

Although the Office has developed Service Delivery Indicators it is not in a position to report on this aspect in the required format at this stage.

1.1 Personnel costs by programme, 2003/2004

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services	Personnel Cost as a Percent Expenditure	Average Personnel Cost per Employee
OPP	41,993,209	30,513,183	250,000	1,639,897	73%	195,597
TOTAL	41,993,209	30,513,183	250,000	1,639,897	73%	195,597

1.2 Personnel costs by salary bands, 2003/2004

Salary Levels	Personnel Expenditure	Personnel Cost Per Salary Level as a Percent of Total Personnel Expenditure	Average Personnel Cost per Employee
Lower skilled (Levels 1-2)	150,552	0.5%	50,184
Skilled (Levels 3-5)	3,232,573	10.6%	68,778
Highly Skilled production (Levels 6-8)	3,931,742	12.9%	126,830
Highly Skilled supervision (Levels 9-12)	17,082,316	56.0%	280,038
SMS (Levels 13-16)	5,146,000	16.9%	395,846
OTHER	970,000	3.2%	970,000
TOTAL	30,513,183	100%	195,597

1.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2003/2004

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	Home owners allowance as a % of personnel costs	Amount	Medical assistance as a % of personnel costs
OPP	21,186,000	70%	0	0%	377,500	2%	1,021,000	4%
TOTAL	21,186,000	70%	0	0%	377,500	2%	1,021,000	4%

1.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2003/2004

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	Home owners allowance as a % of personnel costs	Amount	Medical assistance as a % of personnel costs
Lower skilled (Levels 1-2)			0	-				
Skilled (Levels 3-5)			0	-				
Highly Skilled production (Levels 6-8)			0	-				
Highly Skilled supervision (Levels 9-12)			0	-				
SMS (Levels 13-16)			0	-				
OTHER			0	-				
TOTAL	21,186,000	70%	0	-	377,500	2%	1,021,000	4%

*Information not available per salary level

2.1 Employment and vacancies by programme, 31 March 2004

Programme	Number of Posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
OPP	161	156	3%	0
TOTAL	161	156	3%	0

2.2 Employment and vacancies by salary band, 31 March 2004

Programme	Number of Posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	3	3	-	N/A
Skilled (Levels 3-5)	49	47	4%	N/A
Highly Skilled production (Levels 6-8)	32	31	3%	N/A
Highly Skilled supervision (Levels 9-12)	61	61	-	N/A
SMS (Levels 13-16)	15	13	13.33%	N/A
OTHER	1	1	-	N/A
TOTAL	161	156	3%	N/A

2.3 Employment and vacancies by critical occupation, 31 March 2004

Critical occupations	Number of Posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Chief Financial Officer	1	0	1	N/A
TOTAL	1	0	1	N/A

3.1 Job Evaluation, 1 April 2003 to 31 March 2004

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Salary Levels 1-2	3	3	100%	N/A	N/A	N/A	N/A
Salary Levels 3-5	49	47	96%	N/A	N/A	N/A	N/A
Salary Levels 6-8	32	31	97%	N/A	N/A	N/A	N/A
Salary Levels 9-12	61	61	100%	N/A	N/A	N/A	N/A
SMS (Salary Band A)	14	12	86%	N/A	N/A	N/A	N/A
SMS (Salary Band B)	1	1	100%	N/A	N/A	N/A	N/A
SMS (Salary Band C)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SMS (Salary Band D)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OTHER	1	1	100%	N/A	N/A	N/A	N/A
TOTAL	161	156	97%	N/A	N/A	N/A	N/A

3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2003 to 31 March 2004

Beneficiaries	African	Asian	Coloured	White	Total
Female	N/A	N/A	N/A		
Male	N/A	N/A	N/A		
Total	N/A	N/A	N/A		
Employees with a disability	N/A	N/A	N/A	N/A	N/A

3.3 Employees whose salary level exceed the grade determined by job evaluation, 1 April 2003 to 31 March 2004

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2003/04 None

3.4 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2003 to 31 March 2004

Beneficiaries	African	Asian	Coloured	White	Total
Female	N/A	N/A	N/A	N/A	N/A
Male	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
Employees with a disability	N/A	N/A	N/A	N/A	N/A

4.1 Annual turnover rates by salary band for the period 1 April 2003 to 31 March 2004

Salary band	Number of employees per band as on 1 April 2003	Appointments and transfers into the Office	Terminations and transfers out of the Office	Turnover rate
Salary Levels 1-2	3	0	0	0
Salary Levels 3-5	41	6	2	4
Salary Levels 6-8	26	8	2	6
Salary Levels 9-12	60	0	0	0
SMS (Salary Band A)	12	0	3	-3
SMS (Salary Band B)	1	0	0	0
SMS (Salary Band C)		0	0	0
SMS (Salary Band D)		0	0	0
OTHER	1	0	0	0
Total	144	14	7	7

4.2 Annual turnover rates by critical occupation for the period 1 April 2003 to 31 March 2004

Occupation	Number of employees as at 1 April 2003	Appointments and transfers into the Office	Terminations and Transfers out of the Office	Turnover rate
Chief Financial Officer	1	0	1	-1
Total	1	0	1	-1

4.3 Reasons why staff are leaving the Office

Termination Type	Number	% of Total
Death	0	0
Resignation	6	3.85%
Expiry of Contract	0	0
Dismissal - Operational changes	0	0
Dismissal - misconduct	0	0
Dismissal - inefficiency	0	0
Discharged due to ill health	0	0
Retirement	1	0.65%
Transfer to other Public Service Departments/Ch 9 Institutions	0	0
Other	0	0
Total	7	4.49%
Total number of employees who left as a % of the total employment	0	4.49%

4.4 Promotions by critical occupation

Occupation:	Employees as at 1 April 2003	Promotion 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
N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

4.5 Promotions by salary band

Salary Band	Employees as at 1 April 2003	Promotion to another salary level	Salary bands promotions as a % 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)	3	0	0		
Skilled (Levels 3-5)	41	0	0		
Highly Skilled production (Levels 6-8)	26	0	0		
Highly Skilled supervision (Levels 9-12)	60	6	10%		
SMS (Levels 13-16)	13	0	0		
OTHER	1	0	0		
Total	144	6	5%		

5.1 Total number of employees (including employees with disabilities) in each of the following occupational classes as on 31 March 2004

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	Legislators, senior officials and managers	4		1	4	3			
Professionals	13		3	3	8	1		5	33
Technicians and associate professionals	20	1	2	2	13	1	3	1	43
Clerks	5				35	5	3	9	57
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trade workers									
Plant and machinery operators and assemblers									
Elementary occupations	3				6				9
Total	45	1	6	9	65	7	6	17	156

5.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2004

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	Top Management	1							
Senior Management	3		1	4	3			2	13
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	13		3	3	8	1		5	14
Semi-skilled and discretionary decision making	20	1	2	2	13	1	3	1	43
Unskilled and defined decision making	5				35	5	3	9	57
Elementary occupations	3				6				9
Total	45	1	6	9	65	7	6	17	156

5.3 Recruitment for the period 1 April 2003 to 31 March 2004

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	Top Management								
Senior Management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8								8
Semi-skilled and discretionary decision making					6				6
Unskilled and defined decision making									
Total	8				6				14

5.4 Promotions for the period 1 April 2003 to 31 March 2004

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	Top Management								
Senior Management					2				2
Professionally qualified and experienced specialists and mid-management	2				1	1			4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total	2				3	1			6

5.5 Terminations for the period 1 April 2003 to 31 March 2004

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	1		1	1					3
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1				1				2
Semi-skilled and discretionary decision making					2				2
Unskilled and defined decision making									
Total	2		1	1	3				7
Employees with disabilities	0	0	0	0	0	0	0	0	0

5.6 Disciplinary action for the period 1 April 2003 to 31 March 2004

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

5.7 Skills development for the period 1 April 2003 to 31 March 2004

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers									
Professionals									
Technicians and associate professionals									
Clerks									
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trade workers									
Plant and machinery operators and assemblers									
Elementary occupations									
Total									
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.1 Performance Rewards by race, gender, and disability, 1 April 2003 to 31 March 2004

	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	26	46	57%	544	20,918
Female	38	65	59%	459	12,084
Indian					
Male	5	5	100%	139	27,840
Female	4	5	80%	85	21,351
Coloured					
Male	1	1	100%	36	36,460
Female	5	7	71%	37	7,424
White					
Male	7	10	70%	198	28,262
Female	7	17	41%	127	18,178
Employees with a disability					
Male	2	2	100%	80	40,000
Female	1	1	100%	40	40,000
Total	93	156	60%	1 720	18,495

6.2 Performance Rewards by salary bands for personnel below SMS, 1 April 2003 to 31 March 2004

Salary Bands	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Cost (R'000)	Total cost as a % of the total personnel expenditure
Salary Levels 1-2	-	3	-	-	
Salary Levels 3-5	13	47	28%	160	1%
Salary Levels 6-8	13	31	42%	350	1%
Salary Levels 9-12	23	61	38%	1,030	3%
TOTAL	49	142	35%	1,625	5%

6.3 Performance Rewards by critical occupations, 1 April 2003 to 31 March 2004

Critical Occupations	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average per employee
	N/A	N/A	N/A	N/A	N/A
TOTAL	N/A	N/A	N/A	N/A	N/A

6.4 Performance related rewards (cash Bonus) by salary band for SMS

Salary Band	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Total cost (R'000)	Total cost as a % of the total personnel expenditure
Band A	10	13	77%	85	8,500
Band B	0	0	0	0	0
Band C	0	0	0	0	0
Band D	0	0	0	0	0
TOTAL	10	13	77%	85	8,500

7.1 Foreign Workers, 1 April 2003 to 31 March 2004

Salary Band	1 April 2003		31 March 2004		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	N/A	N/A	N/A	N/A	N/A	N/A
Skilled (Levels 3-5)	N/A	N/A	N/A	N/A	N/A	N/A
Highly Skilled production (Levels 6-8)	N/A	N/A	N/A	N/A	N/A	N/A
Highly Skilled supervision (Levels 9-12)	N/A	N/A	N/A	N/A	N/A	N/A
SMS (Levels 13-16)	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	N/A	N/A	N/A	N/A	N/A	N/A

7.2 Foreign Worker, 1 April 2003 to 31 March 2004, by major occupation

Major Occupation	1 April 2003		31 March 2004		Change	
	Number	% of total	Number	% of total	Number	% change
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A

8.1 Sick Leave, 2003/ 2004

Salary Band	Total days	% days taken with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	72	-	2	67%	36	9,696
Skilled (Levels 3-5)	194	-	15	32%	13	34,402
Highly skilled production (Levels 6-8)	96	-	10	33%	10	30,727
Highly skilled supervision (Levels 9-12)	344	-	15	25%	23	283,518
SMS (Levels 13-16)	47	-	8	62%	6	48,132
Total	753	-	50	-	-	406,475

8.2 Disability Leave (Temporary and Permanent), 2003/ 2004

Salary Band	Total days taken	% days taken with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	5	-	2	5%	2.5	842
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	63	-	2	4%	31.5	58,511
SMS (Levels 13-16)	-	-	-	-	-	-
Total	68	-	4	-	17	59,353

8.3 Annual Leave, 2003/ 2004

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	28	14.0
Skilled (Levels 3-5)	621	19.4
Highly skilled production (Levels 6-8)	332	13.3
Highly skilled supervision (Levels 9-12)	1 036	18.2
SMS (Levels 13-16)	47	5.9
Total	2 064	70.7

8.4 Capped leave, 2003/04

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2003
Lower skilled (Levels 1-2)			
Skilled (Levels 3-5)			
Highly skilled production (Levels 6-8)			
Highly skilled supervision (Levels 9-12)			
SMS (Levels 13-16)			
Total			

8.5 Leave payouts, 2003/2004

Reason	Total amount ('000)	Number of employees	Average per employee
Leave payout for 2003/04 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2003/04 30 June 2004	0	0	0
Current leave payout on termination of service for 2003/04			
Total	0	0	0

9. HIV/AIDS and Health Promotion Programmes

9.1 Steps taken to reduce the risk of occupational exposure

Units/ categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce risk
N/A	N/A
N/A	N/A
N/A	N/A

9.2 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the Office designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the PSR, 2001? If so, provide her/his name and position.	X		2 SMS managers serve on the committee.
2. Does the Office 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		Number of staff involved : 4 No specified budget – but the Office has committed to give whatever financial support is required.
3. Has the Office introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.		X	
4. Has the Office established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the PSR, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Ms B Mkhwebane- Tshehla; Ms P Mogaladi; Ms S Thoke; Ms N Maoka
5. Has the Office reviewed its employment policies and practises to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/ practices so reviewed.	X		HIV/AIDS policy EE and AA policies Employment policies (still in draft format).
6. Has the Office introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		HIV/AIDS Policy EE and AA policies.
7. Does the Office encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		No official results to list as yet.
8. Has the Office developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.		X	

10.1 Collective Agreements, 1 April 2003 to 31 March 2004

Total collective agreements

None

10.2 Misconduct and disciplinary hearings finalized, 1 April 2003 to 31 March 2004

Disciplinary hearings 2003/04

None

10.4 Grievances lodged for the period 1 April 2003 to 31 March 2004-08-19

	Number	% of total
Number of grievances resolved	0	0%
Number of grievances not resolved	0	0%
Total number of grievances lodged	0	0%

10.5 Disputes lodged with Councils for period 1 April 2003 to 31 March 2004

	Number	% of total
Number of disputes upheld	N/A	
Number of disputes dismissed	N/A	
Total number of disputes lodged	1	100%

10.6 Strike actions for the period 1 April 2003 to 31 March 2004

Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount recovered (R'000) as a result of no work no pay	0

10.7 Precautionary suspensions for the period 1 April 2003 to 31 March 2004

Number of people whose suspension exceeded 30 days	0
Number of people suspended	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

11.1 Training needs identified 1 April 2003 to 31 March 2004

Occupational categories	Gender	Number of employees at 1 April 2003	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4			4	4
	Male	10			11	11
Professionals	Female	13			17	17
	Male	17			14	14
Technicians and associate professionals	Female	20			10	10
	Male	21			17	17
Clerks	Female	50			18	18
	Male	9			1	1
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machinery operators and assemblers	Female					
	Male					
Elementary occupations	Female					
	Male					
Sub Total	Female	87			49	49
	Male	57			43	43
Total		144	N/A	N/A	92	92

11.2 Training provided 1 April 2003 to 31 March 2004

Occupational categories	Gender	Number of employees at 1 April 2003	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4			4	4
	Male	10			11	11
Professionals	Female	13			17	17
	Male	17			14	14
Technicians and associate professionals	Female	20			10	10
	Male	21			17	17
Clerks	Female	50			18	18
	Male	9			1	1
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machinery operators and assemblers	Female					
	Male					
Elementary occupations	Female					
	Male					
Sub Total	Female	87			49	49
	Male	57			43	43
Total		144	N/A	N/A	92	92

12.1 Injury on duty, 1 April 2003 to 31 March 2004

	Number	% of total
Required basic medical attention	N/A	-
Temporary total disablement	-	-
Permanent disablement	-	-
Total	-	-

FINANCES

BUDGET: 2003/2004

	R'000
Personnel:	34,515
Administrative:	8,083
Inventories:	1,544
Equipment:	1,331
Professional:	1,996
Miscellaneous:	50
TOTAL	R 47,519

COMMUNICATION

Outreach

A rural outreach programme to be conducted throughout the country, has been identified by the OPP as a priority. The ultimate aim of this project is to make the services of the OPP accessible to the poorest of the poor even in the remotest outposts.

As an introduction to this programme, visiting points were established in all Provinces. In this way, staff from the Provincial offices can receive complaints from the public and handle them from their respective offices. Depending on the needs in certain areas, regular clinics or satellite offices will also be set up where possible.

In order to spearhead this project, Assistant-Investigators have been appointed in all Provincial offices.

International Activities

The 8th Regional African Ombudsman Conference was held in Ougadougou, Burkina Faso, from 22 to 25 July 2003 on the theme: 'African Tradition of Mediation and the Future of the African Ombudsman'.

At this Conference, which was attended by Ombudsman, Mediators and staff from 20 African countries as well as a number of international organisations, the newly formed African Ombudsman Association (AOA) was officially inaugurated.

The PP was elected Executive Secretary of the AOA and it was further resolved that the Secretariat of the Association would be based in South Africa.

The former African Ombudsman Centre, based in Dar es Salaam, Tanzania, was formally dissolved. In its place, a new African Ombudsman Centre for training and documentation on the African Ombudsman concept will be established in South Africa in due course.

At the Conference, a three-year Strategic Plan (2003 - 2006) was approved. Drawing on the rich tradition of mediation in African societies, Ombudsman offices are encouraged to continue to work actively in establishing good governance in Africa, and especially to eradicate the spectre of bloody conflicts that currently haunt the African continent. The Association recommends that African countries that do not have an Ombudsman institution be encouraged to establish this institution as the defender of citizens' rights. All African governments are encouraged to take necessary steps to ensure that every Ombudsman office is established as an independent and autonomous institution, enshrined in the Constitution or organic law.

Recognising the urgent need to consolidate the achievements of the 8th Conference, the next General Assembly of the Association will be held in October 2004 in South Africa.

The first Executive Committee Meeting of the Association was hosted by the Ombudsman of Lesotho and held in Maseru, from 29 to 31 March 2004. Attended by Mediators and Ombudsman from Botswana, Burkina Faso, Mauritius, Gabon, Senegal, Djibouti, Sudan and of course South

Africa, this proved to be a rewarding and fruitful meeting where good progress was made in terms of implementing the Strategic Plan and assessing and monitoring the achievement of the Association's goals.

Presentations given, conferences and workshops attended

- Public Administration International in collaboration with the Management and Training Services Division, Commonwealth Secretariat Programme on "When citizens complain: The role of the Ombudsman in improving Public Services", London (May and October 2003)
- Annual International Anti-Corruption Conference, Seoul, Korea (May 2003); presentation given on the investigation into the Strategic Defence Procurement Packages by a representative of the office
- Indaba on The Promotion of Access to Information Act, Johannesburg (May 2003)
- 16th Annual Labour Conference, Pretoria, (July 2003)
- Civil Society Prison Reform Initiative, Cape Town (July 2003)
- South African AIDS Conference, Durban (August 2003)

- Conference on Fraud and Corruption in the Public Sector, Pretoria (August 2003); Presentation given by a representative of the office
 - Seminar on Socio-Economic Rights of Refugees by SAHRC, Cape Town (September 2003)
 - Seminar on Land and Agrarian Reform by SAHRC, Cape Town (October 2003)
 - Launch of "16 Days of Activism", Johannesburg (November 2003)
 - Seminar on Socio-Economic Rights by SAHRC, Cape Town (November 2003)
 - Seminar on Access to Information by the Requester by SAHRC, Cape Town (November 2003)
 - Seminar on Prison Reform and the role of Civil Society by SAHRC, Cape Town (November 2003)
 - Course for In-house Legal Counsel, Pretoria (December 2003)
 - Minimum Anti-Corruption Capacity for Departments and Organisational Components in the Public Service, Pretoria (February 2004)
 - Public Finance Management Course at SAIGA, Pretoria (March 2004)
 - First Annual Labour Law Seminar, Cape Town (March 2004)
 - Batho Pele Change Management Engagement Launch, Pretoria (March 2004)
 - Seminar on the Legal Aid Board's new 'Impact Litigation' service, Cape Town (March 2004)
 - NGO seminar: The Promotion of Access to Information Act and Whistle Blowing in terms of the Protected Disclosures Act, Cape Town (March 2004); addressed by a representative of the office.
- Delegations received**
- Delegation from the Ministry of Supervision of the People's Republic of China, August 2003
 - Delegation from the Tanzanian Ethics Secretariat and the Directorate of Ethics in the Office of Public Service Management in the President's Office, February 2004
 - Study visit by Ms Anna Bossman, Deputy Commissioner: Ghanaian Commission on Human Rights and Administrative Justice, November 2003

TRAINING

External

During the period under review the OPP's Training Committee conducted a skills audit and analysis of all professional and administrative staff in all offices throughout the country. Deficiencies and shortcomings in training and skills were identified and certain areas were prioritised. One of the areas to be prioritised was Performance Management. The South African Management Development Institute (SAMDI) was approached with a view to providing the necessary training and in December 2003 the first group attended a course. The second course took place in February 2004 and further workshops are planned for the next financial year. At this stage, fifty percent of the staff - both professional and administrative - have been trained.

Other areas to be addressed are training in Conflict Resolution and Change Management. The Centre for Conflict Resolution of the University of Cape Town will be providing training to the professional staff during the next financial year.

In house

A two and a half-day workshop for the entire staff was held at Greenway Woods in Mpumalanga in August 2003. Various sessions concerning practical case studies and administrative procedures were facilitated by the Managers concerned. A team building session also formed part of this exercise.

A workshop for professional staff was held at the St George's Hotel and Conference Centre outside Pretoria in March 2004. The areas focused upon were report-writing skills, the office's new computerised Case Management system and Key Performance Indicators.

THE YEAR AHEAD

It has become necessary for the OPP to define a Strategic Plan to ensure that the mandate and functions of the office are well understood by staff and stakeholders.

The OPP's main objectives over the next year will be to -

1. Efficiently and effectively conduct investigations.

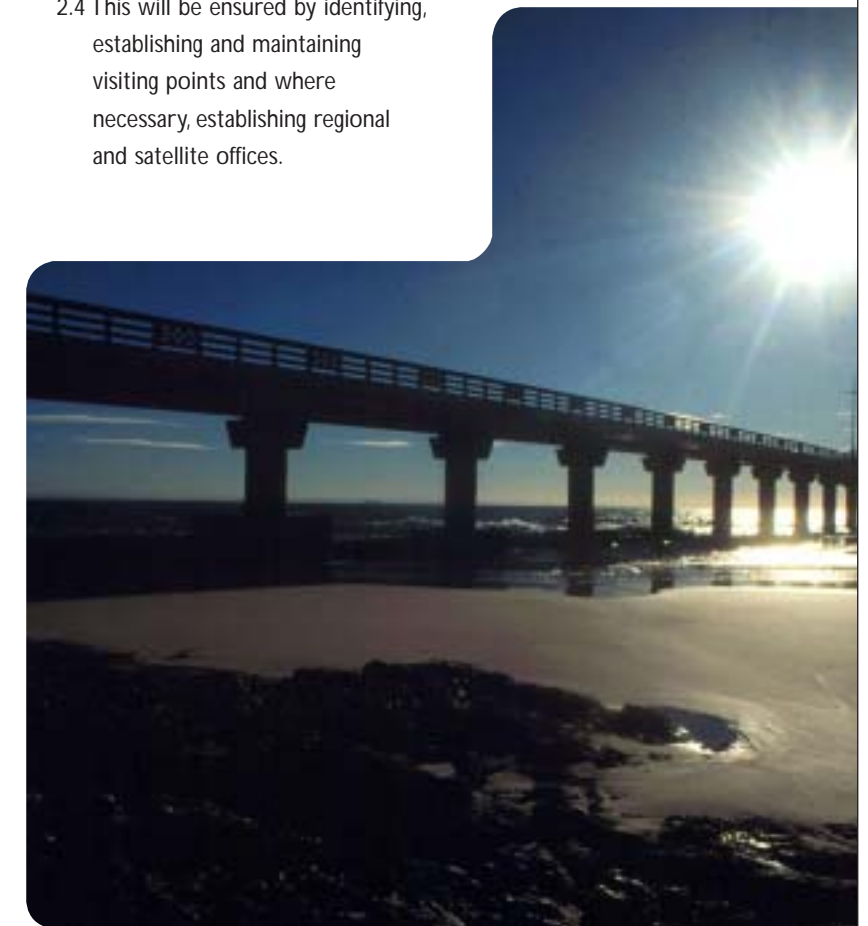
- 1.1 The emphasis will now be to increasingly focus on identifying root cause investigations and to ensure non recurrence of similar cases, thereby improving service delivery by recommending corrective remedial action.
- 1.2 The general view is that the OPP should be proactive, seeking out systemic problems and launching investigations on own initiatives.
- 1.3 The secondary aim should be to improve systems of public administration which have made injustices possible, so that mistakes or injustices are not repeated.
- 1.4 The overall aim therefore is to contribute to the welfare of citizens, through the upgrading of public administration and the protection of individuals against the malfunctioning of administrative bodies.

2. Ensure visibility and accessibility of the OPP's services to all including the poorest of the poor by the Outreach programme.

- 2.1 The OPP will embark on a national public awareness campaign which is aimed at educating and reducing matters outside its jurisdiction as a result of a better understanding by all parties of the office's mandate.
- 2.2 The strategy is to be developed in such a way that the office does not become swamped with complaints due to the increased awareness.
- 2.3 The OPP is well placed to expand its capacity if the intake of complaints increases.
- 2.4 This will be ensured by identifying, establishing and maintaining visiting points and where necessary, establishing regional and satellite offices.

3. Improve administrative support

- 3.1 The OPP will ensure that its organisational structure is aligned with its organisational strategy.
- 3.2 The Strategic Plan initiates the strategic process of the OPP. The process will be reviewed regularly followed by a formal annual review of the whole strategy.



REPORT OF THE AUDIT COMMITTEE

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

Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and meets twice per annum as per its approved terms of reference. During the current year three meetings were held.

Name of member	No. of meetings attended
Prof H de Jager (Chairperson)	3
Mr B Adam (External member)	3
Ms T Mashanda (External member)	3
Mr A Rampersadh (Office of the Public Protector)	3
Ms T Haderli (Office of the Public Protector)	2

Audit Committee responsibility

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

The effectiveness of internal control

The system of internal control is considered to be adequate as the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and management letter of the Auditor-General have not reported any significant or material non compliance with prescribed policies and procedures.

The reader is however referred to the emphasis paragraph in the report of the Auditor-General.

The quality of in year management and monthly / quarterly reports submitted in terms of the Act and the Division of Revenue Act

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Office of the Public Protector during the year under review.

Evaluation of financial statements

- The Audit Committee has
- reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report;
 - reviewed the Auditor-General's management letter and management response;
 - reviewed changes in accounting policies and practices.

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

Chairperson of the Audit Committee
27 July 2004



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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MANAGEMENT REPORT

for the year ended 31 March 2004

**Report by the
Accounting Officer
to the Executive
Authority and
Parliament of the
Republic of South
Africa****1. General review of the
state of financial affairs**

The overall performance of the office of the Public Protector was highly successful as it was able to expand its service delivery through the outreach programme. Each of the respective provincial offices was tasked by the Public Protector to establish visiting points within each of the respected municipal boundaries to create the much needed public awareness on the role and functions of the Public Protector.

The office was able to achieve much of its operational objectives and spending was generally in line with budget. A budget of R43,519m was allocated and in addition thereto, a rollover of R4m was carried forward from the previous financial year. Of this the office was able to spend R41,993m and earmarked its accumulated surplus of R10,781m (including interest earned) as at 31 March 2004:

- R3,8m to be rolled over to the next financial year
- R3,2m has been committed for the proposed change to the salary dispensation for staff. It needs to be mentioned that this matter has been under discussion and consultation with the Minister of Finance and has now been referred to the Minister of Public Service and Administration for consultation. The matter remains under consultation.

R3,788m was spent on the acquisition of fixed assets during the current and previous year. This amount is reflected on the balance sheet.

**2. Services rendered by
the office**

The office is a Constitutional body instituted by Section 181(1)(a) and 182 of the Constitution of the Republic of South Africa. The Public Protector Act 23 of 1994 further regulates its role and functions.

The aim of the office is to support the Public Protector, as prescribed by law, when investigating any conduct in state affairs, or in public administration in any sphere of government that is alleged or suspected to be improper, or which results in any impropriety or prejudice, when reporting on that conduct and when taking appropriate remedial action. In order to achieve our mandate the office must be accessible to all citizens and this resulted

in the establishment of the Outreach Component headed by the Provincial Co-Ordinator.

3. Capacity Constraints

With much emphasis being placed on the roll out of the rural outreach programme, it became necessary to appoint the required skilled personnel to effectively conduct all public awareness workshops. This in turn, gave rise to the number of new complaints received for investigation.

The post of the Deputy Public Protector has to date, not been filled due to the delays at Parliament. The delays in finalising the appointment of an incumbent to this key position meant that the Executive Authority had to function with significant managerial and operational constraints.

Any further capacity constraints will be determined by the increase in the number of new cases received for investigation through the rural outreach programme. A special Investigating Unit has been established to focus on high profile cases to ensure that they are being finalised and reported on whilst they are still relevant.

**4. Corporate Governance
Arrangements**

The office is in full compliance with the Public Finance Management Act 1 of 1999. The office strengthened on its internal processes of financial administration by enhancing the control mechanisms as per the recommendations of internal audit.

In addition, the office has submitted its first Employment Equity report in order to ensure compliance with Employment Equity Act. The office has also adopted a Strategic Plan to be implemented in the 2004/05 financial year, which defined key focus areas, service deliverables, Strategic objectives and an action plan to deliver on the objectives defined.

The office has also revised its organizational structure and post establishment and it has been submitted to Parliament for approval.

**5. Events after the
reporting date**

The adjustment to the salary dispensation for staff is regarded as the only matter of significant importance. The Minister of Finance has referred this matter to the Minister of Public Service and Administration for further consultation and it remains under consultation.

**6. Progress with
financial management
improvement**

The office has strived to improve on its sound financial systems and controls. The Chief Financial Officer tendered his resignation on 5 January 2004 and the Financial Manager has been appointed as acting Chief Financial Officer. The accounting firm Ngubane and Associates has been appointed to assist the acting CFO in the preparation of the set of financial statements.

**7. Performance
information**

The overall performance with specific reference to investigation concluded by this office is included in the annual report. The office has embarked to upgrade the existing case management system. State Information and Technology Agency (SITA) had been contracted to write the new database, which will come into operation in the new financial year. The new database will result in overall efficiency and service delivery within this office.

8. Business Address

Physical Address
9th Floor
Sinodale Centre
228 Visagie Street

Postal Address
Private Bag X677
Pretoria
0001

Approval

The financial statements fairly represent the state of affairs of the office as at 31 March 2004. These statements are the responsibility of the office while the auditors are responsible for the reporting on the fair presentation of these financial statements.

The financial statements reflect appropriate accounting policies and adhere to applicable accounting standards.

The annual financial statements set out on pages 84 to 102 have been approved by the Accounting Officer



A. RAMPERSADH
CHIEF ADMINISTRATION
OFFICER



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE OFFICE OF THE PUBLIC PROTECTOR FOR THE YEAR ENDED 31 MARCH 2004

1. Audit Assignment

The financial statements as set out on pages X to X, for the year ended 31 March 2004, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) and section 4(2) of the Public Protector Act (Act No. 23 of 1994). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. Nature and Scope

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

An audit includes:

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

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material

respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

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

3. Audit Opinion

In my opinion, the financial statements fairly presents, in all material respects, the financial position of the Office of the Public Protector at 31 March 2004 and the results of its operations and cash flows for the year then ended, in accordance with the generally accepted accounting practice and in the manner required by the Public Finance Management Act, Act 1 of 1999.

4. Emphasis of Matter

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

4.1 Approved Policies

Sections 10.1.2 and 15.10.1.1 of the Treasury Regulations stipulate that formalised and approved policies should be implemented in an institution for effective financial management. It has been identified that approved and formalised policies were not implemented for the following components of financial management, which constitutes non-compliance with the Treasury Regulations:

- Asset management
- Bank and cash management

The Office of the Public Protector however has an internal control environment in accordance with general

practice in government which is not formally documented.

In addition to the above the institution does not have a formally approved policy for human resource management.

5. Appreciation

The assistance rendered by the staff of the Office of the Public Protector during the audit is sincerely appreciated.

**F.J. Joubert
for
Auditor-General**

**Pretoria
--/07/2004**

BALANCE SHEET as at 31 March 2004

	Note	2004 Actual R'000	2003 Actual R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2	2 987	2 309
Current assets			
Trade and other receivables	3	720	747
Cash and cash equivalents	4	13 371	10 098
Total Assets		17 078	13 154
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated surplus		10 781	8 156
Current liabilities			
Trade and other payables	5	3 194	1 706
Provisions	6	3 103	3 292
Total Equity and Liabilities		17 078	13 154

INCOME STATEMENT for the year ended 31 March 2004

	Note	2004 Actual R'000	2003 Actual R'000
REVENUE			
Grant received	7	43 519	35 135
Other operating income	8	1 099	1 574
Donor income		-	219
TOTAL REVENUE		44 618	36 928
EXPENDITURE			
Administrative expenditure		7 010	5 307
Depreciation	2	917	691
Donor expenditure		-	219
Equipment – rental		234	206
Inventories – consumables	9	1 516	1 239
Loss on disposal of assets	2	(1)	74
Personnel	10	30 513	28 672
Professional and special services	11	1 640	1 332
Approved Loss	12	164	-
TOTAL EXPENDITURE		41 993	37 740
NET SURPLUS (LOSS) FOR THE YEAR		2 625	(812)

CASH FLOW STATEMENT for the year ended 31 March 2004

	Note	2004 Actual R'000	2003 Actual R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flow generated/(utilised) by operating activities	13	2 442	(1 621)
Cash required/(utilised) to (increase)/decrease working capital	14	1 326	(2 938)
Interest income		1 099	1 574
Net cash inflow/(outflow) from operating activities		4 867	(2 985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	2	(1 604)	(2 184)
Proceeds on sale of fixed assets		10	-
Net increase/(decrease) in cash and cash equivalents		3 273	(5 169)
Cash and cash equivalents at beginning of period		10 098	15 267
Cash and cash equivalents at end of period	4	13 371	10 098

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2004

	Note	Accumulated Surplus R'000
Balance as at 1 April 2002		8 968
Net Loss for the period 31 March 2003		(812)
Restated balance as at 31 March 2003		8 156
As previously reported		9 016
Fundamental error	17	(860)
Net Surplus for the period 31 March 2004		2 625
Balance as at 31 March 2004		10 781

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

1. Accounting Policy

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

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis.

1.2 Revenue recognition

Revenue constitutes a transfer payment from the Department of Justice and Constitutional Development (DOJCD). This revenue is

wholly funded by National Treasury and is recognised as income when transferred by the Department of Justice and Constitutional Development.

Interest is accrued on favourable balances with commercial banking institutions, and recognised as income.

1.3 Expenditure

Current expenditure is recognised in the income statement when the goods/services are received/rendered.

1.4 Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

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

- The Public Finance Management Act,
- The State Tender Board Act, or any regulations made in terms of this Act.

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

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party.

1.5 Debts written off

The office does not allow for trade or staff debtors to be incurred during its ordinary course of operations. However, it may incur debts such as advances, claims, prior year un-reconciled balances in suspense accounts or general ledger accounts.

Therefore, the office has adopted the following policy in connection with writing off of debts:

- Debts which are older than one year.
- Debts which are untraceable and not economically viable to employ tracing agents.
- Debts that could not be traced to supporting documentation.

The following principles were applied:

- Recovery of debt would be uneconomical.
- Recovery would cause undue hardship to the debtor or his/her dependents.
- It is advantageous for the State to effect settlement of the claim or to waive the claim.

All debts written off require the express written authorisation of the Accounting Officer.

1.6 Property, plant and equipment

Property, plant and equipment comprise computer equipment & software, office equipment and furniture and fittings. These assets are stated at cost less accumulated depreciation.

The assets are depreciated on the straight line method over the following periods, considered to be their estimated useful lives:

Computer equipment & software	3 years
Furniture & fittings	6 years
Office equipment	5 years

1.7 Receivables

Receivables included in the balance sheet arise from the cash payments that are recoverable, or income accruing to the office. Receivables also include unauthorised, irregular and fruitless or wasteful expenditure incurred.

1.8 Payables

Payables included in the balance sheet arise from expenditure incurred before year end, but which remain unpaid at year end.

1.9 Surplus

With the approval of National Treasury, surpluses are rolled over to the next financial year.

1.10 Leases

The office has entered into operating leases in respect of office premises and office equipment.

With these leases the lessor retains the risks and rewards of ownership of the underlying assets.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the period of the lease.

1.11 Employee benefits**Short-term employee benefits**

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

Provision has been made for benefits where the employer has a present obligation to pay the benefit as a result of the employees' services rendered to balance sheet date. The provisions have been calculated at undiscounted amounts based on current salary rates.

Gratuity

In terms of the Public Protector's conditions of service, the Public Protector is entitled to a taxable lump sum gratuity on vacation of his office. The gratuity calculation is based on his basic salary, and his period in office. The provision raised in the annual financial statements is therefore the actual amount that would be payable had the Public Protector vacated his office on last day of the respective financial year.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash held with banks, all of which is available to the office.

1.13 Financial Instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables, and trade and other payables. The carrying value for these instruments are regarded as their fair value.

1.14 Government grants

The revenue received from National Treasury is viewed as a government grant.

This grant is recognised as income when received from the Department of Justice and Constitutional and Development.

The office also receives government assistance from Department of Public Works in respect of the office premises. The office is not charged rental for its premises leased from the Department.

1.15 Comparatives

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

2. Property, plant and equipment

	Computer Equipment & Software R'000	Furniture & Fittings R'000	Office Equipment R'000	Total R'000
OWNED – 2004				
Cost				
Balance at 1 April 2003	1 509	1 032	482	3 023
Additions	1 058	316	230	1 604
Disposals	(9)	-	(4)	(13)
Balance at 31 March 2004	2 558	1 348	708	4 614
Depreciation				
Balance at 1 April 2003	503	151	60	714
Current year charge	608	192	117	917
Disposals	(3)	-	(1)	(4)
Balance at 31 March 2004	1 108	343	176	1 627
Book value at 31 March 2004	1 450	1 005	532	2 987

	Computer Equipment & Software R'000	Furniture & Fittings R'000	Office Equipment R'000	Total R'000
OWNED – 2003				
Cost				
Balance at 1 April 2002	491	249	184	924
Additions	1 394	939	359	2 692
Fundamental error 17	(291)	(156)	(61)	(508)
Disposals	(85)	-	-	(85)
Balance at 31 March 2003	1 509	1 032	482	3 023
Depreciation				
Balance at 1 April 2002	14	12	8	34
Current year charge	565	149	61	775
Fundamental error 17	(65)	(10)	(9)	(84)
Disposals	(11)	-	-	(11)
Balance at 31 March 2003	503	151	60	714
Book value at 31 March 2003	1 006	881	422	2 309

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

3. Trade and other receivables

Description	Note	2004 Actual R'000	2003 Actual R'000
Accrued income	3.1	76	107
Unauthorised expenditure (previous year, unapproved)	3.2	640	640
African Ombudsman association		4	-
		720	747
Analysed as follows:			
Current year		80	107
One year		-	-
More than one year		640	640
		720	747

3.1 Accrued income

Description	2004 Actual R'000	2003 Actual R'000
Interest receivable	76	107
Donor funds receivable	-	-
Other	-	-
	76	107

3.2 Unauthorised expenditure in respect of previous years not yet approved

Year disallowed	Incident	2004 Actual R'000	2003 Actual R'000
2000	Take over of North West Ombudsman, not budgeted for	640	640
		640	640

SCOPA has recommended to Parliament that unauthorised expenditure be approved. The office is awaiting approval on this expenditure from Parliament

4. Cash and cash equivalents

Description	2004 Actual R'000	2003 Actual R'000
Cash with commercial banks	13 364	10 091
Cash on hand	7	7
	13 371	10 098

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

5. Trade and other payables

Description	Note	2004 Actual R'000	2003 Actual R'000
Amounts payable to DOJCD	5.1	180	397
Trade payables	5.2	3 014	1 309
		3 194	1 706

5.1 Amounts payable to DOJCD

Description	2004 Actual R'000	2003 Actual R'000
Department of Justice & Constitutional Development (DOJCD)	180	397
	180	397

The above amount represents payments made by DOJCD on behalf of the office, in respect of seconded staff salaries and other administrative expenditure.

No interest is charged on the above balance and the amount is repayable within 30 days.

5.2 Trade payables

Description	2004 Actual R'000	2003 Actual R'000
Trade accruals	1 645	221
Salary payables	81	499
Trade creditors	1 288	589
	3 014	1 309

6. Provisions

Description	2004 Actual R'000	2003 Actual R'000
Leave pay	224	166
Merit Bonus	532	1 240
Service Bonus	730	589
Levies (COIDA, PSETA)	112	140
Audit fee	248	269
Provision for Public Protector's Gratuity	1 257	888
	3 103	3 292

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

Reconciliation of provisions

Description	Opening Balance R'000	Provision Raised R'000	Provision Utilised R'000	Closing Balance R'000
Leave pay	166	224	(166)	224
Merit bonus	1 240	532	(1 240)	532
Service Bonus	589	730	(589)	730
Levies (COIDA, PSETA)	140	112	(140)	112
Audit fee	269	248	(269)	248
Provision for Public Protector's gratuity	888	369	-	1 257
	3 292	2 215	(2 404)	3 103

7. Grant received

Description	Voted Amount R'000	Approved Virement	Adjusted Budget R'000	Actual 2004 R'000	Variance Over/ (under)	%	Actual 2003 R'000
Investigations	43 519	-	43 519	43 519	-	-	35 135
	43 519	-	43 519	43 519	-	-	35 135

The amount above comprises of an initial voted amount of R43, 404 million and a R115, 000 inflationary adjustment.

8. Other operating income

Description	2004 Actual R'000	2003 Actual R'000
Interest received – commercial banks	1 099	1 572
Interest received – staff	-	2
	1 099	1 574

9. Inventories – consumables

Description	2004 Actual R'000	2003 Actual R'000
Printing	681	386
Publications	93	168
Software	334	94
Stationery	345	576
Other	63	15
	1 516	1 239

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

10. Personnel

Description	2004 Actual R'000	2003 Actual R'000
Basic salary costs	21 186	14 910
Bonus and performance awards	2 902	2 726
Gratuity	-	2 600
Medical aid contributions	1 021	970
Other allowances	2 056	4 062
Pension contributions	2 979	2 516
Provision for Public Protector's Gratuity	369	888
	30 513	28 672
Average number of employees	153	145

11. Professional and special services

Description	Note	2004 Actual R'000	2003 Actual R'000
Audit committee members' fees		64	31
External audit fees	11.1	255	322
Internal audit fees		186	284
Maintenance costs		85	81
Work contracted out	11.2	1 050	614
		1 640	1 332

11.1 External audit fees

Description	2004 Actual R'000	2003 Actual R'000
Current year provision	248	269
Prior year under-provision	7	53
Paid	276	262
Provision raised in prior year	(269)	(209)
	255	322

The under-provision arises from additional audit-related services rendered during the year, which was not originally provided for.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

11.2 Work contracted out

Description	2004 Actual R'000	2003 Actual R'000
Contractors	1 050	614
	1 050	614

12. Approved loss

Description	2004 Actual R'000	2003 Actual R'000
Loss approved by the accounting officer	164	-
	164	-

13. Net cash flow generated/utilised by operating activities

Description	2004 Actual R'000	2003 Actual R'000
Net surplus (loss) as per Income Statement	2 625	(812)
Adjusted for items separately disclosed and non cash items		
Interest income	(1 099)	(1 574)
Depreciation	917	691
Loss on disposal of assets	(1)	74
Net cash inflow (outflow) from operating activities	2 442	(1 621)

14. Cash required/(utilised) to decrease/(increase) working capital

Description	2004 Actual R'000	2003 Actual R'000
Decrease in receivables	27	116
Decrease in prepayments	-	2
Increase (Decrease) in payables and provisions	1 299	(3 056)
	1 326	(2 938)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

15. Commitments

The office leases certain office premises and office equipment under operating leases. The office does not have the option to acquire the assets of the termination of the leases. There are no escalation clauses or restrictions imposed by the leases. The leased office premises are Mabopane, Rustenburg and Kuruman offices. The office equipment being leased are photocopiers. The leases commitments above, are all under five years.

The future minimum lease payments under non-cancellable operating leases:

Description	2004 Actual R'000	2003 Actual R'000
Operating leases		
Payable within one year		
Office equipment	156	176
Office premises	137	52
	293	228
Payable between two and five years		
Office equipment	31	186
Office premises	-	-
	31	186

16. Net surplus

Net surplus is arrived at after taking into account:

Description	2004 Actual R'000	2003 Actual R'000
Expenses		
Operating lease payments	399	367
Office equipment	234	206
Office premises	165	161

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

17. Fundamental Error

	Effect on Accumulated Surplus
Correction of fundamental error, relating to the erroneous overstatement of Fixed Assets & Trade Payables in the prior year, amounting to R 507 948	R 0
Correction of fundamental error, relating to the overstatement Accumulated Depreciation & Depreciation (as a result of the overstatement in assets) in the prior year.	R 83 576
Correction of fundamental error, relating to Admin Expenses incurred in the prior year, but not expensed and raised as a Trade Payable in the prior year.	(R 55 606)
Correction of fundamental error, relating to the Public Protector's gratuity which was not raised in the prior year.	(R 888 450)
	(R 860 481)

Comparative figures have been restated, and the financial statements are presented as if the fundamental error had been corrected in the period in which it was made.

18. Financial Instruments

The office is only exposed to interest rate risk and credit risk.

Interest rate risk

The office places all its available funds in a current banking account and attracts competitive floating interest rates on a tiered basis, while the funds are available at all times.

Credit Risk

Credit risk to potential exposure on cash and cash equivalents, and trade and other receivables exists.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

19. Events after balance sheet date**19.1 Salary Adjustments**

The Public Protector is in consultation with the Minister of Finance to revise the salary packages of staff. Part of these funds earmarked during the current financial year will be utilised for expansions and service delivery improvement. The matter has been referred to the Minister of DPSA and there is further consultation in this regard.

The funds earmarked is approximately R3,2 million.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

20. Key management personnel

Description	2004 Actual R'000	2003 Actual R'000
Public Protector	686	604
Chief Director	542	509
Directors	4 846	5 014
	6 074	6 127

The 12 directors include the Chief Financial Officer, Chief Administrative Officer, Chief Investigators and the Provincial Representatives.

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PERFORMANCE MEASURES

- Timely intervention;
- Root causes identified and remedial actions recommended;
- Non repetition of complaints;
- Complainant's level of satisfaction with case handling;
- Recommended improvement measures committed to and / or implemented.

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