery at the Awards Ceremony held in October 2016
	Actual Achievement 2015/2016	Entries were received to the 13th CPSI Public Sector Innovation Awards. Four innovative projects per category were identified and recognised at the Awards Ceremony held in October. A total 20 Public Sector Innovative Solutions (including a Ministerial award) were awarded
z	Actual Achievement 2014/2015	·
TOR INNOVATIO	Performance Indicator	Number of finalist innovation projects or programmes recognised through the Annual CPSI Public Sector Innovation Programme to encourage and promote innovation in the public sector
UBLIC SECT	Indicator	2.6
PROGRAMME 2: PUBLIC SECTOR INNOVATION	Strategic Objective	

	Comment on deviations	
		None
	Deviation from planned target to Actual Achievement for 2017/2018	None
	Actual Achievement 2017/2018	Achieved  The Annual Public Sector Innovation Conference as a platform to entrench innovation was hosted on 30 - 31 August 2017 under the theme Positioning Public Sector Innovation for the 4th Industrial Revolution
	Planned target 2017/18	Host the annual Public Sector Innovation Conference as a platform to entrench innovation
	Actual Achievement 2016/2017	The Annual Public Sector Innovation Conference was hosted in August 2016 where five Innovative case studies were presented  The Conference was attended by the Minister for the Public Service and Administration and the Minister for Telecommunications and Postal Services from the People's Representatives from the People's Republic of China and Namibia were amongst the delegates.  A Ministerial Roundtable followed by a panel of experts' discussion was held
	Actual Achievement 2015/2016	The Annual Public Sector Innovation Conference was hosted in August 2015 attended by more than 350 delegates. Five Innovative case studies were presented A Ministerial Roundtable followed by a panel of experts' discussion was held
NOI	Actual Achievement 2014/2015	
PROGRAMME 2: PUBLIC SECTOR INNOVATION	Performance Indicator	Knowledge on public service innovations shared and exchanged through the Annual Public Sector Innovation Conference to encourage learning and replication
2: PUBLIC SE	Indicator	2.7
PROGRAMME 2	Strategic Objective	

	Comment on deviations	e One	Non e
	Deviation from planned target to Actual Achievement for 2017/2018	N o o e	e None
	Actual Achievement 2017/2018	Achieved Two (2) editions (Vol 8 Issue 1 and 2) of "Ideas that Work": The South African Public Sector Innovation Journal were published	Achieved Four (4) training sessions on "Leading Innovation in the Public Service" held and attended by public officials
	Planned target 2017/18	Vol 8 Issue 1 and 2 of "Ideas that Work": Public Sector Innovation Journal published	Four (4) training sessions on "Leading Innovation in the Public Service" held and attended by public officials
	Actual Achievement 2016/2017	Two (2) editions (Volume 7 Issue 1 and 2) of "Ideas that Work": The South African Public Sector Innovation Journal were published with 5 case studies in each Journals were disseminated to various stakeholders	Four (4) sector specific workshops on Leading Innovation in the Public Service were conducted in 3 provinces (KZN, Limpopo and Mpumalanga) for hospital CEOs, Clinical Managers and other Health Officials .  The workshops were attended by 130 hospital CEOs and other Health Officials .
	Actual Achievement 2015/2016	Two editions (Volume 6 Issue 1 and 2) of "Ideas that Work": The South African Public Sector Innovation Journal were published with a total of 11 local case studies, 12 insight articles and 13 international innovations. The Journals were disseminated to various stakeholders	Two (2) workshops were held, one in August attended by 31 delegates and the second one in October attended by 27 delegates
NOI	Actual Achievement 2014/2015	1	1
PROGRAMME 2: PUBLIC SECTOR INNOVATION	Performance Indicator	Number of editions of "Ideas that Work": The South African Public Sector innovation Journal published to encourage learning	Number of training sessions on "Leading Innovation in the Public Service" held to build innovation capacity in the public service
: PUBLIC SE	Indicator	2.8	5.9
PROGRAMME 2	Strategic Objective		

PROGRAMME 2: PUBLIC SECTOR IMNOVALION	UBLIC SECT	OR INNOVALION	-						
Strategic Objective	Indicator ID	Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
	2.10	Number of content items on innovation, public administration and finance, uploaded onto the UNPAN Portal as the SADC Online Regional Centre for sharing to strengthen public administration and good governance initiatives	·	The CPSI uploaded 1497 documents to the UNPAN Portal. These include 1046 public administration and innovative events; 285 public administration and innovative documents (i.e. presentations, journals and reports) and 10 Notices. Content was solicited from SADC participants	The CPSI uploaded 1331 content items to the UNPAN Portal. These include 1065 public administration news items, 106 events; 152 public administration and innovative documents (i.e. presentations, journals and reports) and 8 Notices	Upload 1300 content items on innovation, public administration and finance onto the UNPAN Portal	Not achieved	The target was missed by 22 uploads due to capacity challenges. The CPSI uploaded 1278 content items to the UNPAN Portal. These include 197 public administration and innovative news items, 81 events; 274 public administration and innovative documents (i.e. presentations, journals and reports) and 6 Notices	The official responsible for this target was on prolonged sick leave for a period of 19 days during the 2nd quarter resulting in less uploads being done than targeted which had a ripple effect on 2 quarters of the financial year.  This target has since been achieved in April 2018 with an additional 64 uploads for the month of April, making up the shortfall of 22

PROGRAMME 2	: PUBLIC SE	PROGRAMME 2: PUBLIC SECTOR INNOVATION	NO						
Strategic Objective	Indicator	Performance Indicator	Actival Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
	2.11 (A)	UNPAN SADC regional workshop hosted to share and profile SADC's content contribution to the UNPAN Portal	ı	The UNPAN SADC Regional Workshop was hosted in June 2015 in June 2015 in Johannesburg and attended by representatives from 10 SADC countries: Malawi, The DRC, Seychelles, Lesotho, Tanzania, Namibia, Mozambia, Mozambia, Botswana and Swaziland	TThe UNPAN SADC regional workshop was held on 8 and 9 June 2016 and attended by representatives from 10 SADC countries: Tanzania, Seychelles, Namibia, Mozambique, Mozambique, Mauritius, Malawi, Lesotho, Zambia Botswana and Zimbabwe The workshop was also attended by the SA-UNDP country office and the Statistician-General	Host a UNPAN SADC regional workshop attended by representatives from SADC countries	Achieved The SADC UNPAN workshop hosted on 28-29 June 2017 and attended by representatives from 13 SADC countries, Including South Africa	None	None
	2.12	Number of South African innovation projects supported to enter into International Awards Programmes for sharing and profiling	1	Eight (8) CPSI Public Sector Innovation Awards finalists innovation projects were entered into the AAPAM Innovative Management Awards One of the entered projects, Mom Connect, was awarded Silver	Eight (8) CPSI Public Sector Innovation Awards finalist innovation projects were entered into the All Africa Public Sector Innovation Awards Programme	Enter at least eight (8) South African public service innovation projects into International Awards Programmes	Achieved Eight (8) South African public service innovation projects into International Awards Programmes	None	None

PROGRAMME 2:	PUBLIC SE	PROGRAMME 2: PUBLIC SECTOR INNOVATION	NO						
Strategic Objective	Indicator ID	Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned target 2017/18	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
	2.13	Number of regional or international innovation programmes participated in, for learning, sharing and profiling of South African innovations to strengthen good governance initiative		Participated in the Committee of Experts in Public Administration (CEPA) in April 2015  Co-hosted and participated in a Foresight Regional Workshop with UNDP in December 2015	The CPSI participated in two (2) regional and international programmes: • The 16th session of the United Nations Committee of Experts in Public Administration (CEPA) on 17-22 April 2016 • The AUC STC 08 Second Ordinary Session to manage the delivery of the 2016 All Africa Public Sector Innovation Awards (AAPSIA) on 6-10 December 2016	Participate in at least two (2) SADC or International innovation programmes	Achieved  The CPSI participated in two (2) regional and international programmes: • The 16th Session of the United Nations CEPA 23 – 27 April 2017 in • New York • The 38th African Association of Public Administration and Management (AAPAM) Roundtable Conference in Morocco on 3-12 November 2017	e V	None

#### STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

During the period under review three targets were not fully achieved.

#### 1. At least one (1) new pilot project initiated to address service delivery challenges

CPSI's partner on the Pharmacy Automation Project, Right to Care, suspended the project as they were implementing and preparing to launch another project in Alexandra to demonstrate to funders the solution in order to mobilise more funding for Chris Hani Baragwanath Hospital Project.

#### 2. Identify, facilitate and support two (2) CPSI award winning and/or other innovation projects for replication

Replication of the 2 projects could not be initiated due to dependencies in stakeholder buy in for implementation, both projects were not finalised by the end of the financial year.

The CPSI has undertaken to continue to facilate the replication of these projects in the 2018/19 financial year as they have demostrated great benefits and high impact to improving service delivery to the citizens of South Africa.

#### 3. Upload 1300 content items on innovation, public administration and finance onto the UNPAN Portal

The target was missed by 22 uploads however it has since been achieved in April 2018 with an additional 64 uploads, making up the shortfall of 22.

#### Changes to planned targets

Annual Performance target - 2017/18 APP	2017/18 APP Quarter 1 Target	Changes to Quarter 1 of the 2017/18 APP	Motivation for change	Approval details
Finalisation of one (1) piloted project initiated in 2015/16 to address service delivery challenges	Complete one (1)pilot project initiated in 2016/17 and report submitted	Complete one (1) pilot project initiated in 2015/16 and report submitted	Quarterly target was not aligned to the annual target  An editing oversight relating to target 2.3 (A) under Quarter 1, resulted in the incorrect financial year being indicated. There is thus misalignment between the quarterly target "Complete one (1) pilot project initiated in 2016/17 and report submitted" and the annual target which reads "Finalisation of one (1) piloted project initiated in 2015/16 to address service delivery challenges".	Approved by MPSA on 28/03/2018 Submission No. CPSI 2017/18 127

#### Linking performance with budgets

Programme 2: Public Sector Innovation			2016/2017		2017/2018				2017/2018		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000				
1.	Research and Development	2 713	2 493	220	3 624	3 421	203				
2.	Solution Support and Incubation	3 441	3 420	21	3 405	3 315	90				
3.	Enabling Environment	7 661	7 585	76	8 351	7 348	1 003				
Tota	ıl	13 815	13 498	317	15 380	14 084	1 296				

# **5**Transfer Payments

No transfer payments to public entities or any other organisation were made by the CPSI during the period under review.

## **6**Conditional Grants

The CPSI did not pay or receive any conditional grants or earmarked funds during the period under review.

# **7**Donor Funds

#### 7.1. Donor Funds Received

Name of donor	European Union - General Budget Support
Full amount of the funding	R10 700 000.00
Period of the commitment	2015-2019
Purpose of the funding	The purpose of the program is to unlock innovation in the Public Sector.
Expected outputs	To investigate and recommend sustainable models and solutions for innovative service delivery.
	To facilitate the creation, adaption, piloting and mainstreaming of innovative solutions within the public sector.
	<ol> <li>To create and sustain an enabling environment which entrenches a culture of innovation in the public sector through innovation platforms and products.</li> </ol>
Actual outputs achieved	Contributed to the successful identification and analysing of 16 innovative projects for replication.
	2) Conducted a feasibility study before final selection for projects to be replicated.
	3) Developed "A guide to successful replication of service innovations in public sector" The guide emphasizes four factors needed in a service delivery innovation in order to promote the replication/scaling up process.
	4) Assisted in facilitating the replication of 'Saving Blood, Saving Lives' project in a number of hospitals.
	5) Contributed to the upgrading of all content in the Multi-Media Innovation Centre  • Designed and developed content for MMIC  • Uploaded content to all equipment in the MMIC  • Identified new modern equipment and software required to upgrade the MMIC
	6) Conducted tours for visitors in the MMIC
	7) Showcasing the Mobile Multi-Media Innovation Centre at CPSI events (e.g. CPSI Conference, Call for entries) and various external conferences, exhibitions, and events (e.g. Budget Vote, Gems Symposium, Hack 4 Water, Public Service Month Launch).
	<ul> <li>8) Product and platforms were supported by:</li> <li>Providing in-house design and layout skills for all CPSI publications (e.g. 2 Editions of the CPSI journal during 2016/2017 and Annual Reports)</li> <li>Managing and maintaining the CPSI website and social media accounts.</li> </ul>
	9) Contributed to the growing uploading of content on the UNPAN Portal
	10) Stakeholder management related to the UNPAN/ SADC workshop
Amount received in current period (R'000)	2 507
Amount spent by the department (R'000)	2 498
Reasons for the funds unspent	The remaining funds will be surrendered to the RDP fund during the 2018/19 financial year
Monitoring mechanism by the donor	Quarterly reports were submitted to the RDP to monitor the progress of the project.

Name of donor	The Kingdom Of The Belgium Government – Tirelo Bosha Public Service Improvement Programme
Full amount of the funding	R 1 974 400.00
Period of the commitment	18 Months
Purpose of the funding	To protect ICT equipment in 23 Gauteng No Fee paying schools by pro-activation of South African Police Services (SAPS), Community Policing Forums (CPF) and mobilization of communities through Police Sector Alarm Systems.
Expected outputs	<ol> <li>Reduce the risk of theft of ICT equipment in the 23 No Fee paying schools.</li> <li>Provide tangible safety measures to 3510 learners</li> <li>Improve Front Line Service Delivery due to the fact that the Police Sector Alarms links directly to SAPS and proactively informs them on crime in the targeted schools.</li> <li>Community and Community Policing Forums' involvement to ensure a 360 degree approach to fighting crime in these schools.</li> <li>Job creation and knowledge sharing/training provided in the communities where the pilot will be deployed.</li> <li>Cohesion between SAPS/CPF and communities.</li> </ol>
Actual outputs achieved	<ol> <li>A coasted implementation plan was developed.</li> <li>A draft replication methodology was developed and submitted for approval.</li> <li>A project steering committee meeting was held</li> </ol>
Amount received in current period (R'000)	900
Amount spent by the department (R'000)	900
Reasons for the funds unspent	There are no unspent funds.
Monitoring mechanism by the donor	Steering committee meetings are held between the donor and the department to monitor the progress of the project.

8

## Capital Investment

Not applicable.





## **1**Introduction

The CPSI is committed to maintaining a high standard of governance, which is fundamental in the management of public finances and resources. The organisation has established structures that oversee its governance processes to ensure effective, efficient and economic

utilisation of state resources. The structures include among others, the Executive Committee, the Audit and Risk Committee, and the Information and Communication Technology (ICT) Steering Committee. The Internal Audit Function provides the organisation

with independent assurance on the effectiveness of the governance processes and the functioning of the governance structures within the organisation.

## 2

## Risk Management

The CPSI is committed to implementing and maintaining an effective, efficient and transparent system of risk management as required in terms of PFMA Section 38 (a) (i). The organisation has developed and approved a Risk Management Strategy and Policy. An annual implementation plan is developed to effect both the Risk Management Strategy and

the Policy. During the financial year ended 31 March 2018, the organisation has conducted and reviewed its strategic and fraud risks. This process assist in identifying new emerging risks. The CPSI Executive Committee members participate in the overall management of the risk management activities, while all other employees participate in the identification of risks in the

organisation.

The Audit and Risk Committee reviews and monitors risk management progress reports on a quarterly basis, while the Internal Audit Function provides assurance on the adequacy and effectiveness of the risk management processes.

## 2

## Fraud and Corruption

The CPSI has developed and approved a Whistle Blowing Policy, and supports the National Anti-Corruption Hotline by encouraging all its employees to report any suspected activities of fraud and corruption. A fraud risk assessment was conducted and the identified risks are continually monitored through a mitigation plan by the

 $established\ governance\ structures.$ 

The organisation's Whistle Blowing Policy outlines all internal and external fraud and corruption reporting mechanisms, and assures employees protection regarding confidential disclosures, in terms of the Protected Disclosure Act 26 of 2000.

The CPSI is committed to investigating and reporting on all reported cases of fraud and corruption to the relevant institutions and authorities, depending on the outcome of the preliminary investigations.

## 4

## Minimising Conflict of Interest

Treasury Regulations paragraph 16A8.3 requires that a Supply Chain Management Official or role player in the SCM environment must recognise and disclose any conflict of interest that may arise when participating or performing functions in the Supply Chain Management processes. To adhere to this the CPSI has implemented

a Declaration of Interest Form in the procurement processes for officials and members of the Bid Committees to declare any conflict of interest and to recuse themselves from the processes when they have declared an interest.

Panel members involved in any Human Resource processes are required to declare their interests as regards any candidate(s) shortlisted/interviewed for a post and therefore agree that should it be verified that they have misinformed the committee, they would be penalised as per measures contained in the disciplinary code.

## 5

## Code of Conduct

The CPSI adheres to the Public Service Code of Conduct. The Code is a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others (internal and external).

Compliance with the Code is expected to enhance professionalism and help to ensure confidence in CPSI employees and in the public service in general. All CPSI employees have signed the code of conduct and there were no reported cases of misconduct.

Any alleged breach of the code of conduct, will be taken as a misconduct and will be handled in terms of PSCBC Resolution 1 of 2003, Disciplinary Code and Procedure.

## 6

## Health Safety And Environmental Issues

The CPSI participated in quarterly compulsory Evacuation Drills arranged by the Landlord of the building.

The CPSI introduced a Monthly ICT Security awareness bulletin aimed

at creating awareness amongst employees on Global ICT safety and environmental issues. This includes amongst others making employees aware of global strain of ransomware outbreaks and cyber-attacks being executed around the world as well as email scams. Employees were also advised on what to do should they notice that their system has encrypted files to ensure that those files do not spread through the CPSI network

# **7**Portfolio Committees

Dates of the meeting	Matters raised by the Portfolio Committee	How was the matters addressed
3 May 2017	Briefing by the CPSI on the Annual Performance Plans for 2017/18 financial year	Presentation made and questions for clarity answered
13 September 2017	Briefing by the CPSI on the fourth quarter performance of 2016/17 financial year and first quarter performance of 2017/18 financial year.  A detailed financial report for both abovementioned quarters.	Presentation made and questions for clarity answered
10 October 2017	Briefing on the Annual Report for 2017/18 financial year.  Briefing by the CPSI on the progress report on the implementation of the recommendations contained in the budget report (Vote 10) 2017/18	Presentation made and questions for clarity answered
1 November 2017	Briefing by the CPSI on the second quarter performance of 2017/18 financial year	Presentation made and questions for clarity answered
21 February 2018	Briefing by CPSI on the third quarter performance of 2017/18 financial year.	Presentation made and questions for clarity answered

8

## Scopa Resolutions

No SCOPA resolutions during the 2017/18 financial year, the CPSI did not appear before SCOPA.

9

## Prior Modifications To Audit Reports

The CPSI received a clean audit for the 2015/16 financial year and and unqualified audit in the 2016/17 financial year. The matters that were reported in the Management Report to the Accounting Officer for the year ended 31 March 2017 were the following and the steps the CPSI took to resolve the issues are as follows:

Finding	Financial year in which it first arose	Progress made in clearing / resolving the matter
Other important matters		
Internal audit conducted audits for CPSI but the process was fragmented and no overarching documents/ process was in place to link the risks to the three-year rolling strategic plan	2015/16	Resolved
Contracts were extended or modified without the approval of the properly delegated official as required by Treasury Regulation 8.1 and 8.2 and section 44 of the PFMA	2016/17	Not resolved
Lack of disclosure of the minimum threshold for local content and production in the	2016/17	Resolved
Misstatements in the movable tangible capital asset disclosure note. In terms of the Modified Cash Standard (MCS) application guidance on Capital assets par 11; "the payments made during the current reporting period on projects as well as finance lease instalments for the current year should be included in the 'Capital work-in-progress current costs and finance lease payment' column as part of additions and deducted from the calculation of the total column."	2016/17	Resolved

## 10 Internal Control Unit

The CPSI relies on the work of the Internal Audit Function for assurance on the adequacy and effectiveness of the organisation's internal controls. The Internal Audit Function has conducted a number of audits and issued audit reports during the year. Based on such reports management is confident that the internal control environment is satisfactory, while efforts are or/ have been taken to improve controls where weaknesses have been identified. The Executive Committee, as well as the Audit and the Risk Committee monitors the control improvement plan on a quarterly basis.

## 11

## Internal Audit And Audit Committees

#### Internal Audit

TThe CPSI Internal Audit Function provides management with independent assurance and insight on the effectiveness of, among others; the internal control, risk management and financial management systems in order to assist the organisation in achieving its objectives. The Audit and Risk Committee has approved a risk-based internal audit plan, which directed Internal Audit efforts during the year. Audit reports were presented to both management and the Audit and Risk Committee. In areas where control weaknesses have been identified, management has/ or is in the process of addressing such weaknesses.

The following internal audit work was completed during the year under review:

- Audit of Performance Information (AoPI); including, the annual performance plans, quarterly performance reports, and the annual performance report.
- Assets Management; including, acquisitions, maintenance, disposals and losses.
- Supply Chain Management; including, orders and tender processes, supply payments, contracts management, deviations management, and conflict of interest.
- Human Resource Management; including, recruitment and appointment of employees,

- performance and development management, overtime management, and leave administration.
- Audit of Financial Information; and, including quarterly interim financial and annual financial statements.
- Information Technology (IT); including, ICT strategies, information security, ICT risk management and other ICT general controls.

#### **Audit Committee**

The Audit and Risk Committee oversees the CPSI's compliance with applicable laws and regulations, governance processes and continuously assess the performance of Internal Audit Function to determine the level of its effectiveness within the organisation. The Committee operates within the approved Terms of Reference (referred to as, "Audit and Risk Committee Charter") and in accordance with the requirements of the Public Finance Management Act and Treasury Regulations.

### Attendance of audit committee meetings by audit committee members

The Audit and Risk Committee held six (6) meetings during 2017/18 and the table below discloses relevant information re

garding attendance of meetings by the committee members:

Meeting Date	Adv. William Huma (chairperson)	Mr Sethopo Michael Mamotheti	Ms Precious Mvulane	Ms Pumla Mzizi
30/05/2017	Present	Present	Present	Apology
31/07/2017	Present	Present	Present	Present
4/09/2017	Present	Apology	Present	Present
16/11/2017	Present	Present	Present	Apology
9/02/2018	Present	Present	Present	Present
22/02/2018	Present	Present	Apology	Present

Name	Qualifications	Internal or External	Date appointed	Date resigned	No. of meetings attended
Adv. William Elias Huma	<ul> <li>B Proc; LLB; LLM; Graduate Diploma in Corporate Governance</li> <li>Advocate of the High Court of South Africa</li> <li>Fellow of the Institute of Directors</li> </ul>	External	10 March 2016		6
Mr. Sethopo Michael Mamotheti	- B.Com; - Post graduate Diploma in Accounting - MBA - Certified Internal Auditor (CIA)	External	10 March 2016		5
Ms. Precious Mvulane	- CA and RA (SA) - Specialist Diploma in Auditing - BCom Honours in Accounting	External	10 March 2016		5
Ms. Pumla Mzizi	- CA (SA) - BCom Hons in Transport Economics - BCompt Honours BBusSc - Honours in Finance	External	10 March 2016		4

## **12**Audit and Risk Committee Report



The CPSI has reported monthly and quarterly to the National Treasury as required by the PFMA. The Audit and Risk Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer

We are pleased to present our report for the financial year ended 31 March 2018.

## Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, which is reviewed annually, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control The systems of internal control is designed to provide assurance in achieving the organisational objectives through ensuring that assets are safeguarded, operations are effective and efficient, financial, performance information is reliable, and there is compliance with laws and regulations.

The Audit and Risk Committee has provided oversight over the operations and business activities within the Centre for Public Service Innovation. This was achieved through a quarterly reporting process by Management and reviews by Internal Audit as prioritised in the Risk-Based Annual Audit Operational Plan approved by the Audit and Risk Committee.

The Audit and Risk Committee is of the opinion that the systems of internal controls were adequate and effective during the year under review and were weaknesses have been identified this has been discussed with management, and corrective measures were taken to ensure compliance.

#### **Internal Audit**

The Audit and Risk Committee is

satisfied with the work performed and completed by the Internal Audit Function, which was included in its annual work programme. Below is some of the work performed by Internal Audit during the year under review, which has assisted the committee in monitoring and ensuring that the system of internal control is adequate and effective:

- Review of quarterly interim and annual financial statements;
- Review of quarterly performance information reports and the annual report;
- Review of assets management processes;
- Supply Chain Management, including contracting and tender processes;
- Human Resource Management, including HR planning, discipline management and performance monitoring;
- Information Technology, including security risks, governance and disaster recovery, and
- Internal Financial controls.

#### Risk management

During the year under review, the strategic and fraud risk assessment was conducted and a fraud prevention policy; which included an implementation plan was developed. The CPSI's risk management processes are still at an infantry phase, while the Audit and Risk Committee continues to monitor the implementation thereof in order to ensure that the organization comply fully with the requirements of the PFMA.

#### In-Year Management and Monthly/ Quarterly Report

The CPSI has reported monthly and quarterly to the National Treasury as required by the PFMA. The Audit and Risk Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the organisation during the year under review and is satisfied with the content thereof. The committee has provided management with recommendations to improve the quality of performance information financial management reporting and has no doubt as management's commitment implementing improvements recommended in the past year.

Evaluation of Financial Statements
The Audit and Risk Committee has:

- reviewed and discussed the draft financial statements to be included in the annual report, with Management and the Accounting Officer;
- reviewed the Auditor-General's report and management's response in relation to the financial statements:

- reviewed the organisation's compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives to be included in the annual report;
- reviewed the audited financial statements for any significant adjustments resulting from the audit report, and
- reviewed the quality and timeliness of the financial information availed to the committee for oversight purposes during the year such as interim financial statements.

#### **Auditor-General's Report**

The Audit and Risk Committee has reviewed the CPSI's implementation plan for audit issues raised in the previous year and are satisfied that the matters are been addressed, or adequately resolved.

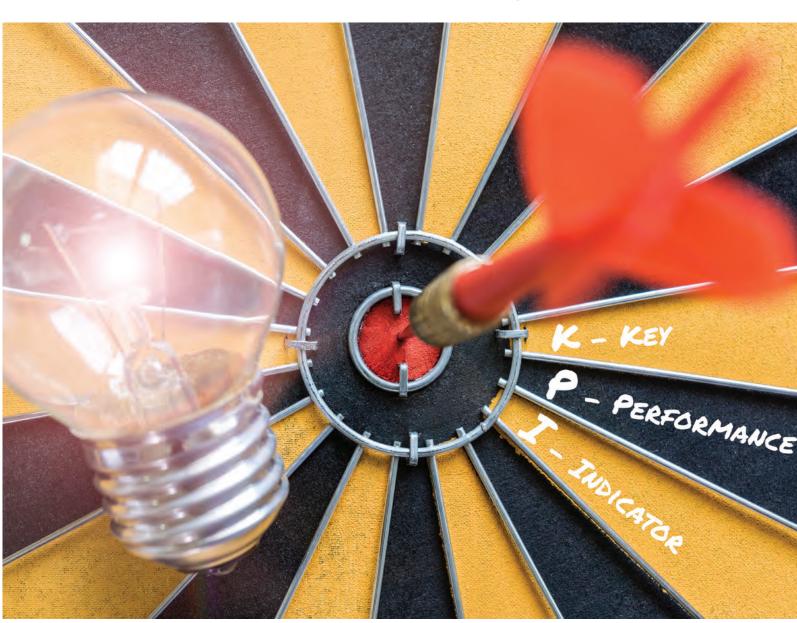
The Audit and Risk Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

hophre

ADV. WILLIAM ELIAS HUMA CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE CENTRE FOR PUBLIC SERVICE INNOVATION



## Human Resource Management



## **1**Introduction

The status of human resources in the department

As at 31 March 2018, the total number of funded posts in the CPSI was 38 of which 2 were vacant. This includes posts funded by voted appropriated funds and posts funded from donor funds (i.e. the General Budget Support Fund).

The CPSI exceeds the minimum

targets of 50 % woman on SMS Level at 67.67 % (6 women) and in terms of the minimum target of 2% for disability, the CPSI is at 5.88% (2 employees)

2

### Overview of Human Resources

## Human resource priorities for the year under review and the impact of these

A leave Manual/ Procedure was developed and implemented to address the manner in which the CPSI governs the utilisation and management of leave by employees. This Manual is in accordence with the Determination and Directive on Leave of Absence in the Public Service.

#### Workforce planning and key strategies to attract and recruit a skilled and capable workforce

During the period under review, the CPSI appointed 3 officials on the fix establishement, 1 in the Corporate Resource Management component, 1 in the Office of the Chief Financial Officer and 1 in thre sub-programme: Research and Development. Two Interns were appointed in November 2017 in the areas of Information and Technology Management and Sollution Support and Incubation .

In order to comply with a number of urgent legislative and regulatory requirements such as the finalisation of the Strategic Risk and Operational Risk Registers for 2017/18 and 2018/19, the Risk Management Implementation Plan, the Fraud Prevention Policy and Plan as well as scheduled internal audits, approval was sought for the creation and funding of the Internal Audit and Risk Management post (Salary level 05) additional to the establishment of the CPSI within the Office of the Chief Financial Officer (OCFO) from 13 November 2017 to 31 March 2018.

Orientation was conducted for the new employees to ensure that they understand how the organisation is structured aand operates.

Approval was granted by Cabinet to extend the Executive Director's contract of employment from 30 October 2017 31 March 2018 extended for a further 6 months from 1 April 2018 until 30 September 2018. A directive will be sought from the Minister on a way forward with regards to the position of the ED of CPSI beyond 30 September 2018.

### Employee performance management

During the year under reviewed the CPSI applied the new CPSI PMDS Policy. The 2016/17 Annual Performance Assessments for Levels 2-12 and SMS were concluded and processed on PERSAL.

All employees (including ED's) performance agreements for 2017/18 were signed before 31 May 2017. Officials were trained and developed in areas of need as identified in their Personal Development Plans.

#### Employee wellness programmes

In an effort to promote employee wellness, The CPSI invited the Government Employees Pension Fund (GEPF) and Government Employees Housing Scheme to educate CPSI employees about pension and housing benefits for government employees. The CPSI was allocated a new GEPF Client Liaison Officer and employees were given the opportunity to update their GEPF beneficiary forms. Furthermore the CPSI hosted Irelax as a program to enhance employe wellness.

#### Achievements and challenges faced, as well as future Future human resource plans human resource plans/goals

#### ICT capacity remains a challenge. Various attempts were made to SITA for assistance in this regard but they were not able to meet the CPSI's request.

Future human resources plans include the finalisation of the Retention Policy and the Health and Wellness policy.

## Human Resources Oversight Statistics

#### 3.1. Personnel related expenditure

Table 3.1.1 Personnel expenditure by Programme for the period 1 April 2017 and 31 March 2018

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Personnel expenditure as a % of total expenditure
Programme 1: Administration	18,327	9,258	34	490	51%	441
Programme 2: Public Sector Innovation	14,084	8,788	75	959	62%	676
Total	32,411	18,046	109	1,449	56%	531

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	640	4%	4	160
Skilled (Levels 3-5)	1,273	7%	4	318
Highly skilled production (Levels 6-8)	2,940	16%	9	327
Highly skilled supervision (Levels 9-12)	5,976	33%	13	460
Senior and Top management (Levels 13-16)	7,217	40%	6	1,203
Total	18,046	100%	36	602

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme for the period 1 April 2017 and 31 March 2018

Programme	Sala	ries	Overtime		Home ( Allow			al Aid
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical Aid as a % of personnel costs
Programme 1: Administration	6,269	53%	21	100%	158	50%	323	59%
Programme 2: Public Sector Innovation	5,632	47%	-	0%	157	50%	226	41%
Total	11,901	100%	21	100%	315	100%	549	100%

<u>Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1</u>
<u>April 2017 and 31 March 2018</u>

Programme	Sala	aries	Overtime Home Owners M Allowance				Medic	Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical Aid as a % of personnel costs	
Lower skilled (Levels 1-2)	103	1%	0	0%	30	10%	49	9%	
Skilled (Levels 3-5)	433	4%	0	0%	46	15%	87	16%	
Highly skilled production (Levels 6-8)	1,257	11%	11	52%	142	45%	285	52%	
Highly skilled supervision (Levels 9-12)	4,375	37%	10	48%	18	6%	36	7%	
Senior and Top management (Levels 13-16)	5,737	48%	0	0%	79	25%	92	17%	
Total	11,905	100%	21	100%	315	100%	549	100%	

#### 3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by Programme as on 31 March 2018

Programme	Number of Number of posts on posts filled approved establishment		Vacancy Rate	Number of employees additional to the establishment	
Programme1: Administration	21	19	10%	3	
Programme 2: Public Service Innovation	17	17	0%	5	
Total	38	36	5%	8	

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2) cleaners	4	4	0%	2
Skilled ) Levels 3-5) security officers	4	4	10%	1
Highly skilled production (Levels 6-8)	10	9	7%	-
Highly skilled supervision (Levels 9-12)	14	13	0%	5
Senior and Top management (Levels 13-16)	6	6	5%	-
Total	38	36	0%	8

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

Total number of employment and vacancies by critical occupations	None
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#### 3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	-	0%
Salary Level 16	-	-	0%	-	0%
Salary Level 15	-	-	0%	-	0%
Salary Level 14	3	3	100%	-	0%
Salary Level 13	2	2	100%	-	0%
Total	6	6	100%	-	0%

Table 3.3.2 SMS post information as on 30 September 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	-	0%
Salary Level 16	-	-	0%	-	0%
Salary Level 15	-	-	0%	-	0%
Salary Level 14	3	3	100%	-	0%
Salary Level 13	2	2	100%	-	0%
Total	6	6	100%	-	0%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS Level	Advertising	Filling o	of posts
	Number of vacancies per level advertised in 6 months of becoming vacant	number of vacancies per level filled in 6 months of becoming vacant	number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	-	-	-
Total	-	-	-

<u>Table 3.3.4 Reasons for not having complied with the funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018</u>

Not Applicable

<u>Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018</u>

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

None

#### 3.4. Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018

Salary band	Number of	Number	% of posts	Posts U	Posts Upgraded		Posts Downgraded	
	posts on approved establishment	of Jobs Evaluated	evaluated by salary bands	Number	% of posts evaluated	Number	% of posts evaluated	
Lower Skilled (Levels 1-2)	4	-	0%	-	-	-	-	
Skilled (Levels 3-5)	4	-	0%	-	-	_	_	
Highly Skilled (Levels 6-8)	10	-	0%	-	-	-	_	
Highly Skilled supervision (Levels 9-12)	14	-	0%	-	-	-	-	
Senior Management Service Band A (level 13)	2	-	0%	-	-	-	-	
Senior Management Service Band B (level 14)	3	-	0%	-	-	-	-	
Senior Management Service Band C (level 15)	1	-	0%	-	-	-		
Senior Management Service Band D (level 16)		-	0%				_	
Total	38	-	0%	-	-	_	_	

	Total number of Employees whose salaries exceeded the grades determined by job evaluation	None
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## <u>Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018</u>

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Total number of Employees whose salaries exceeded the grades determined by job evaluation	None

## <u>Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018</u>

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	-	-	-	None
Total number of employees whose	None			
Percentage of total employed	None			

## <u>Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018</u>

Total number of Employees whose salaries exceeded the grades determined by job evaluation	None	
Total number of Employees whose salaries exceeded the grades determined by Job evaluation	INOTIC	

#### 3.5. Employment Changes

Table 3.5.1 Annual turn rates by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Number of employment beginning of period – 1 April 2017	Appointments and transfers into department	Terminations and transfers out of the department	Turnover rate
Lower Skilled (Levels 1-2)	2	-	-	0%
Skilled (Levels 3-5)	3		-	0%
Highly Skilled (Levels 6-8)	9	1	1	11%
Highly Skilled supervision (Levels 9-12)	7	2	1	14%
Senior Management Service Band A	2	-	-	0%
Senior Management Service Band B	3	-	-	0%
Senior Management Service Band C	1		-	0%
Senior Management Service Band D	-	-	-	0%
Contracts additional to the establishment				
Lower Skilled (Levels 1-2)	-	2	-	0%
Skilled (Levels 3-5)	-	1	1	0%
Highly Skilled (Levels 6-8)	-	-	-	0%
Highly Skilled supervision (Levels 9-12)	4	1	1	25%
Senior Management Service Band A	-	-	-	0%
Senior Management Service Band B	-	-	-	0%
Senior Management Service Band C	-	-	-	0%
Senior Management Service Band D	-	-	-	0%
Total	31	7	4	11%

#### Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018

	Number of employees at beginning of period - April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None	-	-	-	-

Table 3.5.3 Reason why staff left the department for the period 1 April 2017and 31 March 2018

Termination type	Number	% of Total Resignations
Death	-	0%
Resignation	1	25%
Expiry of contract	2	50%
Dismissal - operational changes	-	0%
Dismissal - misconduct	1	25%
Dismissal - inefficiency	-	0%
Discharged due to ill-health	-	0%
Retirement	-	0%
Transfer to other Public Service Departments	-	0%
Other	-	0%
Total	4	100%
Total number of employees who left as a % of total employment		11%

#### Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

Occupational	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
None	-	-	-	-	
None	-	-	-	-	

#### Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-	-
Senior and Top management (Levels 13-16)	-	-	-	-	-
Total	-	-	-	-	-

#### 3.6. Employment Equity

<u>Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018</u>

Occupational category		Male				Fem	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L13-16 Legislators, senior officials and managers	1	-	-	1	3	-	-	1	6
L9-12 Professionals	4	-	-	-	9	-	-	-	13
L6-8 Technicians and associates professionals	3	-	-	-	5	-	-	1	9
L3-5 Clerks	2	-	-	-	2	-	-	-	4
Senior and sales workers	-	-	-	-		-	-		-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
L2 Elementary occupations	-	-	-	-	4	-	-	-	4
Totals	10	-	-	1	23	-	-	2	36
Employees with disabilities	2	-	-	-	-	-	-	-	-

<u>Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018</u>

Occupational category		Male Female					Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top Management	-	-	-	-	1	-	-	-	1
L13-14 Senior Management	1	-	-	1	2	-	-	1	5
L9-12 Professionally qualified and experienced specialists and midmanagement	4	-	-	-	9	-	-	-	13
L6-8 Skilled technical and academically qualified workers, junior management supervisors foreman and superintendents	3	-	-	-	5	-	-	1	9
L3-5 Semi-skilled and discretionary decision making	2	-	-	-	2	-	-	-	4
L2 Unskilled and defined decision making	-	-	-	-	4	-	-	-	4
Total	10	-	-	1	23	-	-	2	36

Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018

Occupational category		Male			Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top Management	-	-	-	-	-	-	-		-
L13-14 Senior Management	-	-	-	-	-	-	-		-
L9-12 Professionally qualified and experienced specialists and midmanagement	-	-	-	-	3	-	-		3
L6-8 Skilled technical and academically qualified workers, junior management supervisors foreman and superintendents	-	-	-	-	1	-	-		1
L3-5 Semi-skilled and discretionary decision making	-	-	-	-	1	-	-		1
L2 Unskilled and defined decision making	-	-	-	-	2	-	-		2
Total	-	-	-	-	7	-	-		7
Employees with disabilities	-	-	-	-	-	-	-		-

Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018

Occupational category		Male				Fem	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top Management	-	-	-	-	-		-	-	-
L13-14 Senior Management	-	-	-	-	-		-	-	-
L9-12 Professionally qualified and experienced specialists and midmanagement	-	-	-	-	-		-	_	-
L6-8 Skilled technical and academically qualified workers, junior management supervisors foreman and superintendents	-	-	-	-	-		-	-	-
L3-5 Semi-skilled and discretionary decision making	-	-	-	-	-		-	_	-
L2 Unskilled and defined decision making	-	-	-	-	-		-	-	-
Total	-	-	-	-	-		-	_	-
Employees with disabilities	-	-	-	-	-		-	-	-

Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018

Occupational category	Male			Female				Total	
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top Management	-	-	-	-	-	-	-	-	-
L13-14 Senior Management	-	-	-	-	-	-	-	-	-
L9-12 Professionally qualified and experienced specialists and midmanagement	1	-	-	-	1	-	-	-	2
L6-8 Skilled technical and academically qualified workers, junior management supervisors foreman and superintendents	-	-	-	-	1	-	-	-	1
L3-5 Semi-skilled and discretionary decision making	-	-	-	-	1	-	-	-	1
L2 Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	3	-	-	-	4
Employees with disabilities	-	-	-	-	-	-	-	-	-

#### Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2018

Occupational category	Male				Female				Total
	African Coloured Indian White			African	Coloured	Indian	White		
Dismissal	-	-	-	-	1	-	-	-	1

#### Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018

Occupational category		Male Female					Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior official and managers	-	-	-	-	-	-	-	-	
Professionals	-	-	-	-	-	-	-	-	
Technicians and associates professionals	2	-	-	-	2	-	-	-	4
Clerks	-	-	-	-	2	-	-	-	2
Senior and sales workers	-	-	-	-	-	-	-	-	
Skilled agriculture and fishery workers		-	-	-	-	-	-	-	
plant and machine operators and assemblers	-	-	-	-	-	-	-	-	•
Elementary occupations	-	-	-	-	1	-	-	-	1
Totals	2	-	-	-	5	-	-	-	7
Employees with disabilities	-	-	-	-	-	-	-	-	

#### 3.7. Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreement by SMS members as on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	-	-	-	0%
Salary Level 15	-	-	-	0%
Salary Level 14	3	3	3	100%
Salary Level 13	2	2	2	100%
Total	6	6	6	100%

<u>Table 3.7.2 Reason for not having concluded Performance Agreements for all SMS members as on 31 May 2017</u>

Reasons			
Not applicable			

<u>Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2017</u>

Reasons		
None		

#### 3.8. Performance Rewards

<u>Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018</u>

Race and Gender		Beneficiary Profile	Cost		
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employees
African					
Male	5	10	50%	88	18
Female	8	23	35%	132	17
Asian					
Male	-	-	0%	-	-
Female	-	-	0%	-	-
Coloured					
Male	-	-	0%	-	-
Female	-	-	0%	-	-
White					
Male	-	1	0%	-	-
Female	2	2	100%	38	19
Total	15	36	42%	258	17

<u>Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018</u>

Race and Gender	В	eneficiary Profil	е	Co	Total cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employees	as a % of the total personnel expenditure
Lower Skilled (Levels 1-2)	2	4	50%	9	5	0.05%
Skilled (Levels 3-5)	1	4	25%	7	7	0.04%
Highly Skilled production (Levels 6-8)	3	9	33%	28	9	0.16%
Highly Skilled Supervision (Levels 9-12)	6	13	46%	111	19	0.62%
Total	12	30	40%	155	13	0.86%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018

Critical occupation	В	Seneficiary Profil	Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employees
-	-	-	-	-	-
Total	-	-	-	-	-

<u>Table 3.8.4 Performance related rewards (cash bonus)</u>, by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary band	Beneficiary Profile			Co	Total cost	
	Number of beneficiaries	Number of employees			Average cost per employees	as a % of the total personnel expenditure
Band A	2	2	100%	66	33	0.37%
Band B	1	3	33%	39	39	0.22%
Band C	-	1	0%	-	-	0.00%
Band D	-	-	0%	-	-	0.00%
Total	3	6	50%	105	72	0.58%

# 3.9. Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2017 and 31 March 2018

Salary band	1-Apr-17		31-M	31-Mar-18		Change	
	Number	% of total	Number	% of total	Number	% of total	
Lower skilled	-	0%	-	0%	-	0%	
Highly Skilled production (Levels 6-8)	-	0%	-	0%	-	0%	
Highly Skilled Supervision (Levels 9-12)	-	0%	-	0%	-	0%	
Contract (level 9-19)	-	0%	-	0%	-	0%	
Contract (level 13-16)	-	0%	-	0%	-	0%	
Total	-	0%	-	0%	-	0%	

# 3.10. Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total of employees using sick leave	Average days per employees	Estimated Cost (R'000)
Lower Skills (Level 1-2)	20	100%	2	6%	10	10
Skilled (Levels 3-5)	36	97%	4	13%	9	29
Highly skilled production (Levels 6-8)	91	80%	10	31%	9	101
Highly skilled supervision (Level 9-12)	67	79%	11	34%	6	167
Top and Senior management (Levels 13-16)	37	95%	5	16%	7	158
Total	251	81%	32	0%	8	465

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total of employees using sick leave	Average days per employees	Estimated Cost (R'000)
Lower Skills (Level 1-2)	-	-	-	0%	-	-
Skilled (Levels 3-5)	-	-	-	0%	-	-
Highly skilled production (Levels 6-8)	105	-	-	0%	-	-
Highly skilled supervision (Level 9-12)	-	_	-	0%	-	-
Top and Senior management (Levels 13-16)	69	-	-	0%	-	-
Total	174	-	-	0%	-	-

Table 3.10.3 Annual leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days taken	Number of Employees using annual leave	Average employee
Lower Skills (Level 1-2)	53	4	13
Skilled (Levels 3-5)	66	3	22
Highly skilled production (Levels 6-8)	206	10	21
Highly skilled supervision (Level 9-12)	296	13	23
Top and Senior management (Levels 13-16)	147	6	25
Total	768	36	103

Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017

Salary band	Salary band	Total days taken	Number of Employees using annual leave	Average employee
Lower Skills (Level 1-2)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Level 9-12)	-	-	-	-
Top and Senior management (Levels 13-16)	-	-	-	-
Total	-	-	-	-

# Table 3.10.5 Leave payouts for the period 1 April 2017 to 31 March 2018

Reason	Total amount (R'000)	Number of em ployees	Average per employee (R'000)
Leave payouts for 2017/18 due non-Utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2017/18	-	-	-
Current leave payout on termination of service 2017/18	-	-	-
Total	-	-	-

# 3.11. HIV/AIDS and Health Promotion Programmes

# Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
None	

<u>Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)</u>

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter1 of the Public Service Regulations, 20016 If so, provide her/his name and position.	X		Director: Corporate Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/service of this Programme.	X		To raise awareness in relation to issues of health
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016 If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	
5. Has the department reviewed its employment policies to ensure that these do not unfairly discriminates against employees on the basis of their HIV status? If so, list the employments policies/practices so reviewed.	X		New organisation, and caution was taken to this matter during the development of various policies
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of those measures.		X	
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have you achieved.	X		Health screening conducted by GEMS
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion Programme? If so, list these measures/indicators.		X	

# 3.12. Labour Relations

# Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018

Total number of Collective Agreements	None
Subject matter	Date
Total number of Collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 and 31 March 2018

Subject matter	Date	Date
Correctional counseling	-	0%
Verbal warning	-	0%
Written warning	1	33%
Final written warning	-	0%
Suspended without pay	-	0%
Fine	-	0%
Demotion	-	0%
Dismissal	1	33%
Not guilty	-	0%
Case withdrawn	1	33%
Total	3	100%

# <u>Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018</u>

Type of misconduct	Number	% of total
Soliciting a bribe	1	100%
Total	1	100%

# Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018

Grievances	Number	% of total
Number of grievances resolved	-	-
Number of grievances resolved not resolved	-	-
Total number of grievances lodged	-	-

# Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 and 31 March 2018

Disputes	Number	% of total
Number of disputes upheld	1	100%
Number of disputes dismissed	1	100%
Total number of disputes lodged	1	100%

# Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018

Total number of persons working days lost	-
Total costs working days lost	-
Amount recovered as a result of no work no pay (R'000)	-

# Table 3.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018

Number of people suspended	4
Number of people who's suspension exceeded 30 days	4
Average number of days suspended	374
Cost of suspension (R'000)	1,299,194

# 3.13. Skills development

Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of	Training	ng needs identified at the reporting period			
		employees as at 1 April 2017	Learnerships	Skills Programmes & other short courses	Other forms of training	Total	
Legislators, senior	Female	4	-	-	-	4	
officials and managers	Male	2	-	-	-	2	
Professionals	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Technicians and associate	Female	-	-	-	-	-	
professionals	Male	-	-	1	-	1	
Clerks	Female	6	-	4	-	10	
	Male	2	-	2	-	4	
Service and sales workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Skilled agriculture and	Female	-	-	-	-	-	
fishery workers	Male	-	-	-	-	-	
Craft and related trades	Female	-	-	-	-	-	
workers	Male	-	-	-	-	_	
Plant and machine	Female	-	-	-	-	-	
operators and assemblers	Male	-	-	-	-	-	
Elementary occupations	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Sub Total	Female	10	-	-	-	10	
	Male	4	-	-	-	4	
Total		14	-	7	-	21	

Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of	Training	ining needs provided at the reporting period			
		employees as at 1 April 2017	Learnerships	Skills Programmes & other short courses	Other forms of training	Total	
Legislators, senior	Female	-	-	-	-	-	
officials and managers	Male	-	-	-	-	-	
Professionals	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Technicians and associate	Female	-	-	-	-	-	
professionals	Male	-	-	1	-	1	
Clerks	Female	6	-	6	-	12	
	Male	2	-	2	-	4	
Service and sales workers	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Skilled agriculture and	Female	-	-	-	-	-	
fishery workers	Male	-	-	-	-	-	
Craft and related trades	Female	-	-	-	-	-	
workers	Male	-	-	-	-	-	
Plant and machine	Female	-	-	-	-	-	
operators and assemblers	Male	-	-	-	-	-	
Elementary occupations	Female	-	-	-	-	-	
	Male	-	-	-	-	-	
Sub Total	Female	6	-	-	-	6	
	Male	2	-	-	-	2	
Total		16	-	9	-	25	

# 3.14. Injury on duty

Table 3.14 Injury on duty for the period 1 April 2017and 31 March 2018

Nature of injury on duty	Number	% of total
Required basic medical attention on duty	-	-
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	-	-

# 3.15. Utilisation of Consultants

<u>Table 3.15. 1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018</u>

Projects title	Total number of con-sultants that	Duration (work days)	Contract value in Rand
	worked on project		
Audit and Risk Management member for CPSI	4	1	50 768.00
Audit and Risk Management member for CPSI	4	1	89 156.00
Audit and Risk Management member for CPSI	3	1	51 768.00
Audit and Risk Management member for CPSI	4	1	71 900.00
Audit and Risk Management member for CPSI	3	1	63 272.00
Qualification Verification services	1	1	460.00
Qualification Verification services	1	1	980.00
PILIR, monthly HRM fees April 2017 based on 31 heads at a unit price of R10.61	1	1	328.91
PILIR, monthly HRM fees May 2017 based on 31 heads at a unit price of R10.61	1	1	328.91
PILIR, monthly HRM fees June 2017 based on 31 heads at a unit price of R10.61 $$	1	1	328.91
PILIR, monthly HRM fees July 2017 based on 31 heads at a unit price of R10.61	1	1	328.91
PILIR, monthly HRM fees August 2017 based on 31 heads at a unit price of R10.61	1	1	328.91
PILIR, monthly HRM fees September 2017 based on 31 heads at a unit price of R10.61	1	1	328.91
PILIR, monthly HRM fees October 2017 based on 31 heads at a unit price of R10.61	1	1	328.91
PILIR, monthly HRM fees November 2017 based on 34 heads at a unit price of R10.61	1	1	360.74
Development of a Disaster Recovery Plan for the CPSI			105 000.00
PILIR, monthly HRM fees December 2017 based on 34 heads at a unit price of R10.61	1	1	360.74
PILIR, monthly HRM fees January 2018 based on 34 heads at a unit price of R10.61	1	1	360.74
PILIR, monthly HRM fees February 2018 based on 34 heads at a unit price of R10.61	1	1	360.74
PILIR, monthly HRM fees March 2018 based on 34 heads at a unit price of R10.61	1	1	360.74
Sound and DJ services during the 2017 UNPAN Workshop dinner	1	1	14 000.00
Sound and DJ services during the 2017 CPSI Innovation Conference gala dinner	1	1	15 802.00
Sound and DJ services during the 2017 Innovation Awards gala diner	1	1	9 800.00
Hire of Audio Visual technician and equipment during the 2017 CPSI Innovation Awards Ceremony	1	1	226 860.00
Events Management for 2017 CPSI Innovation Conference	1	1	31 500.00
Events Management for 2017 CPSI Innovation Conference	1	1	31 500.00
Facilitation of the Public Service Innovation Workshop 1	1	1	48 750.00
Facilitation of the Public Service Innovation Workshop 2	1	1	48 750.00
Facilitation of the Public Service Innovation Workshop 3	1	1	48 750.00
Facilitation of the Public Service Innovation Workshop 4	1	1	48 750.00

Projects title	Total number of con-sultants that worked on project	Duration (work days)	Contract value in Rand
Facilitation of the Public Service Innovation Workshop 4	1	1	48 750.00
Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
31	46	31	1 008 632.07

# <u>Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018</u>

Projects title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Development of a Disaster Recovery Plan for the CPSI	100%	100%	2
Sound and DJ services during the 2017 UNPAN Workshop dinner	100%	100%	1
Sound and DJ services during the 2017 UNPAN Workshop dinner CPSI Innovation Conference gala dinner	100%	100%	1
Sound and DJ services during the 2017 UNPAN Workshop dinner Innovation Awards gala dinner	100%	100%	1
Hire of Audio Visual technicians and equipment during the 2017 CPSI Innovation Awards Ceremony	-	-	3
Events Management for 2017 CPSI Innovation Conference	100%	100%	3
Events Management for 2017 CPSI Innovation Conference	100%	100%	3
Facilitation of the Public Service Innovation Workshop 1	100%	100%	1
Facilitation of the Public Service Innovation Workshop 2	100%	100%	1
Facilitation of the Public Service Innovation Workshop 3	100%	100%	1
Facilitation of the Public Service Innovation Workshop 4	100%	100%	1

# <u>Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 and 31 March 2018</u>

tal number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
-	-	-
t		

Total number of projects title	Total individual consultants	Total duration work days	Total contract value in Rand
None	-	-	-

# <u>Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018</u>

Projects title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	-	-	-

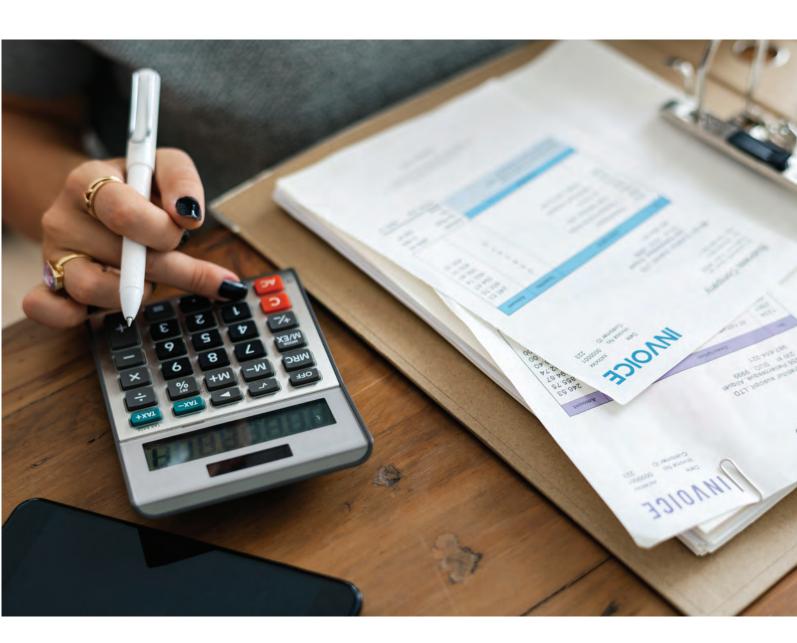
# 3.16. Severance Packages

<u>Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 and 31 March 2018</u>

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision(Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
Lower skilled (Levels 1-2)	-	-	-	-
Total	-	-	-	-



# Financial Information



# Report of the auditor-general to Parliament on vote no. 47: Centre for Public Service Innovation

# Opinion

- 1. I have audited the financial statements of the Centre for Public Service Innovation (CPSI) set out on pages 95 to 135, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement financial performance, statement of changes in net assets, and statement of cash flows for the year then ended, as well as the notes to the financial statements, including summary of significant accounting policies.
- In my opinion, the financial statements present fairly, in all material respects, the financial position of the CPSI as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

# Basis for opinion

conducted my audit accordance with the International Standards Auditing (ISAs). responsibilities under those standards are further described auditor-general's responsibilities for the audit of the financial statements section of my report.

- 4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
- I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

# Responsibilities of the accounting officer for the financial statements

- 6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 7. In preparing the financial statements, the accounting officer is responsible for assessing the CPSI's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

unless there is an intention either to liquidate the entity or to cease operations, or there is no realistic alternative but to do so.

# Auditor-general's responsibilities for the audit of the financial statements

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

# Report on the audit of the annual performance report

# Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programme presented in the annual performance

- report. I performed procedures to identify findings but not to gather evidence to express assurance.
- 11. My procedures address reported performance the information, which must be based on the approved planning performance documents of the entity. I have not evaluated the completeness appropriateness performance indicators the included in the planning documents. My procedures also did not extend to any disclosures or assertions relating planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters
- 12. I evaluated the usefulness and reliability of the reported performance information accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the entity for the year ended 31 March 2018:

Programme	Pages in the annual performance report
Programme 2 - Public Service Innovation	26 - 47

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents.

- performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:
- Programme 2 Public Service Innovation.

### Other matters

15. I draw attention to the matters below.

### Achievement of planned targets

16. Refer to the annual performance report on pages 34 to 60 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of targets.

# Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on reported performance information of programme 2: Public Service Innovation, where reasons for deviations were not included for one indicator. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

# Report on audit of compliance with legislation

## Introduction and scope

- 18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the government component with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
- 19. I did not identify any instances of material non-compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

### Other information

- 20. The CPSI's accounting officer is responsible for the other information. The other information comprises information included in the annual report, which includes audit committee's report and accounting officer's report. The other information does not include the financial statements, the auditor's report thereon and those selected programme presented in the annual performance report that have been specifically reported on in the auditor's report.
- 21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

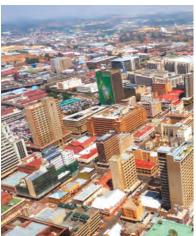
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Internal control deficiencies

23. I considered internal controls relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal controls.













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				2017/18				2016/17	5/17
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final	Appropriation	Expenditure
							appropriation		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Appropriation per programme									
Voted funds									
Programme									
1.Administration	18 675	1	ı	18 675	18 327	348	98.1%	18 279	17 909
2.Public Sector Innovation	15 380	_	1	15 380	14 195	1 185	92.3%	13815	13 498
Total	34 055	_	1	34 055	32 522	1 533	95.5%	32 094	31 407
Reconciliation with Statement of Financial									
Performance				I					
Add: Departmental receipts				24				m	
Aid assistance				3 407				7 839	
Actual amounts per Statement of									
Financial Performance (Total Revenue)				37 486				39 936	
Add: Aid assistance					3 287				3 134
Actual amounts per Statement of									
Financial Performance Expenditure					35 809				34 541

				2017/18				2016/17	5/17
	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
Appropriation per economic classification									
Current payments	33 464	(43)	1	33 421	32 016	1 405	95.8%	29 757	29 127
Compensation of employees	18 360	1	'	18 360	18 046	314	98.3%	15 880	15 593
Salaries and wages	16 308	(38)	1	16 270	15 967	303	98.1%	14 104	13 827
Social contributions	2 052	38	1	2 090	2 079	11	99.5%	1776	1 766
Goods and services	15 104	(43)	1	15 061	13 970	1 091	92.8%	13 877	13 534
Administrative fees	197	(2)	1	195	68	106	45.6%	110	105
Advertising	176	12	1	188	172	16	91.5%	146	146
Minor assets	85	(74)	1	11	6	2	81.8%	227	222
Audit costs: External	1 763	21	•	1 784	1 783	_	%6.66	1 448	1 447
Catering: Departmental activities	94	80	•	174	171	3	98.3%	150	148
Communication (G&S)	337	11	1	348	331	17	95.1%	334	327
Computer services	719	194	1	913	904	6	%0.66	942	749
Consultants: Business and advisory services	465	21	1	486	484	2	%9.66	598	265
Contractors	1 095	4	ı	1 099	396	134	87.8%	966	992
Consumable supplies	399	(23)	1	346	331	15	95.7%	423	344
Consumable: Stationery, printing and office	341	(64)	ı	772	210	19	75.8%	354	349
supplies Operating leases	3.402	307	1	3 709	3 707	2	%6 66	2 792	2 791
Property payments	821	39	•	098	896	(108)	112.6%	433	431
Travel and subsistence	2 688	(82)	1	2 603	2 144	459	82.4%	2 782	2 7 5 5
Training and development	219	(46)	ı	173	109	64	63.0%	217	212
Operating payments	894	(77)	1	817	969	122	85.1%	703	869
Venues and facilities	1 409	(331)	1	1 078	868	180	83.3%	1 222	1 221

				2017/18				2016/17	/17
	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
Transfers and subsidies	1	-	1	1	-	1	1	1	1
Departmental agencies and accounts	<u> </u>	1	ı	_	ı	_	ı	ı	ı
Households	1	1	1	1	1	1	1	<b>←</b>	<b>—</b>
Payments for capital assets	290	34	1	624	497	127	%9.67	2 336	2 279
Buildings and other fixed structures	1	1	1	1	I	1	1	806	908
Machinery and equipment	491	34	•	525	497	28	94.7%	1 334	1 277
Software and other intangible assets	66	'	•	66	1	66	1	196	196
Payment for financial assets	I	6	1	6	6	_	100.0%	1	ı
Total	34 055	1	1	34 055	32 522	1 533	95.5%	32 094	31 407
Programme 1: Administration					٠	•	•		٠
1.Strategic Management	3 817	(100)	I	3 717	3 677	40	%6'86	3 723	3 698
2.Corporate Resource Management	8718	398	•	9116	8 936	180	%0.86	069 6	9 583
3.Office of the Chief Financial Officer	6 140	(298)	•	5 842	5 714	128	97.8%	4 866	4 628
Total	18 675	1	I	18 675	18 327	348	98.1%	18 279	17 909
Economic classification									
Current payments	18 120	1	ı	18 120	17 898	222	%8.8%	16 464	16 108
Compensation of employees	9 403	1	1	9 403	9 258	145	98.5%	8 074	7 827
Salaries and wages	8 273	1	ı	8 273	8 135	138	98.3%	7 176	6 935
Social contributions	1 130	1	1	1 130	1 123	7	99.4%	868	892
Goods and services	8 717	ı	I	8 717	8 640	77	99.1%	8 390	8 281
Administrative fees	24	16	1	40	38	2	95.0%	42	40
Advertising	10	11	•	21	20	_	95.2%	ı	1
Minor assets	72	(65)	•	7	5	2	71.4%	209	205

				2017/18				2016/17	/17
	Adjusted	Shifting of	Viromont	Final	Actual	Variation	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure	Validilice	as & or infar appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Audit costs: External	1 763	21	1	1 784	1 783	1	%6'66	1 448	1 447
Catering: Departmental activities	37	(6)	ı	28	26	2	92.9%	40	39
Communication (G&S)	196	(8)	1	188	183	5	97.3%	202	198
Computer services	699	237	1	906	904	2	%8.66	749	745
Consultants: Business and advisory services	355	131	ı	486	484	2	%9.66	598	597
Contractors	m	4	•	7	9	_	85.7%	95	93
Consumable supplies	170	(64)	1	106	76	6	91.5%	281	209
Consumable: Stationery, printing and office supplies	194	(14)	ı	180	177	m	98.3%	186	184
Operating leases	3 402	307	Ī	3 709	3 707	2	%6.66	2 792	2 791
Property payments	609	(230)	1	379	377	2	99.5%	433	431
Travel and subsistence	755	(40)	ı	715	9/9	39	94.5%	995	786
Training and development	126	(92)	ı	34	34	I	100.0%	74	72
Operating payments	212	(65)	1	120	116	4	%2'%	130	127
Venues and facilities	120	(113)	•	7	7	-	100.0%	116	116
Transfers and subsidies	-	1	•	1	1	1	-	_	-
Departmental agencies and accounts	_	1	•	_	1	_	1	1	1
Households	ı	I	1	ı	T	ı	ı	-	_
Payments for capital assets	554	1	ı	554	429	125	77.4%	1 814	1 800
Buildings and other fixed structures	1	ı	1	ı	I	ı	ı	806	806
Machinery and equipment	455	1	1	455	429	26	94.3%	086	996
Software and other intangible assets	66	1	1	66	ı	66	1	28	28
Total	18 675	1	ı	18 675	18 327	348	98.1%	18 279	17 909

GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# APPROPRIATION STATEMENT for the year ended 31 March 2018

				2017/18				2016/17	5/17
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme: 1.1: Strategic Management	t								
Economic classification									
Current payments	3 798	(106)	-	3 692	3 653	39	%6'86	3 709	3 684
Compensation of employees	2 819	127	•	2 946	2 941	5	%8'66	2 632	2 616
Goods and services	616	(233)	-	746	712	34	95.4%	1 077	1 068
Payments for capital assets	19	9	1	25	24		%0.96	14	14
Machinery and equipment	19	9	_	25	24	1	96.0%	14	14
Total	3 817	(100)	_	3 717	3 677	40	98.9%	3 723	3 698
Sub programme: 1.2: Corporate Resource Management	<b>f</b> anagement								
Economic classification									
Current payments	8 182	428	-	8 610	8 554	56	99.3%	7 994	7 900
Compensation of employees	2 973	345	1	3 318	3 286	32	%0.66	2 847	2 841
Goods and services	5 209	83	1	5 292	5 268	24	99.5%	5 147	5 059
Transfers and subsidies	-	ı	•	1	1	_	-	_	_
Departmental agencies and accounts	~	ı	•	-	ı	_	1	1	ı
Households	'	1	•	1	1	ı	-	-	_
Payments for capital assets	535	(30)	1	505	382	123	75.6%	1 695	1 682
Buildings and other fixed structures	1	I	1	ı	İ	İ	ı	908	808
Machinery and equipment	436	(30)	ı	406	382	24	94.1%	861	848
Software and other intangible assets	66	T	-	66	ı	66	1	28	28

9 583

069 6

%0.86

180

8 936

398

Total

				2017/18				2016/17	5/17
	Adjusted	Shifting of	700	Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	virement	Appropriation	Expenditure	Variance	as % or iinai appropriation	Appropriation	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme: 1.3: Office of the Chief Financial Officer	nancial Officer								
Economic classification									
Current payments	6 140	(322)	-	5 818	5 691	127	%8'.76	4 761	4 524
Compensation of employees	3 611	(472)	1	3 139	3 031	108	%9.96	2 595	2 370
Goods and services	2 529	150	-	2 679	2 660	19	99.3%	2 166	2 154
Payments for capital assets	ı	24	1	24	23	_	95.8%	105	104
Machinery and equipment	-	24	_	24	23	1	95.8%	105	104
Total	6 140	(298)	-	5 842	5 714	128	%8'.26	4 866	4 628
Programme 2. Public Sector Innovation	ı	ı	ı	ı	ı	ı	ı	ı	I
Sub programme	•								
1.Research and Development	3 682	(58)	1	3 624	3 532	92	97.5%	2713	2 493
2.Solution Support and Incubation	3 347	58	1	3 405	3 315	96	97.4%	3 441	3 420
3.Enabling Environment	8 351	-	_	8 351	7 348	1 003	88.0%	7 661	7 585
Total	15 380	_	_	15 380	14 195	1 185	92.3%	13 815	13 498
Francing electification									
Current payments	15 344	(43)	1	15 301	14 118	1 183	92.3%	13 293	13 019
Compensation of employees	8 957	1	1	8 957	8 788	169	98.1%	7 806	7 766
Salaries and wages	8 035	(38)	1	166 1	7 832	165	%6'.76	6 928	6 892
Social contributions	922	38	1	096	926	4	%9'66	878	874
Goods and services	6 387	(43)	1	6 344	5 330	1 014	84.0%	5 487	5 253
Administrative fees	173	(18)	I	155	51	104	32.9%	89	92
Advertising	166	_	1	167	152	15	91.0%	146	146
Minor assets	13	(6)	-	4	4	•	100.0%	18	17

# APPROPRIATION STATEMENT for the year ended 31 March 2018

				2017/18				2016/17	5/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	57	68	ı	146	145		66.3%	110	109
Communication (G&S)	141	19	ı	160	148	12	92.5%	132	129
Computer services	20	(43)	1	7	I	7	ı	193	4
Consultants: Business and advisory Services	110	(110)	1	1	I	1	1	1	ı
Contractors	1 092	1	1	1 092	626	133	87.8%	901	899
Consumable supplies	229	11	•	240	234	9	97.5%	142	135
Consumable: Stationery, printing and office supplies	147	(20)	ı	76	33	64	34.0%	168	165
Property payments	212	592	1	481	591	(110)	122.9%	1	1
Travel and subsistence	1 933	(42)	•	1 888	1 468	420	77.8%	1 787	1 768
Training and development	93	46	•	139	75	64	54.0%	143	140
Operating payments	682	15	•	269	579	118	83.1%	573	571
Venues and facilities	1 289	(218)	1	1 071	891	180	83.2%	1 106	1 105
Payments for capital assets	36	34	1	70	89	2	97.1%	522	479
Machinery and equipment	36	34	•	70	89	2	97.1%	354	311
Software and other intangible assets	•	1	-	1	1	-	•	168	168
Payment for financial assets	1	6	-	6	6	1	100.0%	-	•
Total	15 380	-	-	15 380	14 195	1 185	92.3%	13 815	13 498

Sub programme: 2.1: Research and Development	nent					
Economic classification						
Current payments	3 682	(99)	-	3 616	3 525	
Compensation of employees	2 937	(28)	1	2 879	2 774	
Goods and services	745	(8)	-	737	751	

2 177

96.4%

105 (14)

2 679 2 199 480

				2017/18				2016/17	/17
	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
Payments for capital assets	1	8	1	8	7	1	82.78	34	34
Machinery and equipment	-	ω	'	ω	7	_	87.5%	34	34
Total	3 682	(28)	1	3 624	3 532	92	97.5%	2 713	2 493

Sub programme: 2.2: Solution Support and Incubation	ncubation								
Economic classification									
Current payments	3 347	37	-	3 384	3 294	06	97.3%	3 082	3 062
Compensation of employees	2 661	28	•	2 719	2715	4	%6.66	2 480	2 474
Goods and services	989	(21)	٠	999	579	98	87.1%	709	588
Payments for capital assets	•	12	•	12	12	•	100.0%	359	358
Machinery and equipment	ı	12	1	12	12	1	100.0%	191	190
Software and other intangible assets	ı	ı	-	I	ı	-	I	168	168
Payment for financial assets	1	6	1	6	6	-	100.0%	1	1
Total	3 347	58	1	3 405	3 315	90	97.4%	3 441	3 420

Sub programme: 2.3: Enabling Environment									
Economic classification									
Current payments	8 315	(14)	-	8 301	7 299	1 002	87.9%	7 532	7 498
Compensation of employees	3 359	1	1	3 359	3 299	09	98.2%	3 127	3 115
Goods and services	4 956	(14)	,	4 942	4 000	942	80.9%	4 405	4 383
Payments for capital assets	36	14	1	20	49	_	%0.86	129	87
Machinery and equipment	36	14	•	50	49	1	%0.86	129	87
Total	8 351	-	-	8 351	7 348	1 003	88.0%	7 661	7 585

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

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

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

### 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.

### Detail on payments for financial assets

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

Explanations of material variances from Amounts Voted (after virement):

		Actual	Variance	Variance as a %
Per programme:	Final	Expenditure		of Final
	Appropriation			Appropriation
	R'000	R'000	R'000	%
1.Administration	18 675	18 327	348	2%

During the 1st quarter of the 2017/18 financial year, the CPSI had two vacant posts; Deputy Director: Financial Management and Administration on salary level 11 and Human-Resource Management clerk on salary level 6, which resulted in the under spending of R145 000 in the year under review. A minimal under spending of R77 000 is reported on Goods and Services. An amount of R125 000 remained unspent at year end from the procurement of capital equipment which was initiated in February 2018, it was unpaid due to delays in procurement processes and consequently the non-delivery of the ordered goods at year end.

Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
2.Public Sector Innovation	15 380	1 <b>4 1</b> 95	1 185	8%

An under spending of R169 000 on compensation of employees is mainly due to the vacancy of one vacant post: Deputy Director: Development on salary level 11 which was only filled during the 2nd quarter of the financial year. An amount of R1, 014 million on Goods and Services remained unspent at year end. These main areas of under spending can be explained as follows: The printing of the Vol. 8 Issue 2 of "Ideas that Work" The South African Public Sector Innovation Journal was not finalised amounting to R134 000. This resulted from delays in the project deliverables due to the unforeseen absence of the internal CPSI Managing Editor and one other member of the editing team. The process was initiated in November 2017, but due to these unforeseen circumstances, the editing was only concluded in March 2018.

- A process to appoint a suitable service provider for the development of the Bertha Gxowa Hospital as an Innovation
  Hub case study, toolkit and model was initiated in October 2017. A suitable service provider was only identified in
  February 2018 after two other unsuccessful procurement invitations to potential services providers. The project
  commenced in March 2018 and is expected to be concluded in May 2018. This resulted in an under spending of
  R80 000.
- A decision to host the annual Public Service Innovation Conference in Gauteng resulted in and under spending on venues (R96 000), travelling and accommodation cost (R104 000).

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

The budgeted payment to the Innovation Hub could not be processed because the process of identifying and
developing a possible solution for the Department of Home Affairs and the Hospital Patient Referral project were
only concluded (R600 000).

Per economic classification:

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
R'000	R'000	R'000	%

Current expenditure

Compensation of employees

Goods and services

Transfers and subsidies

Departmental agencies and accounts

Payments for capital assets

Machinery and equipment

Software and other intangible assets

Payments for financial assets

33 421	32 016	1 405	4%
18 360	18 046	314	2%
15 061	13 970	1 091	7%
1	-	1	100%
1	-	1	100%
624	497	127	20%
525	497	28	5%
99	-	99	100%
9	9	0	0%

The under spending under compensation of employees was mainly due to three vacant posts, which were filled during the second quarter of the financial year.

The under spending of goods and services is mainly due to the nine procurement initiatives which were ordered but not delivered by 31 March 2018. These were only delivered and paid for in April 2018. The budgeted payments to The Innovation Hub could not be processed, because obtaining permission from the Department of Home Affairs' EXCO to pilot the selected solution,' and the scoping of the implementation of the Hospital Patient Referral project were not concluded and resulted in an under spending in Goods and Services.

An amount R125 000 was unspent at year end, due to capital assets, which were ordered for employees but not delivered by 31 March 2018. These are expected to be delivered and paid for in May 2018.

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# STATEMENT OF FINANCIAL PERFORMANCE

REVENUE  Annual appropriation 1 Departmental revenue 2 Aid assistance 3  TOTAL REVENUE  EXPENDITURE Current expenditure Compensation of employees 4 Goods and services 5 Aid assistance 3  Total current expenditure  Transfers and subsidies Transfers and subsidies Transfers and subsidies  Expenditure for capital assets Tangible assets 8 Intangible assets 8	R'000 34 055 24 3 407 37 486	R'000 32 094 3 7 839 39 936
Annual appropriation 1 Departmental revenue 2 Aid assistance 3  TOTAL REVENUE  EXPENDITURE Current expenditure Compensation of employees 4 Goods and services 5 Aid assistance 3  Total current expenditure  Transfers and subsidies Transfers and subsidies Transfers and subsidies  Transfers and subsidies  Expenditure for capital assets Tangible assets 8	24 3 407	3 7 839
Departmental revenue 2 Aid assistance 3  TOTAL REVENUE  EXPENDITURE Current expenditure Compensation of employees 4 Goods and services 5 Aid assistance 3  Total current expenditure  Transfers and subsidies Transfers and subsidies Transfers and subsidies  Transfers and subsidies  Expenditure for capital assets Tangible assets 8	24 3 407	3 7 839
Aid assistance 3  TOTAL REVENUE  EXPENDITURE Current expenditure Compensation of employees 4 Goods and services 5 Aid assistance 3  Total current expenditure  Transfers and subsidies Transfers and subsidies Transfers and subsidies  Total transfers and subsidies  Expenditure for capital assets Tangible assets 8	3 407	7 839
TOTAL REVENUE  EXPENDITURE Current expenditure Compensation of employees 4 Goods and services 5 Aid assistance 3 Total current expenditure  Transfers and subsidies Transfers and subsidies Transfers and subsidies  Total transfers and subsidies  Expenditure for capital assets Tangible assets 8		
EXPENDITURE  Current expenditure  Compensation of employees 4  Goods and services 5  Aid assistance 3  Total current expenditure  Transfers and subsidies  Transfers and subsidies  Transfers and subsidies  Transfers and subsidies  Expenditure for capital assets  Tangible assets 8	37 486	39 936
Current expenditure Compensation of employees 4 Goods and services 5 Aid assistance 3 Total current expenditure  Transfers and subsidies Transfers and subsidies Transfers and subsidies  Total transfers and subsidies  Expenditure for capital assets Tangible assets 8		
Compensation of employees 4 Goods and services 5 Aid assistance 3 Total current expenditure  Transfers and subsidies Transfers and subsidies 7 Total transfers and subsidies  Expenditure for capital assets Tangible assets 8		
Goods and services 5 Aid assistance 3  Total current expenditure  Transfers and subsidies Transfers and subsidies 7  Total transfers and subsidies  Expenditure for capital assets  Tangible assets 8		
Aid assistance 3  Total current expenditure  Transfers and subsidies  Transfers and subsidies 7  Total transfers and subsidies  Expenditure for capital assets  Tangible assets 8	18 046	15 593
Total current expenditure  Transfers and subsidies  Transfers and subsidies  7  Total transfers and subsidies  Expenditure for capital assets  Tangible assets  8	13 970	13 534
Transfers and subsidies Transfers and subsidies  Total transfers and subsidies  Expenditure for capital assets  Tangible assets  8	3 287	3 134
Transfers and subsidies 7  Total transfers and subsidies  Expenditure for capital assets  Tangible assets 8	35 303	32 261
Total transfers and subsidies  Expenditure for capital assets  Tangible assets 8		
Expenditure for capital assets Tangible assets 8	-	1
Tangible assets 8	-	1
Intangible accets	497	2 083
intalligible assets	-	196
Total expenditure for capital assets	497	2 279
Payments for financial assets 6	9	-
TOTAL EXPENDITURE	35 809	34 541
SURPLUS FOR THE YEAR	1 677	5 395
Reconciliation of Net Surplus for the year		
Voted Funds	1 533	687
Annual appropriation	1 533	687
Departmental revenue and NRF Receipts 13	24	3
Aid assistance 3	120	4 705
SURPLUS FOR THE YEAR		5 395

# STATEMENT OF FINANCIAL POSITION

ASSETS	Not e	2017/18 R'000	2016/17 R'000
Current Assets		1 681	5 398
Cash and cash equivalents	9	1 391	4 718
Prepayments and advances	10	272	670
Receivables	11	18	10
TOTAL ASSETS		1 681	5 398
LIABILITIES			
Current Liabilities		1 681	5 398
Voted funds to be surrendered to the Revenue Fund	12	1 533	687
Payables	14	28	6
Aid assistance repayable	3	111	-
Aid assistance unutilised	3	9	4 705
TOTAL LIABILITIES		1 681	5 398
NET ASSETS			
TOTAL			-

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# STATEMENT OF CHANGES IN NET ASSETS

NET ASSETS		2017/18	2016/17
	Note	R'000	R'000
Capitalisation Reserves			
Opening balance	_	<u>-</u>	
Closing balance	_	-	
Recoverable revenue			
Opening balance	_	-	-
Closing balance	-	-	
Retained funds			
Opening balance		-	-
Closing balance	_		
J J	-		
Revaluation Reserves	_	_	
Opening balance	_	<u> </u>	
Closing balance	_	<u>-</u>	
	_		
TOTAL	_		

# **CASH FLOW STATEMENT**

	Note	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		37 486	39 936
Annual appropriated funds received	1	34 055	32 094
Departmental revenue received	2	24	3
Aid assistance received	3	3 407	7 839
Net (increase)/ decrease in working capital		412	(714)
Surrendered to Revenue Fund		(711)	(951)
Surrendered to RDP Fund/Donor		(4 705)	(459)
Current payments		(35 303)	(32 261)
Payments for financial assets		(9)	-
Transfers and subsidies paid		<u> </u>	(1)
Net cash flow available from operating activities	15	(2 830)	5 550
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(497)	(2 279)
Net cash flows from investing activities		(497)	(2 279)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities			-
Net increase/ (decrease) in cash and cash equivalents		(3 327)	3 271
Cash and cash equivalents at beginning of period		4718	1 447
Cash and cash equivalents at end of period	16	1 391	4 718

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

Summary of significant accounting policies

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

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

## 1 Basis of preparation

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

### 2 Going concern

The financial statements have been prepared on a going concern basis.

### 3 Presentation currency

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

# 4 Rounding

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

# 5 Comparative information

### 5.1 Prior period comparative information

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

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 5.2 Current year comparison with budget

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

### 6 Revenue

# 6.1 Appropriated funds

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

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

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

# 6.2 Departmental revenue

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

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

### 7 Expenditure

### 7.1 Compensation of employees

# 7.1.1 Salaries and wages

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

### 7.1.2 Social contributions

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

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

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 7.2 Other expenditure

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

# 7.3 Accruals and payables not recognised

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

### 7.4 Leases

### 7.4.1 Operating leases

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

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

## 7.4.2 Finance leases

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

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

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

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

## 8 Aid Assistance

### 8.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 8.2 Aid assistance paid

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

# 9 Cash and cash equivalents

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

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

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

### 10 Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

Pre-payments to non-governmental entities are made in advance due to a contractual obligation and are expended on receipt of appropriated funds from the relevant Aid Assistant.

### 11 Financial assets

# 11.1 Financial assets (not covered elsewhere)

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

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

# 12 Payables

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

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

### 13 Capital Assets

### 13.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

### 13.2 Movable capital assets

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

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

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

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

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

# 13.3 Intangible assets

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

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

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

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

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

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

## 14 Provisions and Contingents

# 14.1 Commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

## 15 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

### 16 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

# 17 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

# GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

### 18 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

# 19 Employee benefits

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

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1	Annua	l Appropriation		2017/18		2018	5/17
			Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received
	Progra	mmes	R'000	R'000	R'000	R'000	R'000
		inistration	18 675	18 675	-	18 279	18 279
	2.Publi	c Sector Innovation	15 380	15 380	<u> </u>	13 815	13 815
	Total		34 055	34 055		32 094	32 094
						2017/18	2016/17
					Note	R'000	R'000
2	Depar	tmental Revenue					
	Sales c	f goods and services	other than capital	assets	2.1	5	3
	Transa	ctions in financial ass	ets and liabilities		2.2	19	
	Depar	tmental revenue col	lected			24	3
	2.1	Sales of goods an	d services other th	nan capital assets	2		
		•		by the department		5	3
		Other sales	·			5	3
		Total				5	3
	2.2	Transactions in fir	nancial assets and	liabilities	2		
		Other Receipts inc			_	19	-
		Total	J		•	19	
3	Aid Ac	sistance					
J	Alu As	Opening Balance				4 705	459
		Transferred from s	tatement of financia	al performance		120	4 705
		Paid during the yea				(4 705)	(459)
		Closing Balance			•	120	4 705
	3.1	Analysis of balanc	e by source		3		
	0.1	Aid assistance from	•		Ŭ	120	4 705
		Closing Balance				120	4 705
	2.2	۸L			2		
	3.2	Analysis of balance Aid assistance repa			3	111	
		Aid assistance repo	•			9	4 705
		Closing balance	tilised			120	4 705
		. <b>.</b>			•		
	3.3	Prior period error					(0.0)
		Relating to 2016/17					(92)
			input - repayable to	donor			(92)
		Total prior period	errors				(92)

### **NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the ye	ear ended 31	March 2018
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		for the year ended 31 Wil		2017/18	2016/17
			Note	R'000	R'000
	3.4	Aid assistance expenditure per economic classification	3		
		Current		3 287	4 705
		Total aid assistance expenditure	_	3 287	4 705
4	Comp	ensation of Employees			
4	4.1	Salaries and wages			
	4.1	Basic salary		11 901	10 236
		Performance award		230	199
		Compensative/circumstantial		43	119
		Periodic payments		65	117
		Other non-pensionable allowances		3 728	3 273
		Total		15 967	13 827
			_		
	4.2	Social Contributions			
		Employer contributions			
		Pension		1 528	1 314
		Medical		549	450
		Bargaining council			2
		Total		2 079	1 766
		Total compensation of employees	_	18 046	15 593
		Average number of employees		36	31
5	Goods	s and services			
	Admin	istrative fees		89	105
	Advert	ising		172	146
	Minor	assets	5.1	9	222
	Caterir	ng		171	148
	Comm	unication		331	327
	Compi	uter services	5.2	904	749
	Consu	Itants: Business and advisory services		484	597
	Contra	actors		965	992
	Audit o	cost – external	5.3	1 783	1 447
		mables	5.4	541	693
	Opera:	ting leases		3 707	2 791
		ty payments	5.5	968	431
		and subsistence	5.6	2 144	2 755
		s and facilities		898	1 221
	Trainin	g and development		109	212
		operating expenditure	5.7	695	698
	Total		_	13 970	13 534
	5.1	Minor assets	5		
	٥, ١	Tangible assets	5	9	222
		Machinery and equipment		9 -	222
		Total	_	9	222

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

			2017/18	2016/17
		Note	R'000	R'000
5.2	Computer services	5		
	SITA computer services		479	605
	External computer service providers		425	144
	Total		904	749
		1		
5.3	Audit cost – external	5		
	Regularity audits		1 783	1 447
	Total	,	1 783	1 447
		,		
5.4	Consumables	5		
	Consumable supplies		331	344
	Uniform and clothing		64	76
	Household supplies		39	75
	IT consumables		_	18
	Other consumables		228	175
	Stationery, printing and office supplies	l	210	349
	Total		541	693
			<u> </u>	
5.5	Property payments	5		
	Municipal services		612	397
	Property management fees		31	12
	Other		325	22
	Total	,	968	431
		,		
5.6	Travel and subsistence	5		
	Local		1 551	1 634
	Foreign		593	1 121
	Total		2 144	2 755
		1		
5.7	Other operating expenditure	5		
	Professional bodies, membership and subscription fees		6	_
	Resettlement costs		_	21
	Other		689	677
	Total		695	698
	nts for financial assets		•	
	written off	6.1	9	
Total		,	9	
6.1	Debts written off	6		
	Other debt written off			
	Damage vehicles		9	
	Total debt written off		9	
		1		

### OCENTRE FOR PUBLIC SERVICE INNOVATION

### GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		<b>,</b>		2017/18	2016/17
_			Note	R'000	R'000
7	Transf	ers and Subsidies	ANINEVUIDE		
	House	holds	ANNEXURE 1A	=	1
	Total		IA .		1
			•		
8		diture for capital assets		407	2 083
		ole assets  Igs and other fixed structures	26	497	806
		nery and equipment	24	497	1 277
	IVIGCIIII	ory and equipment	- 1	177	1 2//
		ible assets	25	-	196
	Softwa	re	l	-	196
	Total		:	497	2 279
	8.1	Analysis of funds utilised to acquire capital assets - 2017/16	3		
		, ,	Voted Funds	Aid assistance	TOTAL
			R'000	R'000	R'000
		Tangible assets	497		497
		Machinery and equipment	497	-	497
		Total	497	<u>-</u>	497
	8.2	Analysis of funds utilised to acquire capital assets - 2016/17	7		
		Tangible assets	2 083	-	2 083
		Buildings and other fixed structures	806	-	806
		Machinery and equipment	1 277	-	1 277
		Intangible assets	196	-	196
		Software	196	-	196
		Total	2 279	_	2 279
	0.2	Figure laces appositive included in Europediture for app	ital assata		
	8.3	Finance lease expenditure included in Expenditure for cap Tangible assets	itai assets		
		Machinery and equipment		90	40
		Total		90	40
9	C	and Cook Constraints			
9		and Cash Equivalents Iidated Paymaster General Account		1 386	4 713
		on hand		5	5
	Total	That's		1 391	4 718
10		yments and Advances	40.0	070	
		rments (Not expensed)	10.2 10.1	272	- 470
	Advan Total	ces paid (Not expensed)	10.1	272	670 670
	iotal				6/0

### **NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2018

		Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year advances	Balance as at 31 March 2018
10.1	Advances paid (Not expensed)	10	R'000	R'000	R'000	R'000
	Other institutions		670	670		
	Total		670	670	-	
		Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2018
10.2	Prepayments (Not expensed)	10	R'000	R'000	R'000	R'000
	Goods and services		-	230	502	272_
	Total			230	502	272

The prior year balance of Advances paid (not expensed) to other institutions has been correctly reclassified in 2017/18 as a prepayment to a non-governmental institution as per SCOA classification

					2017/18		2016/17	7
11	Receiv	- <b>h</b> l	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Total R'000
	Recove expend	rable	11.1	17	-	17	8	8
	Staff de		11.2	1	<u>-</u>	1	2	2
	Total		_	18	-	18	10	10
							2017/18	2016/17
						Note	R'000	R'000
	11.1	Recovera	ıble expenditi	ıre (disallowance	e accounts)	11		
		Damages	to rented veh	icles			12	8
		Tax debts	3				5	-
		Total		,		_	17	8
	11.2	Staff deb	ot			11		
		Subsisten	ice debts				1	2
		Total				_	1	2
12	Voted	Funds to b	e Surrendere	d to the Revenue	e Fund			
	Openir	g balance					687	948
	Transfe	r from state	ement of financ	cial performance	(as restated)		1 533	687
	Paid du	iring the ye	ar				(687)	(948)
	Closing	g balance			_	1 533	687	
13	Depart	mental rev	enue and NRI	F Receipts to be	surrendered to the F	Revenue Fund		
	Transfe	r from State	ement of Finar	icial Performance	(as restated)		24	3
	Paid du	iring the ye	ar				(24)	(3)
		g balance						-
17/2	2018	3 FIN	ANCIA	LYEAR		_		•

### OCENTRE FOR PUBLIC SERVICE INNOVATION

### GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		for the ye	ar ended 31 Ma	rch 2018		
					2017/18	2016/17
				Note	R'000	R'000
14	-	les - current		4.4.4	00	,
		ng accounts		14.1	28	6
	Total			_	28	6
	14.1	Clearing accounts		14		
		Salaries: Income Tax			3	6
		Clearing accounts - service bonus payable			25	-
		Total		_	28	6
15		sh flow available from operating activities	,			
		rplus/(deficit) as per Statement of Financial F			1 677	5 395
		ack non cash/cash movements not deemed o	pperating activities	Г	(4 507)	155
		se)/decrease in receivables			(8)	(10)
		se)/decrease in prepayments and advances			398	(670)
		se/(decrease) in payables – current			22	(34)
		diture on capital assets			497	2 279
	Surren	ders to Revenue Fund			(711)	(951)
	Surren	ders to RDP Fund/Donor			(4 705)	(459)
	Net ca	sh flow generated by operating activities		_	(2 830)	5 550
16	Pacan	ciliation of cash and cash equivalents for c	ash flow purposas			
10		lidated Paymaster General account	asii ilow purposes		1 386	4 713
		in hand			5	5
	Total	ITHONG		_	1 391	4 718
				_		
17	Comm	itments				
	Currer	nt expenditure		_		
	Appro	ved and contracted			1 534	1 868
	Canita	l Europe diture		-	1 534	1 868
		l Expenditure			115	
	Appro	ved and contracted			115	-
		_		_	115	
	Total (	Commitments		-	1 649	1 868
	Conne	ctivity cost for DSL lines, website and domain	n services - contract er	nding 2020/03/25		
		Management Services - contract ending 2020		, in the second second		
		g of a PABX Solution - contract ending 2021/				
10	<b>A</b>	de end enoubles est over the L				
18	Accrua 18.1	als and payables not recognised  Accruals				
	10.1		20 4	20 L d	Total	Total
		Listed by economic classification	30 days	30+ days	Total	Total
		Goods and services	195	4	199	203
		Total	195	4	199	203

### NOTES TO THE ANNUAL FINIANGUAL STATEMENTS

		for the year	· caca c.		2017/18	2016/17
				Note	R'000	R'000
Liste	d by programme level			11010	11 000	11 000
	ramme 1: Administration				190	
_	ramme 2: Public Sector Inn	ovation			9	1
Total					199	
	loyee benefits e entitlement				1 100	(
	ce bonus (Thirteenth chequ	10)			557	2
	rmance awards	uej			271	:
	ped leave commitments				68	•
Total					1 996	1 4
				•		
	e commitments					
20.1	Operating leases			Buildings and		
	2017/18	Specialised	Land	other fixed	Machinery and	Total
	2017/18	military assets	Land		equipment	iotai
		R'000	R'000	structures R'000	R'000	R'000
	Not later than 1 year	K 000	K UUU	- 3 666	K 000	3
	Total lease					
	commitments	-		- 3 666	-	3 (
	2016/17	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
		R'000	R'000	R'000	R'000	R'000
	Not later than 1 year	-		- 3 683	-	3 (
	Later than 1 year and not later than 5 years	-		- 3 666	-	3 (
	Total lease	-		- 7 349		7:
	commitments artment of Public Works- Le	ease agreement for O	ffice accommo	dation. Current agree	ments ends on 31	
	h 2019					
20.2	Finance leases **			D:lal:		
	2017/18	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	Not later than 1 year	-			103	
	Later than 1 year and				81	
	not later than 5 years	_				

Total lease

commitments

184

184

### **NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2018

2016/17	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-			87	87
Later than 1 year and not later than 5 years				121	121
Total lease	-			208	208

One cell phone contract ending March 2019.

Two contracts for the hiring of two photocopier machines, ending October and December 2019 respectively

				2017/18	2016/17
			Note	R'000	R'000
21	Irregu	lar expenditure			
	21.1	Reconciliation of irregular expenditure			
		Opening balance		169	-
		Add: Irregular expenditure - relating to prior year		378	-
		Add: Irregular expenditure - relating to current year		207	169_
		Irregular expenditure awaiting condonation		754	169
		Analysis of awaiting condonation per age classification			
		Current year		207	169
		Prior years		547	
		Total		754	169

2017/18

21.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/crimi	nal proceedings
Failure to comply with procurement	Internal control procedures	38
procedure	updated and awaiting	
Three cases were declared as irregular	condonation from National	
expenditure in 2017/18 due to non-	Treasury	
compliance to National SCM instruction		
note 3 of 2016/17 to obtain prior written		
approval from the National Treasury for		
contract variation exceeding 15% of the		
original contract value		
Failure to comply with procurement	Investigation to determine	133
procedure	liability was not concluded at end	
One cases confirmed as irregular	of reporting period.	
expenditure due to non-compliance to		
Treasury Regulations 15.10.1.2 (c) to avoid		
prepayments for goods or services		

### **NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2018

2017/18 R'000

Incident	Disciplinary steps taken/cr	iminal proceedings
Failure to comply with CPSI Travel Policy	Investigation to determine	4
Four cases were as irregular expenditure	liability was not concluded at end	
in 2017/18 due to non-compliance to the	of reporting period.	
CPSI Travel Policy (paragraph 6.7.3) to		
obtain prior approval for payment of		
additional expensed incurred on a trip.		
Failure to comply with procurement	Investigation to determine	60
procedure	liability was not concluded at end	
One cases confirmed as irregular	of reporting period.	
expenditure due to non-compliance to		
Treasury Regulation 16.A.3.2 to avoid		
awarding an order to a supplier who		
submitted their quotation after the closing		
time		
Failure to comply with the Preferential	Investigation to determine	350
Procurement Policy Framework Act	liability was not concluded at end	
section 5(7)	of reporting period.	
One cases confirmed as irregular		
expenditure due to non-compliance to		
Preferential Procurement Policy		
Framework Act section 5(7) by not		
evaluating a supplier on functionality,		
price and B-BBEE		

22	Fruitle 22.1	ess and wasteful expenditure Reconciliation of fruitless and wasteful expenditure	2017/18 R'000	2016/17 R'000
		Opening balance Fruitless and wasteful expenditure – relating to current year Closing balance	- 8 8	- - -
	22.2	Analysis of awaiting resolution per economic classification Current Total	<u>8</u> 8	<u>-</u>

2017/18

585

22.3 Analysis of Current year's (relating to current & prior years) fruitless and wasteful expenditure

R'000

Wasterar expenditure		
Incident	Disciplinary steps taken/criminal proceedings	
Prejudicing the CPSI's Supply- Chain	SCM Officer was dismissed after a	
Management bidding/ quotation	formal disciplinary process was	
processes by concealing a quotation with	followed	6
a lower amount which was received from		
the service provider timeously		

Total

### CENTRE FOR PUBLIC SERVICE INNOVATION

### GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

2017/18 R'000

Incident	Disciplinary steps taken/crimin	al proceedings
Failure to comply with Treasury	Investigation to determine liability	2
Regulation 8.2.3	was not concluded at end of	
One cases confirmed as irregular	reporting period.	
expenditure due to non-compliance to		
Treasury Regulations 8.2.3 to the		
payment of interest for goods or services.		
Total		8

23	Related party transactions	2017/18	2016/17
	In kind goods and services received	R'000	R'000
	DPSA advising the CPSI on technical and procedural issues related to		
	personnel security checks, vetting and security awareness	-	-
	DPSA providing to the CPSI messenger services twice a week	-	-
	DPSA provides to the CPSI technical and procedural advice in relation to		
	information communication technology management	-	-
	CPSI makes use of the virtual private network of the DPSA	-	-
	DPSA provides to the CPSI internal labour relations functions and services	-	-
	DPSA provides to the CPSI internal employee wellness services	-	-
	DPSA assist the CPSI with technical and procedural advice in relation to human		
	resource management and development	-	-
	DPSA provides to the CPSI technical and procedural advice on matter		
	retaining to financial management and administration and supply chain	-	-
	management.		
	DPSA provides to the CPSI internal audit and risk management services	-	-
	DPSA provides legal functions and services to the CPSI	-	-
	DPSA advising the CPSI on technical and procedural issues related to		
	personnel security checks, vetting and security awareness	-	-
	Acting Executive Director	-	-

The CPSI has a related party relationship with each of the public sector entities that falls within the portfolio of the Minister for Public Service and Administration. This includes the National School of Government (NSG), the Public Service Commission (PSC), the Department of Public Service and Administration (DPSA) and the Government Employees Medical Scheme (GEMS). The DPSA and CPSI signed a Memorandum of Understanding in relation to services that the DPSA will provide to the CPSI at no cost, and these are set out above. During the period of review all transaction entered into with NSG, PCS and GEMS were at arms' length. During the period under review the CPSI had an in-kind related party relationship with Mr. D Liphoko an employee from the Government Communication and Information System who acted in the position of Executive Director from 24 November 2017 to 13 March 2018.

24	Key management personnel	Note Individuals	2017/18 R'000	2016/17 R'000
	Level 15 to 16	1	1 741	1 596
	Level 14 (incl CFO if at a lower level)	4	4 739	4 532
	Total		6 480	6 128

Total

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening	Value	\$ \$ \( \frac{1}{2} \frac{1} \frac{1}{2} \frac{1}{2} \frac{1}{2} \frac{1}{2} \frac{1}{2} \f	0.000	ومودادط مونوران
	balance	adjustments	Additions	Uisposdis	Closing Dalance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	7 071	-	372	166	7 277
Computer equipment	1 703	1	303	31	1 975
Furniture and office equipment	3 346	ı	10	135	3 221
Other machinery and equipment	2 022	_	59	-	2 081
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	7 071		372	166	7 277
Movable Tangible Capital Assets under investigation Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:	register are asset	s that are under in	vestigation:	Number	Value R'000
Machinery and equipment				က	17

303 372 R'000 Total (32)(35)(35)(Paid current year, received prior year) R'000 (06) (06) (06) (Finance lease payments) Non-cash R'000 338 149 497 497 R'000 Cash TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS MACHINERY AND EQUIPMENT Other machinery and equipment Furniture and office equipment Computer equipment

A carry case (valued at R6 000) and two screens has been was reported missing. All items were placed on suspense on the Asset Register

pending the final decision by the Disposal Committee. The case has been submitted to Legal Services to determine liability.

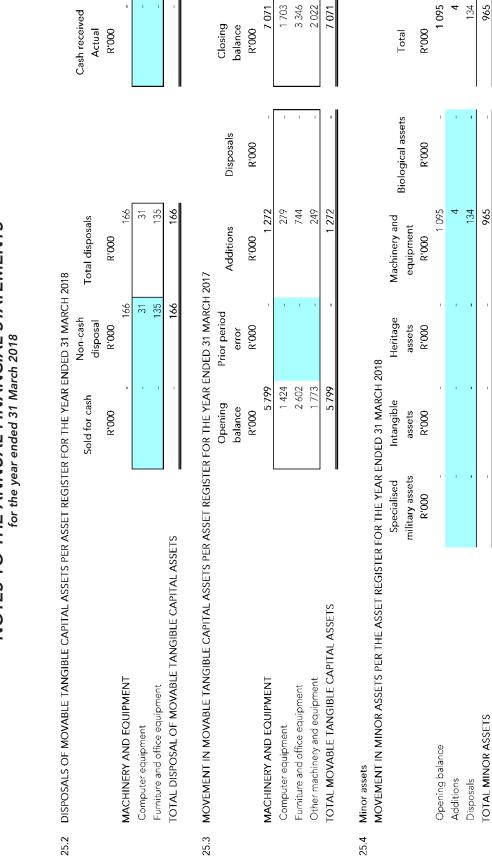
25.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

10 59

25

Movable Tangible Capital Assets

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS



### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

Total	555	Total R'000	906 189	Total 591
Biological assets		Biological assets R'000	1 1 1	Biological assets
Machinery and equipment	555	Machinery and equipment R'000	906 189 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Machinery and equipment 591
Heritage assets		2017 Heritage assets R'000	1 1 1	Heritage assets
Intangible assets		IDED 31 MARCH Intangible assets R'000	1 1 1	Intangible assets
Specialised military assets		ISTER FOR THE YEAR ENDED 31 MARCH 2017 Specialised Intangible military assets assets R'000 R'000	1 1	Specialised military assets
	Number of minor assets at cost TOTAL NUMBER OF MINOR ASSETS	MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTEI	Opening balance Additions TOTAL MINOR ASSETS	Number of minor assets at cost TOTAL NUMBER OF MINOR ASSETS

26	Intangible Capital Assets
	MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018
	S.I.S.V. Spinoso

Closing balance	Closing parame	R'000	504	504
Dienocale	Cisposais	R'000	1	1
Aditions		R'000		1
Value	adjustments	R'000	1	ı
Opening	balance	R'000	504	504
			SOFTWARE	TOTAL INTANGIBLE CAPITAL ASSETS

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

26.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018
26.1

				(Development	not paid (Paid	
		Cash	Non-cash	work-in-progress current costs )	current year, received prior	Total
		R'000	R'000	R'000	year R'000	R'000
	SOFTWARE TO INTANGIBLE CAPITAL ASSETS					
26.2	Movement for 2016/17 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017	FHE YEAR ENDED 31	MARCH 2017			
		Opening balance	Prior period error	Additions	Disposals	Closing balance
		R'000	R'000	R'000	R'000	R'000
	SOFTWARE	308	-	196	-	504
	TOTAL INTANGIBLE CAPITAL ASSETS	308	T	196	1	504
27	Immovable Tangible Capital Assets MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018	STER FOR THE YEAR	RENDED 31 MAR	CH 2018		
		Opening balance	Value adjustments	Additions	Disposals	Closing balance
	BUILDINGS AND OTHER FIXED STRUCTURES	908	2	-	-	808
	Non-residential buildings	908		1	1	908
	TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	908	1	I	I	908

TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS

BUILDINGS AND OTHER FIXED STRUCTURES

Non-residential buildings

808

Closing balance R'000

> Disposals R'000

Additions R'000

Prior period error R'000

Opening balance R'000 806 806 806

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

Prior period errors					
28.1 Correction of prior period errors	irrors		Amount before	Prior period	Restated
	Note	9	error correction	error	amonnt
			R'000	R'000	R'000
Departmental Revenue		ന	(92)	က	(68)
Aid Assistance (Belgium) Repayable	ayable		92	•	92
Net effect		m	1	ന	က

Correction of VAT input - repayable to donor

28

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A STATEMENT OF TRANSFERS TO HOUSEHOLDS

2016/17	Appi	e Act		pa	R.000				
ITURE	% of	Available	funds	transferred	%				
EXPENDITURE	Actual Transfer				R'000		'	ı	
	Total Available				R'000		1	ı	
TRANSFER ALLOCATION	Adjustments				R'000		•	1	
TRANSFER /	Roll Overs				R'000		1	1	
	Adjusted	appropriation	Act		R'000			1	
				HOUSEHOLDS		Transfers	H/H Employ S/Benefits: Leave Gratuity	Total	

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 1B STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

		2017/18	2016/17
NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000	R'000
Received in kind			
African Association for Public	Sponsorship towards the travelling expenses for the adjudication of the competition for the	43	1
Administration and Management (AAPAM)	AAPAM award for innovation management		
Datacentrix	Sponsorship towards the hosting CPSI Public Call for entries	35	ı
Capitec Bank	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	Φ	100
Eskom	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	ı	200
Government Employees Medical Scheme	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	İ	250
Mabhele Associates CC	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Conference	ı	31
MTN Foundation	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	I	09
United Nations Development Programme	Sponsorship towards the hosting of SADC UNPAN Workshops	270	235
United Nations Development Programme	Sponsorship towards travelling expenses for attending the Lesotho and Malawi Foresight	ı	40
	workshops		
United Nations Development Programme	Sponsorship towards the hosting of sector specific workshops	120	377
United Nations Development Programme	Sponsorship towards travelling expenses for promotion of Foresight in the Eastern Cape	5	I
United Nations Development Programme	Sponsorship towards background study on Funding Innovation	300	ı
United Nations	Sponsorship towards travelling expenses as presented at the UN Public Service Day event	1	20
TOTAL	•	781	1 313

### ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1C STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING	REVENUE	EXPENDITURE	PAID BACK ON/BY	CLOSING
		R'000	R'000	R'000	R'000	R'000
Received in cash						
The Kingdom of the	Tirelo Bosha Public Service					
Belgium Government	Improvement Programme	1	006	789	1	111
	Unlocking Public Service					
European Union	Innovation	7	2 507	2 498	7	6
	Tirelo Bosha - Government					
Canadian Government	Service Delivery (CPSI)	4 698	1	•	4 698	1
	'					
TOTAL		4 705	3 407	3 287	4 705	120

### **VOTE NO 47** ANNUAL REPORT

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### • CENTRE FOR PUBLIC SERVICE INNOVATION NOTES:

### **VOTE NO 47** ANNUAL REPORT NOTES:

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