



Public Protector
ANNUAL Report

A Partnership For Good Governance

2013/14

ANNUAL Report **2013/14**



PUBLIC PROTECTOR ANNUAL REPORT

1 April 2013 – 31 March 2014



ANNUAL Report 2013/14



CONTENTS

PART A: GENERAL INFORMATION

1. General information	7
Letter to the Speaker	9
List of abbreviations/acronyms	10
Foreword by the Public Protector	11
The year 2013/14 at a glance	14
Top 10 state institutions mainly complained about	15
Cases upheld and not upheld	15
Chief Executive Officer's overview	17
Stakeholder relations management	19
2. Statement of responsibility and confirmation of accuracy for the annual report	21
3. Strategic overview	23
3.1 Vision	23
3.2 Mission	23
3.3 Values	23
4. Legislative and other mandates	24
4.1 Constitutional mandate	24
4.2 Statutory mandate areas	24
5. Organisational structure	25

PART B: PERFORMANCE INFORMATION

1. Situational analysis	29
1.1 Service delivery environment	29
Formal reports – reports of the public protector for 2013/14 financial year	31
Selected alternative dispute resolution cases	55
Caseload and statistics for the 2013/14 financial year	57
1.2 Organisational environment	58
1.3 Key policy developments and legislative changes	58
1.4 Strategic goals	59
2. Performance information by strategic objective	60
2.1. Strategic objective 1: Accessible to and trusted by all persons and communities	60
3. Strategy to overcome areas of under performance	66
3.1. Strategic objective 2: Prompt justice including remedial action	67
Strategy to overcome areas of under performance	72
Strategic objective 3: Promotion of good governance in the conduct of all state affairs	73
Strategic objective 4: An efficient and effective organisation	76
Strategic objective 5: Optimal performance and service focused culture	77

PART C: GOVERNANCE

1. Introduction	83
2. Portfolio committees	84
3. Executive authority	84
4. Risk management	84
5. Compliance with laws and regulations	85
6. Fraud and corruption	85
7. Minimising conflict of interest	85
8. Code of conduct	86
9. Health safety and environmental issues	86
10. Company /board secretary	86
11. Social responsibility	86
Audit Committee Report	87



PART D: HUMAN RESOURCE MANAGEMENT

1. Introduction	91
Overview of human resources matters at public protector south africa	91
Workforce planning framework and key strategies to attract and recruit a	
Skilled and capable workforce	91
Employee performance management framework	91
Employee wellness programmes	91
Policy development	92
Personnel cost by programme/ activity/ objective	93
Personnel costs by salary band	93
Performance rewards	93
Training costs	93
Employment and vacancies	94
Employment changes	94
Reasons for staff leaving	95
Labour relations: misconduct and disciplinary action	95
Equity target and employment equity status.	95

PART E: FINANCIAL INFORMATION

Report of the auditor-general to parliament on the public protector south africa	101
Statements of financial position	107- 109
Statement of comparison of budget and actual amounts	110
Accounting policies	111 - 118
Notes to the annual financial statements	119 - 138

ANNUAL Report 2013/14



PART A: GENERAL INFORMATION

ANNUAL Report 2013/14



1. GENERAL INFORMATION

Registered Name:	PUBLIC PROTECTOR
Physical Address:	175 Lunnon Street Hillcrest Office Park 0083
Postal Address:	Private Bag X677 PRETORIA 0001
Telephone Number/s:	012 366 7000
Fax Number:	012 362 3473
Email Address:	kgalalelom@pprotect.org
Website Address:	www.publicprotector.org
External Auditors:	AGSA
Bankers:	Standard Bank





ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance



ANNUAL Report 2013/14



LETTER TO THE SPEAKER

The Hon. Ms Baleka Mbete
Speaker of the National Assembly of South Africa
Parliament Building
Parliament Street
PO Box 15
CAPE TOWN

Dear Honourable Speaker

It is an honour to submit the Annual Report of the Public Protector South Africa in terms of section 181 (5) of the Constitution of the Republic of South Africa 1996, which covers the period 1 April 2013 to 31 March 2014.

The report seeks to provide an account of how the office fared in implementing its constitutional mandate and specific commitments of the year under review while capturing our key promises for the year ahead.

I would like to express sincere appreciation from my team and myself to the National Assembly, representatives of organs of state and the people of South Africa for supporting my office and facilitating the fulfilment of its constitutional mandate.

Yours sincerely

ADV. THULISILE (THULI) NOMKHOSI MADONSELA
PUBLIC PROTECTOR OF THE REPUBLIC OF SOUTH AFRICA
31 August 2014.



LIST OF ABBREVIATIONS/ACRONYMS

Abbreviations

ADR	Alternative Dispute Resolution
AIR	Accountability, Integrity and Responsiveness
AOMA	African Ombudsman and Mediators Association
AORC	African Ombudsman Research Centre
AU	African Union
CDW	Community Development Workers
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMS	Case Management System
COO	Chief Operations Officer
CSS	Corporate Support services
DIRCO	Department of International and Relations Corporation
GCIS	Government Communications and Information Systems
HR	Human Resources
ICT	Information Communications Technology
IOI	International Ombudsman Institute
MOPP	Mobile Office of the Public Protector
MOU	Memorandum of Understanding
MOUs	Memoranda of Understanding
NGO	Non-Governmental Organisation
OSD	Occupational Specific Dispensation
PAIA	Promotion of Access to Information Act
PP	Public Protector
PPA	Public Protector Act
SCM	Supply Chain Management
S & T	Subsistence and Travelling
UK	United Kingdom

ANNUAL Report 2013/14



FOREWORD BY THE PUBLIC PROTECTOR

It is a great pleasure to table the Public Protector 2013/14 Annual Report to Parliament. This annual report presents an opportunity for me to account to the National Assembly and the South African public on the progress made in implementing our Constitutional mandate. My mandate is derived from Section 182 (4) of the Constitution which requires the Public Protector to investigate any conduct in the state affairs or in public administration in any sphere of government that is alleged or suspected to be improper or to result in any impropriety or prejudice. The Constitution also requires the Public Protector to report on that conduct and take appropriate remedial action. Further to that the Constitution demands that my Office be accessible to all persons and communities. Our work over the past year has been directly informed by these Constitutional imperatives, particularly the pursuit of universal accessibility.



In line with these imperatives, the work of the Public Protector is guided by the need to balance three key values, the need for promptness, accessibility and thoroughness in our investigations to provide recourse to Gogo Dlamini. In pursuit of these together with our statutory mandates we made the following promises to the public:

- We will be accessible and trustworthy to all persons and communities;
- We will respond promptly to all complaints with rigour and appropriate remedial action; and
- We will promote good governance in the conduct of state affairs.

Indeed, our work over the past year indicates that we have made great strides towards fulfilling these promises. Through our outreach work, we have become more accessible to the public and ordinary citizens have become aware of the services of the Public Protector. The bulk of the 20 083 complaints received last year relate to alleged maladministration, the “bread and butter” issues and Gogo Dlamini who use my Office as recourse and an alternative to courts. On page 15 we have a list of the top ten organs of state whose conduct was investigated or those against whom the public mostly complained. While staying on course with giving priority to Gogo Dlamini cases and seeking to resolve this promptly and effectively, we sought to be a catalyst for a transformed state behaviour by conducting systemic investigations.

In this regard we proceeded with the RDP housing systemic investigation which commenced in 2012 we also conducted several systemic investigations into local government service delivery, mainly following service delivery protests. Among these was the Olifantshoek systemic investigation and intervention that resulted in a report titled “**The Children Shall Pay**”. We commenced another systemic investigation on the impact of maladministration on Millennium Development Goals, focussing on poverty and health. We gave preliminary feedback to government, which was appreciated and affirmed particularly by the Department of Health and Provincial Petition Committees. We are also conducting systemic investigations on the Workers Compensation, Administration of Estates, Municipal Billing, Home Affairs services and Maintenance services, among others.

The Public Protector is the only State Institution with a mandate to investigate and report on alleged breaches of the Executive Members Ethics Act. We have made significant inroads into investigating and highlighting ethical failures and conflicts of interest by the executive members and those entrusted with custody of public resources. We are convinced that a lot more still needs to be done to improve ethical conduct in the states affairs. We request partnerships with Parliament and relevant state organs in ensuring good governance and eradicating the culture of impunity.

My Office is also entrusted with the protection of “whistle blowers”. Chapter 14 of the National Development Plan emphasis zero tolerance for corruption and states that the protection of whistle blowers is key in identifying and fighting corruption. The NDP also stresses the need for adequate resourcing of anti-corruption agencies such as the Public Protector and the Special Investigative Unit (SIU). Informed by these state imperatives and the Statutory mandates, and working hand in hand with other Chapter 9 institutions, the SIU and other competent anti-corruption agencies, we have made a significant contribution in the fight against corruption. While these efforts are commendable, we remain concerned about deficiencies in the protection of whistle blowers within



state institutions. The victimisation and intimidation of whistle blowers in public institutions undermines our efforts to eradicate corruption and we request that Parliament, through its oversight work, ensure that all state institutions have adequate mechanisms for protection of whistle blowers.

Over the past year, we have also dealt with matters referred to us in terms of the Housing Measures Protection Act of 1998, specifically dealing with provision of RDP houses. On this mandate, we have drawn on our relationship with the National Home Builders Registration Council and I want to express my sincere appreciation to the Council for their unwavering support.

We have also helped a number of state organs to create functioning internal complaints mechanisms. These include the Department of Defence and Military Veterans (Defence Ombudsman), the National Department of Health and the City of Johannesburg to name but a few. We have leveraged the existence of the mechanisms formed at these institutions to offload our cases and strengthen the impact of our collective work. The impact is that our intake work on these specific functions has decreased significantly compared with the previous years, but through our outreach work, informed by our Constitutional imperative of accessibility, new cases from other state institutions have contributed to increases in case loads.

On the international front, the Public Protector contributes to the continental renaissance through strengthening institutional capacity as envisaged in Chapter 7 of the NDP. Through the activities of the African Ombudsman and Mediators Association, the Public Protector continues to contribute to institution building activities throughout the continent. We thank the Department of International Relations and Cooperation (DIRCO) for the funding of the African Ombudsman Research Centre (AORC), which is at the center of ombudsman capacity building. One of the outputs is the OR Tambo Declaration on minimum standards for ombudsman institutions.

The caseload remains disproportionate to both the financial and human resources. Our organisational structure is not fully funded, despite being approved by Parliament four years ago. Needless to say, the acute funding and human resource constraints result in cases taking too long to complete and has the potential to erode public trust in the institution. In addition, the cases are becoming a lot more complex and this puts stress on the balance between swiftness and thoroughness. We appeal to Parliament to relook our financial situation to ensure that our structure is fully funded while we conduct a structural review. On remedial action, we appeal to Parliament and Provincial Legislatures to join hands with us in ensuring remedial action, as envisaged in section 182 of the Constitution, is not replaced by impunity.

All the achievements mentioned above would not have been possible had it not been for my office's stakeholders, including Parliament, government, members of the public, civil society, the media and the Public Protector workforce. We hope to continue to join hands and collaborate with Parliament and all stakeholders to uproot maladministration, corruption and malfeasance wherever they surface in state affairs, thus insuring an accountable state that operates with integrity and responsiveness at all times.

ADV. THULISILE (THULI) NOMKHOSI MADONSELA
PUBLIC PROTECTOR OF THE REPUBLIC OF SOUTH AFRICA
31 August 2014

ANNUAL Report 2013/14



“The Constitution upon which the nation is founded is a grave solemn promise to all its citizens. It includes a promise of representative and accountable government functioning within the framework of pockets of independence that are provided by various independent institutions. One of those independent institutions is the office of the Public Protector.

The office of the Public Protector is an important institution. It provides what will often be a last defence against bureaucratic oppression, and against corruption and malfeasance in public office that is capable of insidiously destroying the nation. If that institution falters, or finds itself undermined, the nation loses an indispensable constitutional guarantee.” NUGENT JA, in the Public Protector vs Mail and Guardian.





THE YEAR 2013/2014 AT A GLANCE

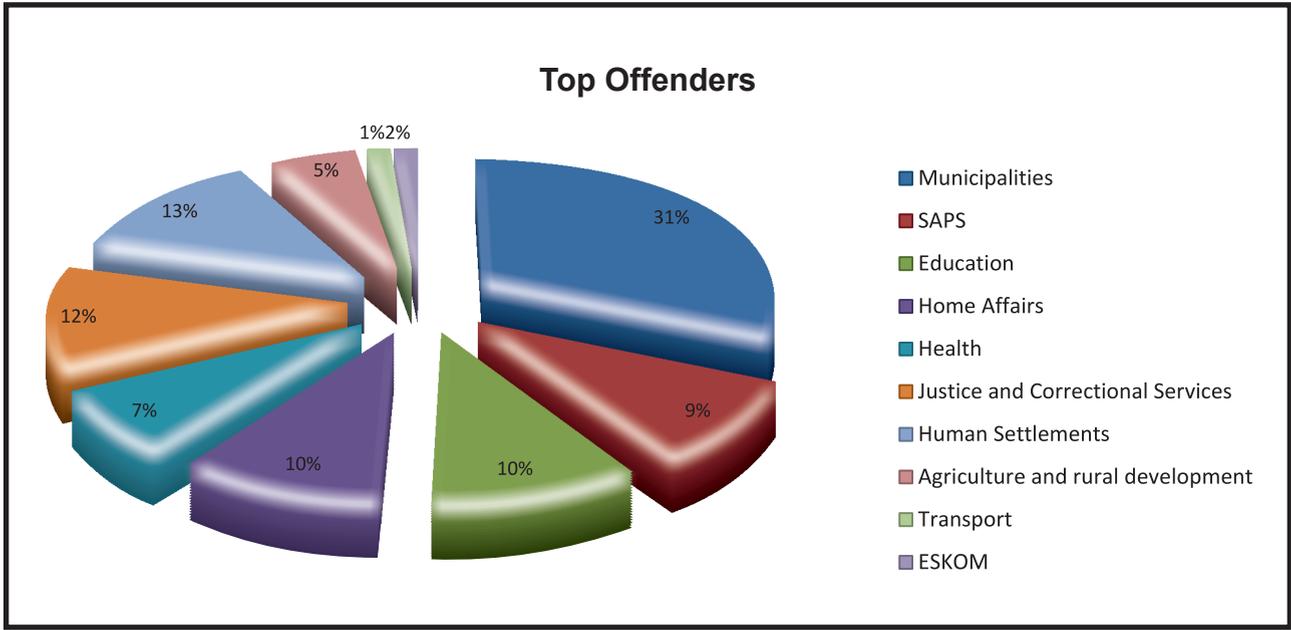
A Partnership For Good Governance



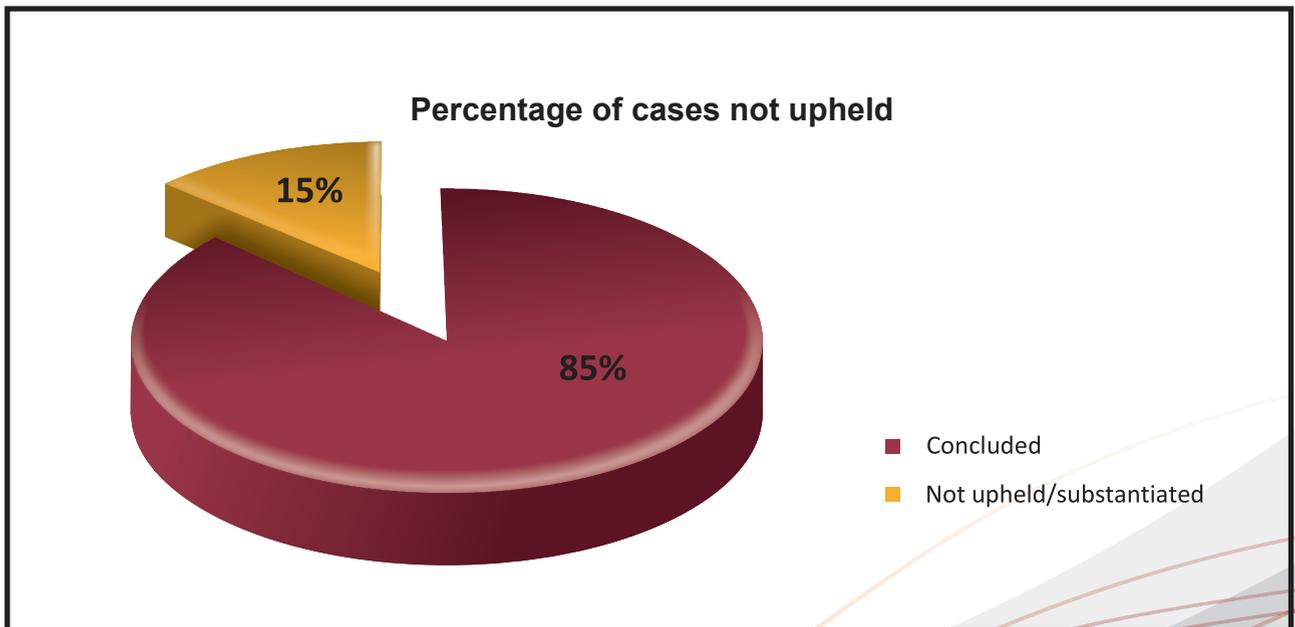
ANNUAL Report 2013/14



TOP 10 STATE INSTITUTIONS MAINLY COMPLAINED ABOUT



CASES UPHELD AND NOT UPHELD





ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance





CHIEF EXECUTIVE OFFICER'S OVERVIEW

The year 2013/2014 was the fourth year of implementing the Public Protector vision 2020 and is the year that precedes the mid-point of implementing our 10-year strategy agreed to in 2009. Over the past four years, various milestones have been surpassed and many performance objectives have been achieved. Our strategy is founded on three main pillars, accessibility, promptness in dealing with complaints and promotion of good governance. That is the external perspective in terms of our strategic planning model. Internally, we were driven by the need to continuously improve our business processes and systems to inculcate a culture of excellence in performance and customer service.



If we first deal with accessibility, our objectives are founded and directly informed by our Constitutional mandate, which requires us to be accessible to all citizens of the country. Over the year, we have worked tirelessly to fulfil this constitutional mandate. We have established a number of regional offices, conducted mobile clinics and increased our visibility through the print media, radio and television. The result of this can be traced directly from the increase in the number of cases that we received during the year. In the 2013/2014 financial year we received over 20 083 new cases. While this indicates an increasing trend in respect of cases received, we are not convinced that this is a true representation of issues that people might have with state organs in a country that has over 50 million people, according to the latest census figures.

While accessibility is an important Constitutional requirement, our core mandate is to investigate any conduct in the state affairs that is alleged or suspected to be improper. As stated earlier, there has been a steady increase in the volume of cases received mainly because many people are becoming aware of the services of the Public Protector. We have investigated 39 817 cases during the year and resolved 24 642 cases. This includes cases that were carried over from the previous financial year (2012/2013). This year about 9 594 cases will be carried over to the 2014/2015 financial year. Our backlog last year was around 13 622. This indicates a slight improvement in the number of cases carried over. The backlog of cases is concerning because it indicates to us that more and more people are coming to the Public Protector for help but we are not able to ensure that they receive prompt justice. There are various reasons for this; key among those are resource constraints. Our organisation remains seriously underfunded and understaffed. The result is that our investigative staff carries significant workloads, in some provinces the case load per investigator is as big as 500 files while the international norm is around 140 files per investigator per annum. Clearly, this is burdensome but our employees have continued to work under these trying conditions. We understand the constrained financial environment in which the public sector finds itself, but the funding situation at Public Protector South Africa deserves serious consideration.

During the year, the organisation also finalised a number of complaints using alternative dispute resolution mechanisms. This has helped greatly to ensure that complaints are solved quickly and amicably. These achievements reinforce the role of the Public Protector as the conscience of the state and as a state institution whose interest is to strengthen constitutional democracy. A lot of ground was covered in the area of response protocols and this highlights the importance of strengthening good working relationships with the state organs.

From the internal business management point of view, a lot of work has been done in improving our business processes. In the year under review, we successfully implemented an Integrated Financial Management system designed to align key business processes in the areas of finance, payroll, human resources and supply chain. The significance of this is that our business processes in these areas will be automated and internal controls will be enhanced significantly. Disappointingly, we were not able to complete the business process re-engineering exercise as planned. We have however appointed a business process re-engineering expert to drive the business process re-engineering exercise. It is hoped that the redesign of our business processes will assist in streamlining our internal processes and ultimately ensure that we respond promptly and faster to our complainants.



On the financial management aspects, in 2013/2014 financial year, the institution was allocated a budget of R199.2 million. In the year under review Public Protector South Africa spent R226 million, recording an over-expenditure of R26 million. The overspending is attributable to increased personnel costs, and office accommodation. The implication of the overspending is that the organisation will begin the financial year with a deficit of R26 million. As part of rectifying the situation, we will implement organisation wide cost containment initiatives and cut spending on non-core items such as travel, accommodation, printing, advertising, branding and catering. The savings realised on these items will be directed to frontline services in the core investigative areas.

I am grateful to all staff members of Public Protector South Africa who have worked tirelessly, particularly in their commitment to making a difference in the lives of South Africans. I am also grateful to government entities that helped our office and entered into response protocols with Public Protector South Africa to conclude cases quicker.

Mr Themba Mthethwa
CHIEF EXECUTIVE OFFICER
31 May 2013

ANNUAL Report 2013/14



STAKEHOLDER RELATIONS MANAGEMENT

Efforts aimed at ensuring strong and collaborative stakeholder relations continued to be part of the work of the Public Protector. Section 182 of the Constitution requires that the Public Protector be accessible to all persons and communities. Pursuant to this mandate, in the 2013/14 financial year, we intensified our outreach activities and conducted over 1971 mobile clinics and expanded our reach through media and other communication platforms. The aim is to create awareness about the existence of the Office (and the services it offers) to various stakeholders. While we are pleased about the progress we have made, we are still convinced that a lot more still needs to be done to reach to people in areas we have not reached before. In the 2014/15 financial year, we will focus on reaching out to people in rural areas and other semi-urban areas. In the year under review we have also held engagements with many state organs such as Provincial Legislatures, Municipalities, Parliament, Government departments and state entities.

Our aim is to foster collaborative relationships with these institutions as we work together in strengthening Constitutional democracy and working towards progressive realisation of the country's developmental priorities. In the year under review Public Protector South Africa also participated in the Forum for Institutions Supporting Democracy (FISD) consisting of all Chapter 9 institutions. The objective is to foster closer working relationships, share knowledge and best practices and identify areas for collaborative work. Identification and management of overlaps in mandate areas is also another key objective of the forum.



ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance



ANNUAL Report 2013/14



2. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General.

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 GRAP standards applicable to the Constitutional Institution.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control 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 external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the institution for the financial year ended 31 March 2014.

Yours faithfully

Chief Executive Officer
Name: Themba Mthethwa
Date: 31 May 2014

Chairperson of the Executive Committee
Name: Advocate Thuli Madonsela
Date: 31 August 2014



PUBLIC PROTECTOR

ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance



PUBLIC PROTECTOR



3. STRATEGIC OVERVIEW

3.1. Vision

A trusted, effective and accessible Public Protector that rights administrative wrongs and consistently acts with integrity to ensure fair, accountable and responsive decision-making, service and good governance in all state affairs and public administration in every sphere of government.

3.2. Mission

To strengthen constitutional democracy in pursuit of our constitutional mandate by investigating, rectifying and redressing any improper or prejudicial conduct in state affairs and resolving related disputes through mediation, conciliation, negotiation and other measures to ensure fair, responsive and accountable public sector decision-making and service delivery.

3.3. Values

Anchored in the supremacy of the Constitution and the rule of law, delivery on the mandate, vision, strategic objectives and targets for the year ahead is underpinned by the Constitution, particularly the Bill of Rights and Public Service Principles in Chapter 10, Batho Pele Principles, Global Ombudsman Principles, the institutional core principles of Accountability, Integrity and Responsiveness, and the following core values:

INDEPENDENCE AND IMPARTIALITY – we perform our constitutional duties without fear or favour, and without deference to any person or institution.

HUMAN DIGNITY – we respect the constitutionally protected dignity of all those we interact with as we deliver services and manage our affairs.

EQUALITY – we treat all those we serve, or interact with, with equal consideration, taking into account human diversity and related needs.

UBUNTU – we serve with humanity, empathy, compassion, understanding and respect for every person's human rights.

REDRESS – we strive to achieve remedial action where wrong has been done.

ACCOUNTABILITY – we always give an account of our actions and decisions and promote the same within the state.

INTEGRITY – we keep our promises and maintain high standards of trustworthiness, mindful of our obligation of confidentiality.

RESPONSIVENESS – we expeditiously deliver services that equally address the needs of all persons and communities.

TRANSPARENCY – we maintain openness in all our actions, keeping affected parties informed at all times.

JUSTICE AND FAIRNESS – we investigate and resolve complaints and treat all persons in a manner that promotes fair administrative action and lawfulness.



Public Protector's Service Pledge

The Public Protector undertakes to:

- a) Be accessible to and trusted by all persons and communities;
- b) Provide prompt justice, including remedial action;
- c) Promote good governance in the conduct of all state affairs;
- d) Become an efficient and effective organisation; and
- e) Achieve an optimal performance and service-focused culture.

4. LEGISLATIVE AND OTHER MANDATES

4.1 Constitutional mandate

Section 181 and 182 of the Constitution of the Republic of South Africa, 1996 gives the Public Protector the power to support and strengthen constitutional democracy by investigating any conduct in state affairs, or in the public administration in any sphere of government that is alleged or suspected to be improper or to result in any impropriety or prejudice; to report on that conduct; and to take appropriate remedial action. The Public Protector must be accessible to all persons and communities.

4.2 Statutory Mandate Areas

The mandate of the Public Protector is to strengthen constitutional democracy by investigating and redressing improper and prejudicial conduct, maladministration and abuse of power in all state affairs; resolving administrative disputes or rectifying any act or omission in administrative conduct through mediation, conciliation or negotiation; advising on appropriate remedies or employing any other expedient means; reporting and recommending; advising and investigating violations of the Executive Members Ethics Act of 1994; resolving disputes relating to the operation of the Promotion of Access to Information Act of 2000 and discharging other responsibilities as mandated by the following legislation:

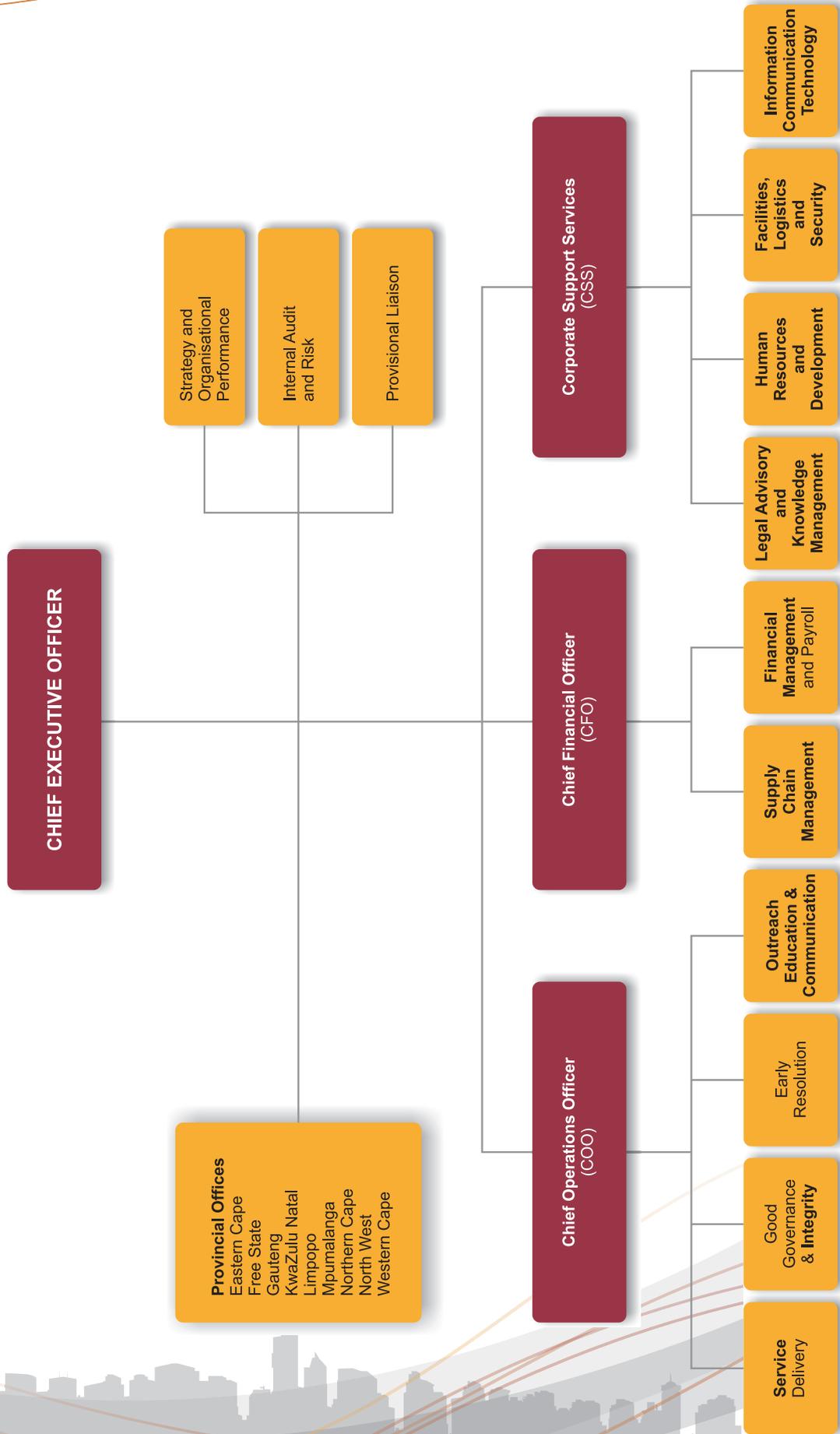
- a) Public Protector Act 23 of 1994;
- b) Executive Members' Ethics Act 82 of 1998;
- c) Promotion of Access to Information Act 2 of 2000;
- d) Prevention and Combating of Corrupt Activities Act 12 of 2004;
- e) Protected Disclosures Act 26 of 2000;
- f) Electoral Commission Act 51 of 1996;
- g) National Archives and Record Service Act 43 of 1996;
- h) National Energy Act 40 of 2004;
- i) Housing Protection Measures Act 95 of 1998;
- j) Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000;
- k) Public Finance Management Act of 1999;
- l) Lotteries Act 57 of 1997;
- m) Special Investigation Units and Special Tribunals Act 74 of 1996; and
- n) National Environmental Management Act 108 of 1999.

The work of the Public Protector is further informed by the provisions of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) and other laws that regulate the conduct of state organs and public administration.

ANNUAL Report 2013/14



5. ORGANISATIONAL STRUCTURE





ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance





PART B: PERFORMANCE INFORMATION



1. SITUATIONAL ANALYSIS

1.1 Service Delivery Environment

INTRODUCTION

The year 2013/2014 was the fourth year of implementing the Public Protector vision 2020. The Strategic Plan, which was revised in December 2012, took account of the achievements that have been made by this Office in working towards that long-term vision. Our strategy is anchored by five main key strategic objectives from which long-term performance targets are developed. Efforts are made in ensuring that our finances and human resources are aligned to these key strategic objectives. We must admit however, that the Office has experienced enormous challenges in respect of resource alignment; this matter will be discussed in more detail later in the report. The section below will present progress made in achieving our strategic objectives.

ACCESSIBILITY

Accessibility to the services of the Public Protector is central to our strategy and is informed directly by our Constitutional mandate. Section 182 of the Constitution requires that the Public Protector should be accessible to all persons and communities. Pursuant to this Constitutional requirement, various initiatives were undertaken in the year under review. Key to these initiatives was the goal of taking the services of the Public Protector to 10 million people by 31 March 2014. This was done through various outreach initiatives such as conducting mobile clinics in each province, information sessions, newspaper articles, radio interviews and participating in key national events. We are pleased to report that most of our outreach targets were exceeded, even though the programmes experienced funding constraints during the year. Through these activities, over 30 million people were reached during the year. The flip side of this however, is that the weight of expectation increases for every person reached and consequently the volume of complaints received also increased. This then requires the Office to strike a fine balance between its outreach work informed by its Constitutional mandate and volume of complaints received through these activities. The situation becomes even more delicate because our internal resources do not match the volume of cases received each year, which was the case in the 2013/2014 financial year.

INVESTIGATIONS

The Public Protector derives its mandate from Section 182 of the Constitution, which gives the Public Protector powers to investigate any conduct in the state affairs or in the public administration in any sphere of government that is alleged or suspected to be improper or to result in any impropriety or prejudices. The Constitution gives the Public Protector powers to report on that conduct and to take appropriate remedial action. The Public Protector has additional powers in terms of the Public Protector Act, the Executive Members Ethics Act and other legislation that bestows additional mandates on the Public Protector. In respect of investigations, the Office continued to receive an increasing number of complaints during the year. In the 2013/2014 year, the Public Protector received 26 195 new complaints and finalised 24 642 cases. The total workload for 2013/2014 financial year was 39 817.

The Office remains understaffed in core areas of investigations. In the 2012/2013 financial year, the investigative capacity received a tremendous boost with the employment of 100 trainee investigators. With the addition of these young professionals, the Office was able to respond swiftly and thoroughly to complaints however, some of these trainees have since left the Office because of uncertainties around our ability to retain them. This was linked in particular to serious funding constraints experienced by the organisation during the year.



The consequence of it is that the volume of work per investigator has steadily increased over time with no indication of any assistance or intervention from the state. This has also contributed to an increased number of backlogs and the Office is currently considering placing some complaints on hold for up to six months until we resolve the backlogs that have accumulated over the years.

CONCLUSION

The Public Protector is increasingly becoming a good alternative to the courts, ensuring access to justice for those who have been wronged administratively by the state, while contributing to ethical governance and combating corruption.

Our efforts in ensuring that state resources are used to deliver a better life as promised in the Constitution are well documented. Our research indicates that today more people know about the Public Protector than a few years ago and this is all thanks to our intensive outreach, education and communication strategy. The continued strengthening of stakeholder relations has ensured that more people, particularly those in government, get to understand our constitutional mandate. We will intensify this drive, going into the future.

We will continue to manage state resources in line with the dictates of the Constitution and the law. This will help maintain our strong brand integrity and help us remain a seamless organisation.



* Not his/her real name

ANNUAL Report 2013/14



FORMAL REPORTS – REPORTS OF THE PUBLIC PROTECTOR FOR 2013/14 FINANCIAL YEAR

INDEPENDENT INSTITUTIONS

INAPPROPRIATE MOVES

Report No. 13 of 2013/14

The Public Protector investigated allegations of suspected irregularities in the procurement of the Riverside Office Park to accommodate the head offices of the Independent Electoral Commission of South Africa (IEC), the validity of the lease agreements entered into by the IEC in respect thereof and various payments to Abland.

The investigation also covered allegations of a conflict of interest between the IEC's former Chief Electoral Officer (CEO), Adv. Pansy Tlakula and Parliament's Finance Portfolio Committee Chairperson, Hon. Thaba Mufamadi, Chairperson of Manaka Property Investments. Manaka Property Investments owns a 20% stake in Abland. Adv. Tlakula and Hon. Mufamadi are co-directors in Lehotsa Investment (Pty) Limited.



Findings and remedial action

The Public Protector found that the process followed by Adv. Tlakula and her EXCO in the procurement of the Riverside Office Park building was grossly irregular as it was characterized by a violation of procurement legislations and prescripts such as section 38 of the PFMA, Treasury Regulation 5.1, and 16A6, section 2(1) (e) of the PPPFA as well as chapter 4 of the Electoral Commission's Procurement Policy and Procedures of 10 March 2005.

The Public Protector also found that indeed there was an undisclosed and unmanaged conflict of interest between the then Commission Chief Electoral Officer, Adv. Tlakula's responsibility to act in the best interests of the Commission as its Accounting Officer and her special business relationship with Hon Mufamadi, her Chairperson and co-director in Lehotsa Investment Holdings.

The appropriate remedial action to be taken included, among other things, that the the Speaker of Parliament, in consultation with the Commission and to the exclusion of the Chairperson, consider whether or not action should be taken against Adv. Tlakula for her role in the procurement of the Riverside Office Park building to accommodate the Head Offices of the Commission in light of the undisclosed and unmanaged conflict of interest and her contravention of the procurement laws and prescripts dealt with in this report.

NATIONAL GOVERNMENT

THERE ARE NO HEROES

Report No. 1 of 2013/14

The Public Protector investigated and attempted a conciliation process involving allegations of abuse of power submitted by the former Commissioner (the Commissioner) of the National Consumer Commission (NCC) against the Director-General (DG) of the Department of Trade and Industry (DTI) and the alleged failure by the Minister to sign the Commissioner's performance agreement.



The complainant alleged that the DG of the DTI abused his power and interfered in the management of the NCC in respect of Human Resource matters and finance; violated the NCC's independence; and harassed the NCC by subjecting it to multiple investigations and withholding support. She further alleged failure by the Minister of Trade and Industry to sign a performance agreement.

The DG raised counter-issues against the Commissioner. These comprised alleged governance failure relating to financial systems and procurement; and alleged failure to sign staff performance agreements.

Upon first assessment of the complaint, the Public Protector endeavoured to conciliate between the parties. As it appeared that conciliation between the parties would be difficult to accomplish the Public Protector decided to investigate the matter further. The Public Protector held meetings with officials of the DTI, the Auditor General of South Africa as well as the Minister of Trade and Industry.

Findings and remedial action

The Public Protector found, among other things, that the DG failed to consult with the Commissioner when withdrawing the DTI staff from the NCC.

She also found that the DG withheld the transfer of funds to the NCC until the NCC complied with the conditions of the transfer payment in terms of section 38(1)(j) of the PMFA; and that the DG had the authority to do so.

The Public Protector further found that DG requested an update on the accreditation of the Ombud Scheme for the Motor Industry and a response from the Commissioner on enquiries received from the Portfolio Committee on Trade and Industry. She found this to not amount to interference.

The Public Protector also found that the NCC was subjected to an internal audit, an audit by the AGSA and a forensic audit by Grant Thornton; and that the undue pressure exerted on the NCC by subjecting it to multiple investigations and audit at the same time without justification and providing support amounted to abuse of power.

The allegations about the failure by the Minister to sign the Commissioner's performance agreement was substantiated and the failure amounted to maladministration.

In addition, discussions held with the Auditor General SA as well as a study of the Final Management Report of the AGSA on the NCC dated 31 March 2011, it was clear that the NCC failed to implement proper financial systems until a very late stage of the financial year.

As part of remedial action, the Public Protector urged the Minister to take steps must take urgent steps to ensure that there was a clear definition of the relationship between the DG and the Commissioner as well as defining the Minister's role. The Minister further had to clarify the role of the Commissioner as an Accounting Officer and the HR management processes.

SOMBRE RECORDS FROM OUR PAST

Report No. 3 of 2013/14

The Public Protector investigated alleged incorrect calculation of pension benefits by the Government Pension Administration Agency (GPAA) at retirement.

Findings and remedial action

The Public Protector found that the Eastern Cape Department of Education failed to attend to the Complainant's pension calculations as instructed by the internal memorandum of 25 March 2008 by the MEC and the

ANNUAL Report 2013/14



Chairperson of the Portfolio Committee on Education of the Eastern Cape Provincial Government. She further found that the GPAA failed to properly investigate the periods of service of the Complainant with the Transkei Education Department, in the light of the problems experienced with the data captured during the amalgamation process, as it was required to do in terms of section 14 of the Government Employees Pension (GEP) Law.

The Public Protector further found that the Complainant was prejudiced by the above acts of maladministration in that she did not receive her correctly calculated pension benefits in accordance with her years of service.

As part of remedial action, the Public Protector directed that the Chief Executive Officer of the GPAA takes the necessary steps to re-calculate the pension benefits of the Complainant and her years of service from 1973 when she was admitted to the fund and must ensure that the Complainant's years of service and contribution to the Transkei Pension Fund during 1974 to 1978 are included in the calculation.

The Director-General (DG) of the Department was directed to take the necessary steps to ensure that the amounts paid to the then Transkei Education Department for the periods of service from 1973 – 1974 and 1978 – 1983 are repaid to the GPAA with interest in terms of the Rules of the GEP Law.

The DG was also directed to pay interest on the difference between the amount the Complainant will receive after recalculation of her pension benefit and the amount she received during 2002 calculated in terms of the Prescribed Rate of Interest Act.

The DG was further directed to apologise, in writing, to the Complainant within 30 days from the date of the report for the prejudice caused due to the undue delay to accurately calculate her pension benefits.

RIGHT OR PRIVILEGE

Report No. 5 of 2013/14

The Public Protector investigated a complaint of alleged improper prejudice caused by the refusal of the Facilities Funds Section of the Department of Correctional Services (the Department) to apply to the National Treasury for a PERSAL deduction code to be awarded to the Complainant's company in order to enable it to provide a sports clothing service to the Department.

Findings and remedial action

The Public Protector found, among other things, that the Complainant's application was declined on the basis that the Department did not have a need for an additional service provider.

She also found that the Department failed to provide the Complainant with written reasons why his application for a PERSAL deduction code was declined and to give him adequate notice of his right of review or internal appeal. The Department also failed to provide him with a clear statement regarding its decision to terminate the use of the PERSAL deduction codes.

It was further found that the Department's failure to provide the Complainant with written reasons why his application for a PERSAL deduction code was declined and to give him adequate notice of his right of review or internal appeal, as well as the failure to provide him with a clear statement regarding its decision to terminate the use of the PERSAL deduction codes was improper as it violated the Complainant's right to administrative action that is lawful, reasonable and procedurally fair in terms of section 33 of the Constitution and section 3 of the Promotion of Access to Justice Act (PAJA) and constitutes maladministration.

The Public Protector also found that Complainant was prejudiced by the Department's violation of his right to administrative action that is lawful, reasonable and procedurally fair in terms of section 33 of the Constitution and section 3 of PAJA.



She found that the Department failed to appoint its current service providers in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective by not putting the provisioning of sports clothing to its members on tender.

The Public Protector further found that the Department's failure to appoint its current service providers in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective was improper as it violated section 217(1) of the Constitution, section 2 of the National Treasury General Procurement Guidelines and Item 12.5 of its Sport and Recreation Policy and constitutes maladministration.

As part of remedial action, the Public Protector directed the National Commissioner of the Department to take urgent steps to provide the Public Protector with a written report regarding the outcome of his engagement with the members of the executive management as indicated in his response to the Public Protector's Provisional Report and the action taken against any wrongdoer in that regard.

The Commissioner also had to submit a letter of apology to the Complainant for the manner in which his application for a PERSAL deduction code was handled and review his situation and remedy the actual situation;

The Commissioner was further directed to provide the Public Protector with copies of letters terminating the services of the current service providers as indicated in his response to the Public Protector's Provisional Report.

In addition, the Commissioner had to ensure that proper procurement procedures in terms of section 217 of the Constitution, the National Treasury Procurement Guidelines and item 12.5 of the Department's Sport and Recreation Policy are complied with when appointing new service providers for the supply of sport clothing to its members.

A LONG WAY TO JUSTICE AND REDRESS

Report No. 6 of 2013/14

The Public Protector investigated allegations of undue delay and maladministration by the Workmen's Compensation Fund (the CF) with regard to the processing and payment of compensation fund benefits.

Findings and remedial action

The Public Protector found that the CF failed to comply with section 91(6) of the Compensation for Occupational Injuries and Diseases Act, 1993 (COIDA) by not paying benefits to the Complainant in compliance with the ruling of the tribunal made on 12 February 2010.

She found that the time taken to pay the Complainant the benefits due to him was unreasonable in the circumstances and amounted to undue delay. The cumbersome objection/appeal processes that were followed by the Legal Section of the CF were found to have constituted undue delay, failed to comply with the constitutional standard of diligence and amounted to maladministration.

The Public Protector also found that the Complainant was improperly prejudiced by the conduct of the CF, as he was deprived of compensation benefits to which he was entitled, for a period of six years.

She further found that the Complainant was prejudiced by the refusal of the CF to pay interest on the delayed benefit, from the date of the ruling of the tribunal (12 February 2010) to the date of payment of the benefits to him (22 November 2011).

As part of remedial action, the Public Protector directed the the Commissioner to take appropriate steps to ensure compliance with the provisions of COIDA pertaining to the timeous payment of compensation benefits when it is due and payable to claimants.

ANNUAL Report 2013/14



The Commissioner, in terms of the Prescribed Rate of Interest Act, 1994, was also directed to pay interest to the Complainant on the benefit amount of R273 914.72 for the period 12 February 2010 to 22 November 2011, within one month of date of the report.

The Commissioner was further directed to address a letter of apology to the Complainant for the undue delay, prejudice and injustice suffered in the processing of his claim.

UNJUST FORFEITURE

Report No. 7 of 2013/14

The Public Protector investigated a complaint into alleged improper prejudice suffered as a result of the Department of Home Affairs' decision to withdraw the Complainant from a posting at the Cuban Foreign Mission in April 2010, based on allegations of acts of misconduct in that country.

The alleged maladministration involved the Department's failure to afford the complainant an opportunity to answer to the allegations against him before the decision to withdraw him was made, the Department's failure to institute a disciplinary hearing against him regarding those allegations subsequent to his return to South Africa and the withdrawal of his Cost of Living Allowance (COLA), (estimated to be USD 42 896), which he was entitled to as a designated official posted in Cuba.

Findings and remedial action

The Public Protector found that the Department withdrew the Complainant from a foreign posting in Cuba. The withdrawal was in violation of Clause 5.3 of its contract with him, which required that he be withdrawn on the recommendation of the host country or the Head of the Mission. The conduct of the Department was improper.

The Public Protector also found that Department delayed to hold a disciplinary hearing to deal with allegations of misconduct against the Complainant. The delay was in violation of Paragraph 7.2(c) of the Public Service Disciplinary Code and Procedures which requires that the disciplinary hearing be held within a maximum period of 60 days.

The Public Protector further found that the Department withheld the Complainant's Cost of Living Allowance (COLA) due to him by virtue of being posted at the Cuban Foreign Mission after withdrawing him.

The Complainant suffered an injustice or prejudice in that he was treated unfairly; he unfairly lost his cost of living allowance that he was legally entitled to; his name and reputation remain tarnished due to the failure to afford him an opportunity to clear his name; and his human dignity was impaired.

As part of remedial action, the Director-General of the Department (DG) was directed to ensure that the Complainant's allowances which accrued to him in terms of his contract of placement in the Cuban Foreign Mission entered into with the Department, is paid to him together with interest at the prescribed rate of 15,5% per annum from the date of his withdrawal from Cuba until the date he transferred to Correctional Services.

The DG was also directed to investigate the reasons why the case was not dealt with properly and take the necessary action against any person who may have failed to act as required by law and policy.

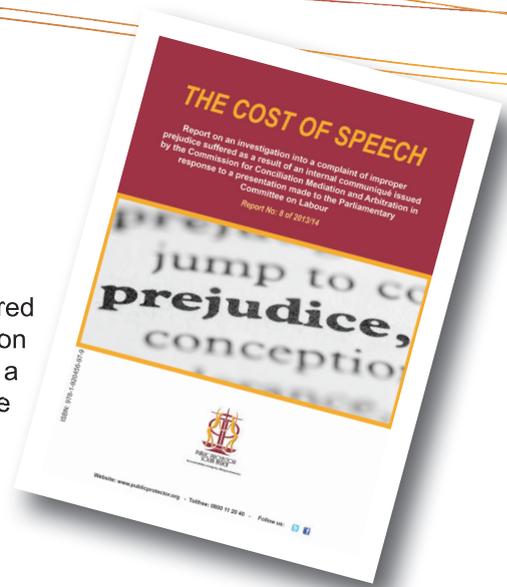
In addition, the DG was directed to ensure that the Complainant is provided with a letter of apology for the prejudice he suffered as a result of the conduct of the Department in this matter.



THE COST OF SPEECH

Report No. 8 of 2013/14

The Public Protector investigated a complaint into prejudice suffered as a result of an internal communiqué issued by the Commission for Conciliation, Mediation and Arbitration (CCMA) in response to a presentation made by the Complainant and the Chairperson of the Society of Part-Time Commissioners and Labour Law Practitioners of South Africa (SPC & LLPSA) to the Parliamentary Portfolio Committee on Labour (the Portfolio Committee).



Findings and remedial action

The Public Protector found that the conduct of the CCMA in publishing information regarding the Complainant's poor performance or work quality in its communiqué when it had recourse to deal with such matters in terms of clause 5.1 of its contract with the Complainant was improper.

She also found that the Complainant did not suffer personal prejudice by virtue of the communiqué as he was not identified by name therein.

The Public Protector also found that the Complainant's contract with the CCMA was not terminated on the basis of him having made a presentation to the Portfolio Committee but for the alleged late submission of arbitration awards.

The Chairperson of the HRSC was found that have made an undertaking to the Complainant to resolve his dispute with the CCMA and failed to revert to him regarding the outcome of his efforts in that regard.

In addition, the Chairperson of the HRSC's conduct was found to have deprived the Complainant the opportunity to timeously proceed with arbitration in his dispute with the CCMA.

As part of remedial action, the Public Protector directed that the Director of the CCMA must within 14 days from the date of the report issue a letter of apology to the Complainant for publishing information regarding his poor performance or work quality which the CCMA had recourse to deal with in terms of clause 5.1 of its contract with him.

The Public Protector also directed that the Director of the CCMA must within 30 days from the date of the report afford the Complainant an opportunity to have his dispute with the CCMA referred to arbitration in terms of clause 12 of his contract with the CCMA at the CCMA's expense.

Furthermore, the Chairperson of the CCMA Governing Body was directed take appropriate action against the Chairperson of the HRSC regarding his conduct towards the Complainant within 60 days from the date of the report.

A MISSED OPPORTUNITY

Report No. 10 of 2013/14

The Public Protector investigated a complaint into alleged prejudice suffered by Cathula Mining CC as a result of maladministration involving unjustified refusal by the Department of Mineral Resources to grant its application for mineral prospecting rights.

ANNUAL Report 2013/14



Findings and remedial action

The Public Protector found that the Department failed to provide the Complainant with timely, accessible and accurate information regarding his company's first and second applications.

She found that the Department's conduct contravened section 195(1)(g) of the Constitution which provides that public administration must be governed by democratic values and principles enshrined in the Constitution including that transparency must be fostered by providing the public with timely, accessible and accurate information.

The Department admitted that it failed to deal with the Complainant's company's first and second applications. It dealt with the Complainant's company's third application and Isibaya Mining Resources (Pty) Ltd's application in the order in which they were received.

The Public Protector found that the Minister failed to afford the Complainant an opportunity to make representations regarding his company's appeal.

She also found that the Complainant's company was prejudiced by the Department's failure to deal with its initial application.

As part of remedial action the Public Protector directed the Director-General of the Department to write a letter to the Complainant within 30 days from the date of the report and apologise for the manner in which his company's applications for mineral prospecting rights were handled.

The Minister was also urged to write a letter to the Complainant within 30 days from the date of the report and apologise for the manner in which she handled his company's appeal.

LEARNING WITHOUT BOOKS

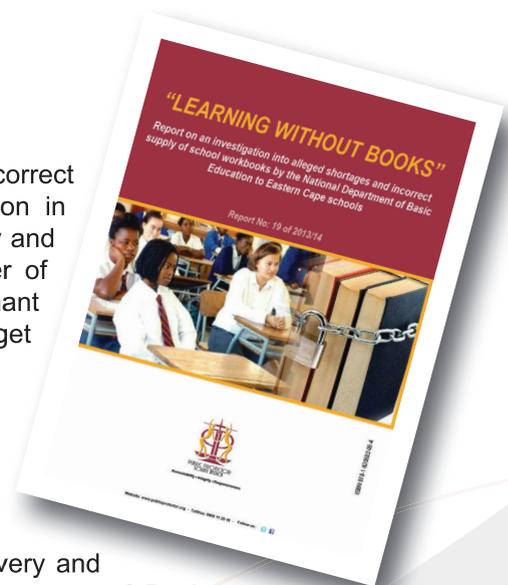
Report No. 19 of 2013/14

The Public Protector investigated allegations of shortages and incorrect supply of school workbooks by National Department of Education in Eastern Cape Schools. It was alleged that on two occasions in July and August 2012, the complainant raised the matter with the Minister of Basic Education but that the Minister never responded. The complainant decided to approach the Public Protector when he could not get assistance from the Department.

Findings and remedial action

The Public Protector found that the Department of Basic Education failed to provide adequate school workbooks in the Eastern Cape Schools. This resulted in shortages; incorrect supply and late delivery and incorrect language being provided to schools. The National Department of Basic Education failed to set uniform norms and standards in terms of the South African Schools Act, 1996 in providing school workbooks in the Eastern Cape schools, and has failed to determine national policy and regulatory framework for the provision of workbooks in the Eastern Cape in terms of section 3 of the National Education Policy Act, 1996, and such failure constitutes maladministration in terms of section 6(4)(a) (i) of the Public Protector Act.

Regarding remedial action, the Public Protector directed the Minister of Basic Education to hold the Director General, Mr Parmosivea Bobby Sobrayan accountable for actions and omissions that resulted in the failure of preventing or solving the national school books crisis. The Director-General of the National Department of Basic Education was directed to establish a co-ordinating structure with the Head of Department (HOD) of





the Eastern Cape Department of Education, keeping in mind the National Department of Basic Education's structure and plan, with dedicated officials at all levels as the current processes seem to be incomplete and inadequate.

The Public Protector also directed that officials should have clearly defined responsibilities to ensure that district offices and school accounting officers are consulted with regard to the ordering and delivery of workbooks. She further directed that both the Director-General of the National Department of Basic Education and the Head of Department of the Provincial Department of Education refrain from using the statistics of learners enrolled in the previous academic year for the planning and delivery of the following year's school workbook requirements.

DOCKED VESSELS

Report No. 21 of 2013/14

The Public Protector investigated a complaint relating to the alleged improper award of an R800m tender for the fisheries patrol services to Sekunjalo Marine Service Consortium (SMSC).

On 15 March 2012 and after the commencement of the investigation a further complaint was lodged by Smit Amandla, the company that had held the contract for 12 years, alleging that the Hon Minister Joemat-Pettersson had arbitrarily terminated its services at the end of the contract in retaliation to Smit Amandla's whistle-blowing on the SMSC award, and in contravention of the contract provision that provided a 3 month handover period be observed.

As the investigation progressed, media reports regularly alleged that the patrol fleet was lying unattended to on account of the SA Navy's alleged lack of competencies and capacity to undertake the responsibility at the required magnitude and later that the vessels had been damaged by disuse.

Findings and remedial action

The Public Protector found, among other things, that DAFF's immediate admission that the tender was irregularly awarded and proceeding to cancel it and commit to advertise the process anew was proper. The award of the tender (MLRF 088) to SMSC was not in compliance with DAFF's Supply Chain Management requirements and processes and was therefore improper. DAFF in awarding the tender (MLRF 088) to SMSC failed to deal with apparent issues of conflict of interest and omissions by SMSC, and this amounts to maladministration.

She also found that allegation that Mr Sebola scored 1/5 to SMSC and 5/5 to Smit Amandla is substantiated and so is the allegation that of the two, it was Smit Amandla that had done the exact work specified in the tender for over ten (10) years.

The Public Protector further found that the allegation that the Department's award of the contract to SMSC placed the company in the position of referee and player thus creating a conflict of interest is substantiated.

The appropriate remedial action to be taken included, among other things, that the President consider taking disciplinary action against the Minister for her reckless dealing with state money and services resulting in fruitless and wasteful expenditure, loss of confidence in the fisheries industry in SA and alleged decimation of fisheries resources in SA and delayed quota allocations due to lack of appropriate research.

The Public Protector also urged the Minister of DAFF to ensure that the already advertised tender for the services of a ship manager for the crewing, management and maintenance of the research and fisheries patrol vessels is finalised and the contract awarded within 60 days from the date of the final report.



UNSOLICITED DONATION

Report No. 22 of 2013/14

The Public Protector investigated allegations of maladministration, corruption and a potential conflict of interest made against the former Minister of Communications, Hon. Dina Pule, MP. The complaint related to the appointment of service providers to render event management services for the hosting of the Department of Communications' (DOC) ICT Indaba held in Cape Town from 4 to 7 June 2012.

The gist of the complaint was that a man known as Mr Phosane Mngqibisa (Mr Mngqibisa), reported to be romantically linked to Hon Pule had irregularly withdrawn millions of rand estimated at R6 million, from sponsorship funds meant for the ICT Indaba. It was also alleged that Hon Pule should have known about Mr Mngqibisa's involvement in organizing the event and that such involvement posed a potential conflict of interest.

Findings and remedial action

Among other things, the Public Protector found that despite numerous denials at various fora, Hon Pule did represent to her Department that Mr Mngqibisa was her official companion, the key evidence being a form completed upon her appointment as Deputy Minister of Communications.

Regarding the allegation that the MTN sponsorship of R15m was irregularly diverted by Mr Mngqibisa into ABR banking account instead of the CBP account specifically designated for the ICT Indaba funds and that he subsequently improperly transferred R6m of this money into his Khemano, the Public Protector found that the allegation is substantiated by evidence and that Mr Mngqibisa's conduct in this regard was unlawful and improper.

The Public Protector found that there was a real and not just a potential conflict of interest on the part of Hon Pule regarding her duty to act in the best interest of the DOC and her loyalty to Mr Mngqibisa on account of their relationship. Faced with divided loyalties, as is always the case in a conflict of interest situation, the Public Protector was convinced that Hon Pule chose Mr Mngqibisa's interests above those of her Department and ultimately, the State.

On the allegation that Hon Pule caused her Department to benefit Mr Mngqibisa improperly in the ICT Indaba, the Public Protector found that this allegation is substantiated. Through actions and omissions, Hon Pule caused her Department to benefit Mr Mngqibisa and his company Khemano improperly.

The appropriate remedial action included, among other things, that the Hon Pule make good on her promise made on 28 June 2013 to quantify all amounts spent by the DOC on Mr Mngqibisa's overseas trip to Mexico in September 2009 and all other destinations and to ensure that every cent is paid back to the state by 31 January 2014. It was noted that on 18 July 2013, Mr Mngqibisa only refunded the DOC an amount of R89 326.35 which was reprehensively spent on him by the department in respect of his trip to Mexico, undertaken in September 2009 where he accompanied Hon Pule on her official visit to that country.

The Public Protector also urged the Speaker of the National Assembly to take note of the findings and remedial action directed to the President and Hon Pule and ensure that Parliament takes this into account in its ordinary oversight work. She also urged the Speaker to monitor that Hon Pule makes good on her promise to repay state funds irregularly spent on Mr Mngqibisa.

The Public Protector further directed the Minister of Communications to ensure that funds owed by Mr Mngqibisa are urgently calculated and reclaimed from him. The Public Protector also called on the Minister of Communications to consider commissioning an audit with a view to verify all the trips abroad undertaken by Mr Mngqibisa at state expense whilst accompanying Hon Pule and recover from him all what the department would have improperly paid for him.



WHEN GOVERNANCE AND ETHICS FAIL

Report No. 23 of 2013/14

The Public Protector investigated a complaint alleging various corporate governance failures in the management of the affairs of the South African Broadcasting Corporation (SABC) by its management Board, financial mismanagement at the SABC involving the spiralling of financial expenditure, undue interference by the Minister and Department of Communications and alleged maladministration with regard to her own exit from the SABC.

Further allegations investigated included the irregular appointment of Mr Hlaudi Motsoeneng to the position of the Acting Chief Operations Officer (COO) by the SABC despite not having a matriculation (matric) certificate and the required qualifications; Mr Motsoeneng's gross fraudulent misrepresentation of facts by allegedly declaring himself to be in possession of a matric certificate obtained at Metsimantsho High; the purging of staff by the latter and the former Acting Group Chief Executive Officer (GCEO), Mr. Robin Nicholson, the subsequent unprecedented escalation of the SABC's salary bill, attributed primarily to Mr Motsoeneng's purging of senior and qualified SABC officials by the latter and the former Acting Group Chief Executive Officer (GCEO) Mr Robin Nicholson, an unprecedented escalation of the SABC's salary bill, attributed primarily to Mr Motsoeneng's purging of senior officials, irregular employee appointment and irregular salary increments including Mr Motsoeneng's own three salary increases taking his remuneration increments, package from R1.5 million per annum to R2.4 million per annum in a single year, and the alleged irregular appointment of a Chief Financial Officer (CFO).

Findings and remedial action

The Public Protector found, among other things, that the allegation that the appointment of Mr Motsoeneng as the Acting COO was irregular was substantiated. It was found that the former SABC Board's Chairperson, Dr Ben Ngubane further acted irregularly when he ordered that the qualification requirements for the appointment to the position of COO be altered to remove academic qualifications as previously advertised, which was clearly aimed at tailor-making the advert to suit Mr Motsoeneng's circumstances. The allegation that Mr. Motsoeneng's salary progression was irregular was also found to be substantiated in that Mr Motsoeneng received salary appraisals three times in one year, hiking his salary as Group Executive Manager: Stakeholder Relations from R 1.5 million to R2.4 million.

The Public Protector further found that the allegation that Mr Motsoeneng committed fraud by stating in his application form that he had completed matric from Metsimantsho High School was substantiated. By his own admission during his interview, Mr Motsoeneng stated in his application form that he had passed standard 10 (matric), filled in made-up symbols in the same application form and promised to supply a matric certificate to confirm his qualifications. He did so knowing that he had not completed matric and did not have the promised certificate. His blame of Mrs Swanepoel and the SABC management stating that they knew he had not passed matric, is disconcerting.

The allegation that Mr Motsoeneng was appointed to several posts at the SABC despite having no qualifications as required for such posts, including a matric certificate, is substantiated and this constitutes improper conduct and maladministration. The allegation that the Department and Minister of Communications unduly interfered in the affairs of the SABC was found to be substantiated. Former Minister Pule acted improperly in the handling of her role as the Shareholder responsible in the SABC and Executing Authority.

The appropriate remedial action included, among other things, that the Parliamentary Joint Committee on Ethics and Members' interests take note of the findings against the former Minister of Communications, Ms Pule in respect of her conduct with regard to the irregular appointment of Ms Duda as the SABC's CFO and her improper conduct relating to the issuing of unlawful orders to the SABC Board and staff.

The Public Protector also urged then Minister of Communications Hon. Yunus Carrim to take urgent steps to fill the long outstanding vacant position of the Chief Operations Officer with a suitably qualified permanent



incumbent within 90 days of the report and to establish why GCEO's cannot function at the SABC and leave prematurely, causing operational and financial strains.

The then Minister was further urged to define the role and authority of the COO in relation to the GCEO and ensure that overlaps in authority are identified and eliminated. The then Minister was also called in to expedite finalization of all pending disciplinary proceedings against the suspended CFO, Ms Duda within 60 days of the report.

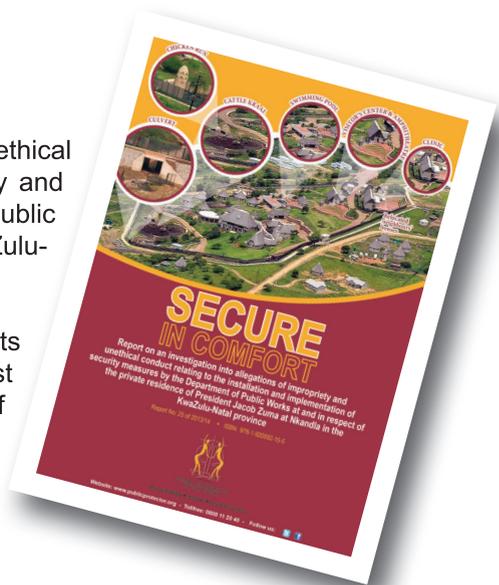
The Public Protector further directed the SABC Board to ensure that appropriate disciplinary action is taken against Mr Motsoeneng for his dishonesty relating to the misrepresentation of his qualifications, abuse of power and improper conduct in the appointments and salary increments of Ms Sully Motsweni, and for his role in the purging of senior staff members resulting in numerous labour disputes and settlement awards against the SABC.

SECURE IN COMFORT

Report No. 25 of 2013/14

The Public Protector investigated allegations of impropriety and unethical conduct relating to the installation and implementation of security and related measures at the private residence of the President of the Republic of South Africa, His Excellency J G Zuma, at Nkandla in the KwaZulu-Natal Province.

The investigation was carried out in response to seven complaints lodged between 13 December 2011 and November 2012. The first complaint, from a member of the public, was lodged in terms of the Public Protector Act on 13 December 2011. Other complaints followed thereafter, also lodged under the Public Protector Act. Further complaints were received from ordinary members of the public and a year after the first complaint, a Member of Parliament lodged a complaint under the Executive Members' Ethics Act.



Findings and remedial action

Among other things, the Public Protector found that a number of the measures, including buildings and other items constructed and installed by the Department of Public Works (DPW) at the President's private residence went beyond what was reasonably required for his security. She found that some of these measures can be legitimately classified as unlawful and the acts involved constitute improper conduct and maladministration. These include the construction inside the President's residence of a Visitors' Centre, an expensive cattle kraal with a culvert and chicken run, a swimming pool, an amphitheatre, marquee area, some of the extensive paving and the relocation of neighbours who used to form part of the original homestead, at an enormous cost to the state.

The Public Protector also found that President Zuma improperly benefited from the measures implemented in the name of security which include none security comforts such as the Visitors' Centre, the swimming pool, amphitheatre, and the cattle kraal with culvert and chicken run. The private medical clinic at the family's doorstep will also benefit the family forever, she found.

The Minister of Police was found to have failed to properly apply his mind when signing the Declaration of President Zuma's private residence as a National Key Point directing the President to implement security measures at own cost or to properly modify the Declaration.

One of the contractors, Mr Makhanya's assumed multiple and conflicting roles as Principal Agent, the President's architect and procurer of some of the subcontractors which placed him in a position where the advice he gave was tainted by conflict of interest and not in the public interest, which led to uncontrolled scope creep, cost escalation and poor performance by some of the contractors.



The Public Protector found that President Zuma told Parliament that his family had built its own houses and the state had not built any for them or benefited them. This was not true. The Public Protector accepted the evidence that he addressed Parliament in good faith and was not thinking about the Visitors' Centre and others, but his family dwellings when he made the statement. While his conduct could accordingly be legitimately construed as misleading Parliament, it appears to have been a bona fide mistake and the Public Protector was accordingly unable to find that his conduct was in violation of paragraph 2 of the Executive Ethics Code.

Regarding President Zuma's conduct in respect of the use of state funds in the Nkandla Project, on the only evidence available, the Public Protector found that the President failed to apply his mind to the contents of the Declaration of his private residence as a National Key Point and specifically failed to implement security measures at own cost as directed by it or to approach the Minister of Police for a variation of the Declaration.

By the time the Public Protector concluded the investigation, R215 million had been spent while a total cost to conclude the project was conservatively estimated at R246 million.

In terms of the appropriate remedial action taken, the Public Protector called on the President to take steps, with the assistance of the National Treasury and the SAPS, to determine the reasonable cost of the measures implemented by the DPW at his private residence that do not relate to security, and which include the Visitors' Centre, the amphitheatre, the cattle kraal and chicken run and the swimming pool.

The Public Protector urged the President to pay a reasonable percentage of the cost of the measures as determined with the assistance of National Treasury, also considering the DPW apportionment document.

The President was also called on to reprimand the Ministers involved for the appalling manner in which the Nkandla Project was handled and state funds were abused.

The President was further urged to report to the National Assembly on his comments and actions on this report within 14 days.

The Secretary to the Cabinet was directed to take urgent steps to update the Cabinet Policy of 2003 to provide for a more detailed regime. The Secretary to Cabinet was also directed to assist Cabinet to set clear standards on the security measures that can be taken, the reasonable cost that can be incurred by the state and the conditions subject to which current and former Presidents and Deputy Presidents would qualify for such measures;

The Public Protector also directed the Secretary of Cabinet to take periodic measures to familiarize all members of the Cabinet with the parameters for enjoying executive benefits and the responsibilities they have to ensure that officials do not give them benefits transcending what they are entitled to under the law or policies; and

The Public Protector further directed the Secretary of Cabinet to ensure that the Department of Defence creates Standard Operating Procedures regulating the implementation of the benefits extended to Presidents, Deputy Presidents, the Minister and Deputy Minister of Defence and foreign dignitaries (at the request of the Minister of International Relations and Cooperation), aligned to the principles of equality, proportionality, reasonableness and justifiability, within 6 months from the issuing of this report.

The Minister of Police was directed to take urgent steps to expedite the review of the National Key Points Act to clarify its applicability to presidential security privileges and align it with the Constitution and post-apartheid developments;

The Minister of Police also had to ensure that no further security measures are installed at the President's private residence at Nkandla, except those determined to be absolutely necessary for the functionality of already installed measures; and

The Public Protector further urged the Minister of Police to ensure that the Nkandla Project does not set a precedent for measures implemented in respect of any future President, Former President, Deputy President and Former Deputy President

ANNUAL Report 2013/14



The National Commissioner of the SAPS was directed to identify officials that were and may still be involved in the Nkandla Project and implement measures to identify why prescripts were not complied with and on the basis thereof decide if disciplinary action should be taken; and

The Public Protector also urged the National Commissioner of the SAPS to assist the Minister of Police in familiarizing himself with the contents of and his responsibilities under the National Key Points Act and the Cabinet Policy of 2003 and ensure that in future officials assisting Ministers to take action under any law include, in each relevant submission, a copy of the legal instrument in question and an outline of all steps required of the Minister.

The Director-General of the DPW was directed to take urgent steps to identify officials that were and may still be involved in the Nkandla Project and implement measures to identify why prescripts were not complied with and on the basis thereof decide if disciplinary action should be taken.

With the assistance of the National Treasury, the Director-General of the DPW was directed to obtain advice from an independent and reputable security consultant on the security measures that were necessary for the protection of the President and estimated legitimate costs thereof. On the basis of this information, the DPW to determine the extent of the over expenditure on the Nkandla project and to obtain legal advice on the recovery thereof.

The Public Protector directed the Director-General of the DPW, with the assistance of the National Treasury, to determine the extent to which the SAPS and the DOD should be held liable for the expenditure incurred in the implementation of the Nkandla Project and to recover the amounts accordingly.

The Director-General of the DPW also had to take urgent steps to enter into a lease agreement with the KwaZulu-Natal Ingonyama Trust Board in respect of the property occupied by the state adjacent to the President's private residence.

The Public Protector directed the Director-General of the DPW to take urgent steps to relocate the park homes to another organ of state that requires temporary accommodation.

The Director-General of the DPW also had to review the delegation of authority to Regional Offices of the Department.

The Director-General of the DPW was also directed to ensure that all DPW staff involved in supply chain management is properly trained on deviations from the normal prescribed procurement processes.

The Public Protector further directed the Director-General of the DPW to ensure that all DPW staff involved in the implementation and execution of projects are properly trained and capacitated to manage projects assigned to them.

The Director-General of the DPW also had to comply with the provisions of GIAMA in respect of the assets acquired as a result of the Nkandla Project and develop a policy for the implementation of security measures at the private residences of the President, Deputy President and former Presidents and Deputy Presidents.

The Secretary for Defence was directed to take urgent steps to consolidate prescripts relating to the medical, transport and evacuation of Presidents, Deputy Presidents, former Presidents and former Deputy Presidents.

The Public Protector further directed the Secretary of Defence to determine the role played by DOD Officials, and in particular the SAMHS, in the Nkandla Project to ascertain if it was in line with their remit and if legal authority boundaries and procedures were complied with; and ensure certainty and accountability in respect of the future implementation of measures relating to the above directive.

In order to monitor and ensure the implementation of the remedial action indicated above, the Public Protector directed that the following steps must be taken:



1. When the President submits this report and his intentions regarding the findings and remedial action, within 14 days of its receipt, the Director General in the Presidency should notify my office and Cabinet.
2. Accounting Officers of all organs of state required to take remedial action, are to provide implementation plans to the Public Protector's office not later than 01 May 2014.
3. Status reports on implementation are to be submitted by the affected accounting officers within three months and final reports on action taken to be submitted within 6 months of the issuing of this report.
4. Public Office bearers of affected organs of state are to ensure compliance.

PROVINCIAL GOVERNMENT

NOT ABOVE BOARD

Report No. 2 of 2013/14

The Public Protector investigated alleged maladministration by the Eastern Cape Gambling and Betting Board (the Board) relating to the appointment of the Chief Executive Officer of the Board, Mr Zwane.

Findings and remedial action

The Public Protector found that the allegation that Mr Zwane was appointed despite having failed to disclose information which disqualified him from appointment to the position of CEO in terms of section 6(k) of the Gambling and Betting Act had merit.

She found that the allegation that Mr Zwane did not meet the minimum requirements for the position of CEO as advertised in 2008 is without merit.

The Public Protector also found that the Board did not authorise the then Chairperson to act on its behalf at the CCMA and as a result the settlement agreement was finalised improperly, without the required authority and was thus invalid.

She further found that the Board failed to properly consult with the MEC on the appointment of Mr Zwane and this amounted to non-compliance with the provisions of section 12(1)(a) of the Gambling and Betting Act and thus constituted maladministration.

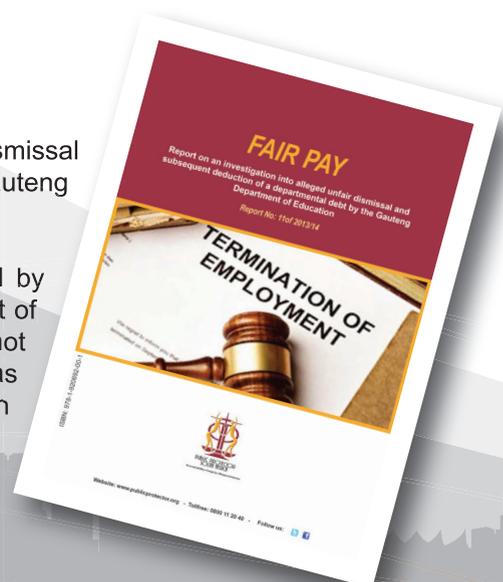
As part of remedial action, the Public Protector urged the Chairperson of the Board to take urgent steps to ensure that procedures and legal prescripts are complied with for future appointments in compliance with the Gambling and Betting Act, and indicate what procedures have been put in place to avoid a recurrence.

FAIR PAY

Report No. 11 of 2013/14

The Public Protector investigated a complaint into alleged unfair dismissal and subsequent deduction of a departmental debt by the Gauteng Department of Education from the complainant's pension benefit.

The allegation pertaining to unfair dismissal was not considered by the Public Protector as it was previously adjudicated on by a court of law. The Government Pensions Administration Agency (GPAA) did not deny making the deduction, leaving the issue to be determined as being the propriety of the deduction. At the time the investigation took place the capital amount had been refunded.





Findings and remedial action

The Public Protector found that the GPAA's conduct of deducting money from the Complainant's pension benefit without complying with the provisions of paragraph 3.3.1 of the Procedure Manual for Interaction between Pensions Administration and Government Employers in terms of Section 21(3) of the Government Employees Pension Law, 1996 (GEP Law) was improper.

She further found that this act of maladministration prejudiced the Complainant in that he was not paid interest to which he was entitled in respect of the amount of R7, 317.81 which was wrongfully deducted from his pension benefit and refunded after 36 months. In addition, the Complainant has suffered improper prejudice due to the undue delay by the GDE to pay interest on the sum of R7, 317.81.

As part of remedial action, the Public Protector directed the Head of Department to ensure that the GDE pays the Complainant interest in the amount of R5 000.00, as elaborated in the settlement agreement signed between the Complainant and the GDE on 30 May 2013.

The Head of the Department was further directed to ensure that the Complainant is provided with a letter of apology for the prejudice he suffered as a result of the conduct of the Department in the matter.

PREEMPTED APPOINTMENT

Report No. 12 of 2013/14

The Public Protector investigated allegations of maladministration, abuse of power and irregular expenditure in the appointment of Morake Inc. as a service provider for the North West Department of Finance, to the North West Standing Committee on Public Accounts (NWSCOPA).

The Public Protector was one of several agencies, including the Public Service Commission, the Auditor-General and the South African Police Services, that were requested by the NWSCOPA to investigate different aspects of the matter.

Findings and remedial action

The Public Protector found, among other things, that R15 million was irregularly spent by the department to procure the legal services of Morake Inc. for disciplinary enquiries of three officials.

This effectively meant the department spent R5 million in respect of each of the three officials' disciplinary hearings. In addition, R500 000 was spent just for drafting the charges against the officials. The Public Protector found that the amounts charged in this regard were unconscionable.

The Public Protector also found that services that resulted in the expenditure were not procured properly. She found that the procurement process was flawed, unlawful and in violation of the Constitution and the National Treasury Regulations issued in terms of the Public Finance Management Act.

She found that Morake Inc. was initially procured for half a million for drafting the charges and that their services were expanded thereafter. Morake Inc. further double-charged the department on some of the invoices, particularly for travelling, the Public Protector found.

As part of remedial action, the Public Protector called for disciplinary action to be taken against all the officials that were involved in the procurement process.

She urged the Law Society of the Northern Provinces to check the billing by Morake Inc. and check if it was consistent with professional requirements, with a view to having all the overbilled moneys repaid. In addition, action should be taken against the attorney in question if misconduct is found on his part.



Allegations of whether a corrupt relationship existed between the former MEC, Louisa Mabe, who was in charge of the department at the time, and Morake Inc. have been referred to the Directorate for Priority Crime Investigation (the Hawks).

She further urged the National Treasury to look at the possibility of not procuring services that are administrative from lawyers while the acting head of department was urged to take urgent and appropriate steps to prevent a recurrence.

WITHOUT A ROOF

Report No. 14 of 2013/14

The Public Protector investigated allegations of maladministration and improper prejudice relating to an omission by the Northern Cape Department of Cooperative Governance, Human Settlement and Traditional Affairs (the Northern Cape Department) to provide a low cost housing subsidy to the complainant and his wife.

The Complainant approached the Public Protector on 4 June 2010 alleging that he and his wife jointly lodged an application for a low cost subsidy house during February 2009 with the Department, in the Northern Cape Province. He further alleged that they were subsequently informed by the Northern Cape Department that their application could not be approved because it appeared from the Housing Subsidy System (HSS), used by the Department of Cooperative Governance, Human Settlements and Traditional Affairs, that the Complainant received a People's Housing Process subsidy, commonly known as the Self-Help Housing Subsidy, in the Limpopo Province, Lulekani Township.

The Northern Cape Department subsequently considered the next application and allocated the Complainant's plot, plot number 1068, to another applicant. The complainant and his wife occupied the plot for more than 5 (five) years.

In an attempt to resolve the matter, the Public Protector held an Alternative Dispute Resolution meeting with the Complainant, the Northern Cape Department and the Municipality. At the meeting, an alternative site was identified on which the Complainant could build his house.

Findings and remedial action

The Public Protector found that the Northern Cape Department acted wrongfully in concluding that the Complainant had previously benefited from a self-help subsidy scheme and then continued to consider the next applicant on the waiting list immediately after the erroneous rejection of the Complainant's application without verifying the outcome of the HSS first. Therefore the Northern Cape Department's action, and an omission to verify the outcome of the HSS, constituted maladministration;

The action of the Northern Cape Department was found to have prejudiced the complainant and his wife in that they had to continue staying in a shack as a result of the error.

Although certain acts and omissions, amounted to maladministration, the Northern Cape Department took steps to rectify the maladministration by allocating an alternative erf to the Complainants where their house can be built. However the erroneous status that indicated that the Complainant had benefitted from a housing subsidy before was not rectified.

As part of remedial action, the Public Protector urged the Director-General of the National Department of Human Settlements to ensure that the complainant is assisted with the overriding or deletion process within one month from the date of this report in order to link the complainant's application to site or erf number: 23929, Homelite, Kimberley.

She urged the MEC and the HoD of the Department in the Northern Cape to, within one month from the date of the overriding or deletion process, ensure that funds are made available for the construction of the Complainant's house on erf 23929, Homelite, Kimberley.

ANNUAL Report 2013/14



The Head of Department in the Northern Cape was also urged to ensure that construction of the complainant's house commences within one month from the date in which funds are made available.

The Department in the Northern Cape was directed to, in future, first review the HSS results before considering the application of the following applicant on the list and/or any other measure that would ensure that recurrence of the current mistake is prevented.

In addition, the MEC of the Department in the Northern Cape was directed to write a letter of apology to the Complainant and his wife for the delay and inconvenience caused by the HSS error.

POISONED PROCESSES

Report No. 20 of 2013/14

The Public Protector investigated allegations of maladministration by the Mpumalanga Department of Public Works regarding the awarding of tenders for shop leases in Pilgrim's Rest, a national heritage site and tourist attraction, for which government -through the department- is a custodian.

Allegations included illegal awarding of tenders, improper issuing of eviction notices, and lack of responsiveness by the department to representations that were made prior to the issuing of eviction notices and threats to forced evictions.

Businesses rent the buildings on Pilgrim's Rest from the government from as little as R1700 a month and the government is responsible for the upkeep of the town, buildings and provision of basic services.

The businesses that rent premises are selected through a tender process, which considers the functionality of each biddings business and price, the ideal being to select the most functional in terms of competency and the highest bidder in terms of rental price offered.

Findings and remedial action

The Public Protector found that the allegation of unlawfulness and impropriety with regard to the award of the tender for the leasing of business premises was substantiated.

She found that the process was characterised by gross irregularities and maladministration, including a Bid Specification Committee that did not have the requisite 60% quorum.

Other irregularities included a high score for price to a bidder whose bid was one of the lowest (The bid was adjudicated and scored on the understanding of its rent offer being R19 100 when it was in fact R10 416); due diligence not being carried out to assess functionality and sustainability of businesses considered for leases, among others.

The Public Protector further found that the business that got the leasing contract on account of the price of R19 100, did not qualify for the contract and that the conduct involved in awarding such a contract was accordingly unlawful, improper and constituted maladministration.

Upholding the allegation regarding the insufficiency of notices to businesses occupying the premises, the Public Protector found that the 30 day notice did not provide reasonable time for businesses that had been running for years to wind up their operations or make fair arrangements for employees.

In addition, she also upheld the allegation that the handling of the request to review the decision to grant a 30 day notice was improper, finding that the department did not apply its mind to the request and the fairness of its previous decision to serve eviction notices.

The Public Protector also made two findings of prejudice against the department. In the first one, she found that the businesses that legitimately qualified to be awarded the tenders and many of which were running



sustainable businesses beneficial to the community were prejudiced by or suffered an injustice due to the department's maladministration with regard to the award of the new leasing tenders.

Also, the failure by the department to give proper notice and to review the notice period when requested to do so prejudiced business owners, the community and sustainability of Pilgrim's Rest as a national heritage site and tourist attraction.

The Public Protector directed the Head of Department (HOD) to cancel the awarding of the contracts for the new shop leases at the Pilgrims Rest Heritage Site.

She directed the HOD to embark on a new procurement process for the conclusion of lease contracts for buildings at Pilgrim Rest that are currently without valid lease agreements.

The Public Protector also directed the HOD to ensure that the procurement process complies with the relevant laws and related prescripts as well as the standards of fairness, equitability, transparency, competitiveness and cost-effectiveness as required by the Constitution.

She called on the HOD to ensure that the new process is heritage compliant to minimise adverse effects on the maintenance and conservation of Pilgrim's Rest and with due regard to the interests of all stakeholders as envisaged in the law.

The HOD also had to ensure that the owners of current business that are not successful in the new bidding process are given adequate vacation notices which should not be less than three months.

Together with the MEC, the HOD must deal with the incidences of non-compliance with the PFMA, the department's supply chain management policy and the applicable prescripts as well as any unauthorised, irregular or wasteful and fruitless expenditure arising from such failures and non-compliance, the Public Protector said.

Effective and appropriate disciplinary steps also had to be taken against any official of the department who made or permitted fruitless and wasteful expenditure.

LOCAL GOVERNMENT

UNPAID SERVICES

Report No. 4 of 2013/14

The Public Protector investigated a complaint of the alleged undue delay by the Ngwathe Local Municipality (the Municipality) to pay a service provider for the services rendered to the Municipality.

Findings and remedial action

The Public Protector found that the Municipal Manager failed to comply with section 64 and 65 of the MFMA which required him to maintain an effective and accountable accounting system and to pay all debtors within 30 days of receiving an invoice or statement and this constituted maladministration.

The Municipal Manager was also found to have not attended to the verification of the invoice for more than four years and this constituted an undue delay and non-compliance with section 64 and 65 of the MFMA and section 195 of the Constitution which requires public administration to maintain a high standard of professional ethics.

The Municipal Manager was further found to have failed to co-operate with the Public Protector for the duration of the investigation as obliged to do in terms of section 181(3) of the Constitution and thus violated this provision.

ANNUAL Report 2013/14



The Public Protector further found that the Complainant was prejudiced by the acts of maladministration referred to above as he did not receive any payment for the services he rendered to the Municipality and the expenses he incurred in this regard.

As part of remedial action, the Executive Mayor of the Municipality was urged to take urgent steps to ensure that a letter of apology was submitted to the Complainant for the prejudice suffered within one month of the date of this report.

The Executive Mayor also had to take urgent steps to ensure that the Complainant was paid the full outstanding amount as per the invoice submitted to the Municipality on 17 June 2008 within one month of the date of this report, together with interest which must be calculated on the amount payable in accordance with the Prescribed Rate of Interest Act and calculated from the date of submission of the oversight certificate dated 17 June 2008 to date.

The Executive Mayor further had to take urgent steps to ensure that an investigation is conducted in terms of section 171 of the MFMA for financial misconduct by the Municipal Manager and that the possibility of instituting disciplinary action against him must be considered, if such steps are warranted after the investigation.

PIPES TO NOWHERE

Report No. 9 of 2013/14

The Public Protector launched a systemic investigation following a complaint against the Nala Local Municipality in Free State, alleging maladministration and undue delay and the non-implementation of recommendations of a KPMG forensic investigation report submitted to the Nala Local Municipal Council during September 2010.

Findings and remedial action

The Public Protector found that most of the systemic service delivery failures and maladministration complaints were substantiated.

She also found that the Nala Local Municipal Council did not fulfill their constitutional duties to ensure public participation by the community in the affairs of the Municipality.

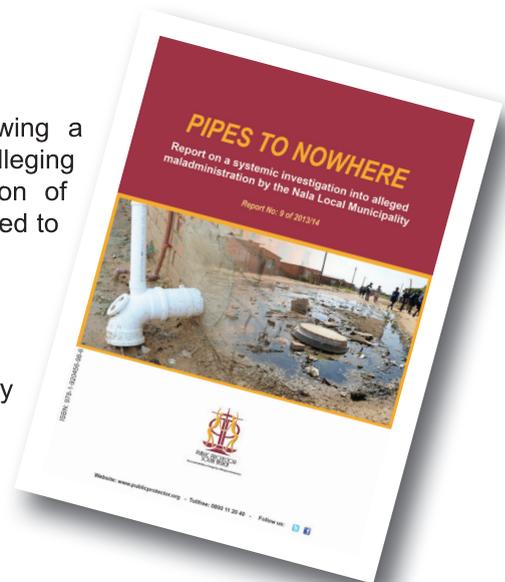
The Public Protector also found that it was true that there was an incomplete and non-operational sewerage plant.

She also found that the Nala Local Municipality contravened Supply Chain Management Regulations and section 217 of the Constitution.

It was also found that there was an unconnected dual flush toilet systems, leading to implementation of the bucket system that is not regularly collected. The Nala Local Municipality was also found to have contravened Supply Chain Management Regulations and section 217 of the Constitution.

Regarding sewerage problems in the area of Phase 1 of Monyakeng resulting in health hazards and road accessibility problems, the Public Protector found that the failure of the Municipality to attend to the complaints in respect of the sewerage spillage expeditiously was in contravention of section 152 of the Constitution that requires local government to ensure the provision of services to communities and to ensure a safe and healthy environment.

She found that there was indeed an incomplete park in Monyakeng. However, there was no evidence to support the allegation that the Municipality was responsible for the incomplete park. The Public Protector





also found that a Multi-Purpose Centre was indeed erected. However, no evidence was found to support the allegation of irregularity. The failure by the Municipal Manager to properly assess bids in terms of SCM legislation and policies was found to have constituted maladministration. No evidence was found to support the allegation of payment of R3 936 822.69 to a law firm to conduct the disciplinary hearing of the suspended Municipal Manager.

Regarding the alleged irregular payment of R90 000.00 as bonus to the Municipal Manager, the Public Protector found that the salary system administrator (VIP) captured the package incorrectly. Repayment of the amount was done on 4 February 2013 and proof thereof was submitted to the Public Protector.

No evidence supports the allegation that the Municipal Manager's secondment to and appointment at the Municipality was irregular.

The Municipal Manager decided to conduct a total audit on salary payments by the Municipality. Numerous cases of maladministration such as double salaries, bonuses among others, being paid were found.

The evidence obtained during the investigation indicated that the Marantha Housing Project is a Land Restitution project. The land claim was finalised and the project for building of units for the successful claimants was registered with the Free State Department of Human Settlements on 14 April 2009.

Regarding the alleged lack of security at Mmabana school, the evidence obtained during the investigation indicated that the Free State Department of Education was responsible for the security at the school premises. After the commencement of the Public Protector's investigation, the Department of Education took corrective measures at the school and the security was improved.

Regarding remedial action, the Public Protector urged the Municipal Manager to ensure that Supply Chain Management framework and practices are aligned to the provisions of the applicable legislation; supply Chain Management Officials of the Municipality and the members of bid committees are properly trained; officials implicated in the KPMG forensic investigation are charged; the irregularities in terms of the payments made by the then Municipal Manager on the payroll system to officials is investigated in terms of the MFMA; the irregular payments by the then Municipal Manager on the payroll system is recovered; all irregular and fruitless or wasteful expenditure in terms of the KPMG forensic report is recovered; the irregular and fruitless or wasteful expenditure by the Speaker of the Council must be referred to the Council for an investigation in terms of section 32 of the MFMA; the irregular and fruitless or wasteful expenditure by the former mayor of the Council must be determined and recovered; and the lack of technical capacity at the Municipality in respect of project management and project monitoring be addressed urgently.

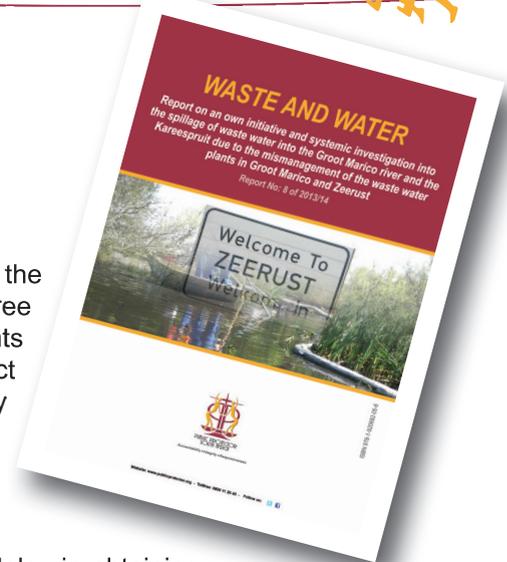
The Nala Local Municipal Council was urged to ensure that the Council and Municipality adhere to the objects of local government as set out in section 152 of the Constitution; the Municipality adheres to the prescripts of SCM legislation; the Municipality's supply chain management framework and practices are aligned to the provisions of the applicable legislation; all irregular and fruitless or wasteful expenditure in terms of the forensic report is recovered; the recommendations of the KPMG forensic report are fully implemented expeditiously; quarterly reports are submitted to the Public Protector on the status of criminal investigations in respect of officials and companies implicated; quarterly reports are submitted to the Public Protector on the status of civil proceedings in respect of wasteful and irregular expenditure; the irregular and fruitless or wasteful expenditure by the Speaker of the Council is investigated in terms of section 32 of the MFMA; and the Speaker of the Nala Local Municipal Council and the Council fulfill their constitutional duties in respect of public participation.

The Member of the Executive Council for the Free State Department of Co-operative Governance, Tradition Affairs and Human Settlements was called on to ensure that the support needed by the Municipality to strengthen its capacity is assessed and the challenges experienced by the Municipality is addressed; the Turnaround Strategy submitted after performance assessment of the Municipality in 2010 is implemented and the action plan for implementation monitored; and the implementation of the recommendations of the KPMG forensic report is undertaken and civil action for recovery of fruitless and wasteful expenditure is instituted.



WASTE AND WATER Report No. 15 of 2013/14

The Public Protector launched an own-initiative investigation on the spillage of waste water into the Groot Marico river and the Karee Spruit allegedly due to the mismanagement of the waste water plants in Groot Marico and Zeerust by the Ngaka Modiri Molema District Municipality (NMMDM) and Ramotshere Moiloa Local Municipality (RMLM).



Findings and remedial action

The Public Protector found, among other things, that the undue delay in obtaining water use licenses for the Zeerust and Groot Marico waste water treatment plants was in violation of section 40(1) of the National Water Act.

She found that the NMMDM failed to deliver a quality of water that adheres to the minimum standard of the basic human right to clean water, in violation of sections 3 and 11 of the Water Services Act; in that the NMMDM failed to timeously implement emergency maintenance procedures at the waste water treatment plant in Zeerust, which would have ensured continuity of operations.

The Public Protector also found that the NMMDM failed to comply with the requirements, in terms of the Green Drop Certification Process, set for management and operation of the waste water treatment plant in Zeerust and which amounted to maladministration.

She further found that the mismanagement of the initial Groot Marico waste water treatment plant-project inter alia lack of proper planning and execution of project, not complying with Environmental Impact Assessment (EIA) requirements, the lack of a public participation process and the wasteful expenditure incurred with this project amounted to maladministration.

She found that the RMLM failed to properly regulate and supervise the dumping of effluents into the waste water system by the Zeerust Abattoir. The RMLM was further found to have failed to co-operate with NMMDM and appointed service providers in the execution of contracts to advance waste water treatment in general.

Regarding remedial action, the Public Protector directed the NMMDM to, among other things; submit an action plan within sixty days of the report, to the DWA indicating actions to be taken to obtain a water use license for Groot Marico and Zeerust, in terms of section 40(1) of the National Water Act.

The NMMDM was further directed to submit and commence implementation of a Green Drop Improvement Plan within sixty days of the report, to the DWA indicating actions to be taken to adhere to the standards set in terms of the Green Drop Certification Process.

The Municipality was further directed to submit an action plan within sixty days of this report, to the DWA and the Department of Environmental Affairs indicating actions to be taken to expedite the Groot Marico waste water treatment plant project, including complying with the EIA requirements and public participation processes.

The Public Protector directed the RMLM to ensure the proper management and supervision of the staff designated to the Zeerust waste water treatment plant and to consider disciplinary action against staff not performing in line with their job descriptions and are regularly absent from work.

The RMLM was also directed to employ adequately qualified and trained staff to supervise and operate the Zeerust waste water treatment plant and to finalise and implement local bylaws to ensure that the abattoir and other commercial users complies with the regulations regarding the discharge of industrial effluents into the sewer network, in order to lower COD levels in the waste water treatment plants.



The DWA was directed to issue the directive as intended by way of the pre-directive dated 15 December 2009 and the action plan mentioned in paragraph (iv)(a)(aa) above, and in compliance with its monitoring role as stated in section 62 and 63 of the Water Services Act and to monitor all remedial action contained in this report.

The Speaker of the Municipal Council of the NMMDM was directed to ensure that this report is tabled and discussed at the next meeting of the Municipal Council. The Municipal Council of the NMMDM was directed to comply with section 4 of the Disciplinary Regulations for Senior Managers, 2010 considering disciplinary action against the Municipal Manager of the NMMDM for the failure to timeously pay service providers and non-co-operation with stakeholders.

The MEC for Local Government and Traditional Affairs in North West to was directed to investigate and to report within six months to the Public Protector, the wasteful expenditure incurred in terms of the initial waste water treatment plant project referred to in paragraph 6.8.2 of this report.

The Public Protector further directed the MEC to ensure compliance with section 105 of the Municipal Systems Act, to ensure co-operation between the NMMDM and all other stakeholders to address the challenges with regards to the ineffective operation and management of waste water treatment plants within the area of the NMMDM.

THE CHILDREN SHALL PAY

Report No. 16 of 2013/14

The Public Protector investigated allegations of maladministration, lack of service delivery and corruption against Mayor Maria Diniza, and several other people within the Gamagara Local Municipality in the Northern Cape.

The Public Protector was requested to intervene when the community elected to close down local schools to back its call for the recall of Mayor Diniza on account of the allegations levelled against her. In support of its demands, the Olifantshoek community forced local learners to stop going to school, resulting in the closure of all schools in the area. The standoff resulted in children losing a whole year of learning time in 2012.

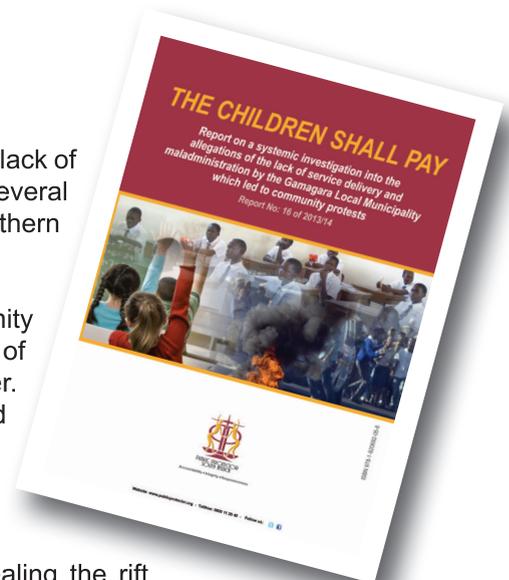
Although several mediation efforts were held, with a view to healing the rift between the police and the community, the intervention did not yield the desired results. Agreements reached after two such meetings did not result in learners going back to the classroom.

Among a myriad of issues investigated were allegations of systemic service failure, maladministration, tender irregularities and conduct failure on the part of Mayor Diniza.

Findings and remedial action

The Public Protector found that only 1.3km of access roads was upgraded from gravel to surface road as part of the Expanded Public Works Programme (EPWP) due to limited funding. She upheld the allegation relating to the bridge and also found that while formalised stands in the area were electrified, informal sections of the community were not.

The Public Protector also found that the allegation that the municipality paid for the Chief Financial Officer's (CFO) accommodation was valid. Even though the municipality explained that it only paid the difference between the rental amount of R3300 and R250 rental that staff was required to pay when renting state property, the Public Protector found that the municipality did not have a Rental Policy to regulate leases by employees.



ANNUAL Report 2013/14



The Public Protector further found that the failure by the CFO and the then Corporate Services Manager, who is now the Municipal Manager, to develop a policy in this regard as directed by the then Municipal Manager was found to constitute improper conduct and maladministration.

She found that an amount of R25 000 was contributed by the municipality towards the funeral of the Speaker of Ga-Segonyane municipality in contravention of its Indigent Funeral Policy, which restricts such contributions to R1300 and only to residents of Gamaraga.

The Public Protector further found that it was true that the salaries of five Ward Committee members were stopped abruptly and arbitrarily. The municipality was obliged to ensure fairness since the matter was an administrative act, the Public Protector found. The action was found to have been procedurally unfair, improper and constituted maladministration.

In addition to these, the Public Protector found that indeed a Housing Project was not completed as alleged and only R1.9 Million was left from the project budget. The Municipality failed to monitor and measure the performance of Lebogang Afrika Afrika Suppliers, she found. This contributed towards poor performance as the project could not be finalised within the contract period. The Municipality paid about 83 percent since the R1.9 million is 17 percent of the R11 million.

The Public Protector further found that it was true that the Mayor's husband was farming on communal land. He met all the requirements of the guidelines set by the committee that deal with the allocation of land for small farmers. However, the municipality did not have a policy to deal with allocation of communal land for farming. This, the Public Protector found, constituted improper conduct and maladministration.

The allegation that the furniture of the Mayor's parents was moved in a municipal truck was also substantiated. The municipality's action in this regard constituted improper conduct and maladministration.

The municipality was found to have acted in an improper manner that constituted maladministration in that it omitted to conduct proper checks on Mr Motlhaping before employing him, he had indeed been in the middle of a disciplinary hearing on allegation of theft when he resigned from his previous job. He also did not meet the two basic requirements for the post as advertised. These were a tertiary qualification in Administration and a Driver's Licence. The municipality also did not have a recruitment policy.

In addition, out of the six officials whose appointments and qualifications were looked into, two Senior Managers did not possess the necessary qualifications.

As part of remedial action, the Public Protector directed the municipality to construct the bridge on the access road already built, with culverts that were bought during the implementation of the EPWP project in order to address storm water issues within six months of the release of her report. Regarding the electricity matter, the Public Protector urged the municipality to decide whether to evict illegal occupants of land and allocate the sites properly; or resettling the people to areas within marked borders of serviced sites; or re-survey the land according to the current settlement to formalise it.

The Public Protector directed the municipality to not rely too much on Council Resolutions for anything and everything or every time a particular decision has to be taken, urging the municipality to establish policies and in particular the Accommodation Policy to deal with but not limited to staff related accommodation.

She urged the municipality to refrain from paying out funeral contributions towards individuals who were not indigent, were outside the Gamaraga area and amounts that were more than what was specified in the Indigent Funeral Policy.

The Public Protector urged the municipality to reinstate the five Ward Committee members and follow proper procedures which may lead to disciplinary action should it be that the members had committed misconduct. The municipality was urged to reinstate their salaries retrospectively pending its decision to institute disciplinary action.



The Public Protector called on the municipality to, in future; ensure that the commencement and completion dates of projects are clearly stated in the tender and contract documents as provided in the Municipal Finance Management Act.

The municipality was directed to formulate a comprehensive and detailed policy with clear criteria on who did or did not qualify to use municipal property and for what purpose in order to regulate all municipal properties including communal farm and municipal vehicles.

The Public Protector directed the municipality to appoint a qualified Corporate Services Manager since the current Acting Manager did not possess the necessary qualifications. The municipality should also develop and implement a comprehensive Recruitment Policy which is in line with general norms and standards of recruitment.

MEET ME IN COURT

Report No. 17 of 2013/14

The Public Protector investigated allegations of maladministration against the City of Cape Town relating to the management of storm water drainage. The allegations were made after the City repudiated a claim for compensation made by Mr Kumwenda (the applicant) following the damage to his property and household goods when sewage and storm water drains located in front of his house burst open and spilled the contents onto the complainant's yard and house. This problem recurred twice during the course of the investigations.

Findings and remedial action

The Public Protector found that the City did not exercise its duties and functions in terms of section 156(1) of the Constitution and section 84(1) of the Municipal Structures Act as a result of its failure to address the recurring problems the complainant faced with the storm water and sewage drains timeously; to take reasonable steps to prevent the consequent damage to the complainant's property; and to close the sewage drain within approximately 24 months after it responded to the complainant's call for assistance.

She also found the City's response to the Provisional Report to be defensive as far as the facts, law and jurisdiction of the Public Protector were concerned. Ironically, the incidents that occurred on 9 and 14 March 2013 and the City's subsequent investigation confirmed certain deficiencies in the sewage system. A key deficiency in this regard was that the section of sewer pipe running through Houses # 81 Ventura Street, has a very steep grade which could cause a bottleneck at the downstream manhole and that the existing pipe's diameter is 150mm and should be upsized to 250mm, in view of the new developments that feed into the pipe and increasing the quantity of flow. This was explained in writing by the City to the Public Protector immediately after receipt of the provisional report. The investigation also confirmed that iron manholes are being removed and should be replaced by concrete covers in order to mitigate the risk of vandalism.

The Public Protector found that the above-mentioned failures have amounted to a violation of Section 156 (1) of the Constitution and Section 84(1) of the Municipal Structures Act.

The Public Protector further found that the City's repudiation of the Complainant's claim for damages was unjustified in the circumstances and was, accordingly, improper.

In addition, the Public Protector found that as a result of the above maladministration the Complainant was prejudiced by the damage caused to his property and consequently by the City's repudiation of his claim for compensation for the damage caused.

As part of remedial action, the City Manager was urged to take urgent steps to submit a written apology to the Complainant for the prejudice and the inconvenience suffered as a result of the maladministration referred to above.

ANNUAL Report 2013/14



The City Manager was also urged to verify the amount of R 25 871.79 claimed as compensation from the Complainant for the damages suffered and settle the claim in accordance with the verified amount with interest, (within) 30 days from the date of this report; and

In addition, the City Manager was directed to monitor whether the recurring problems the Complainant faces with the storm water and sewage drains have been appropriately addressed and resolved by the upgrade of the sewer pipelines which commenced on 24 June 2013 and was concluded in July 2013.

SELECTED ALTERNATIVE DISPUTE RESOLUTION CASES

Issue	Complaint	Investigation and findings	Remedial action
Pension	The Public Protector received a complaint from a Mr M of Gauteng, who alleged that Ditsong Museum in Pretoria failed to pay him his pensions since his retrenchment in 1994.	The Public Protector brought the parties together in a conciliation meeting. Ditsong's initial response was that the Government Employees Pension Fund (GEPF) was supposed to transfer the amount due to Mr M into their account in order for them to pay him. It turned out that GEPF had actually transferred an amount to the tune of R9 297.51 into the Ditsong bank account the same year Mr M was retrenched. Ditsong accepted that they did not have any proof showing that the funds had been paid to Mr M.	After a slight delay, Ditsong eventually paid Mr M the amount they owed him. However, the Public Protector was of the view that Mr M's pay-out should include interest calculated from 1994 until the date of payment of the capital amount. Subsequently, Ditsong paid Mr M interest to the tune of R11 541.31.
Payment of small and medium sized entrepreneurs	The Public Protector received a complaint in which a Limpopo businessman, Mr M, alleged that he had been trying unsuccessfully for a year to get payment for services rendered to the Thabazimbi Municipality. Mr M had contracted him to supply water to certain areas under its jurisdiction after the regions concerned experienced water shortages. He rendered the service.	The Public Protector took up Mr M's complaint with the Municipal Manager, who failed to respond. The Public Protector then invoked section 7(4) of the Public Protector Act and the Municipal Manager cooperated. Mr M and the municipality sat around the table, with the Public Protector mediating.	During the session the municipality acknowledged that it owed Mr M. However, it questioned the amount he claimed. The parties subsequently signed a settlement agreement wherein Mr M undertook to revise his claim calculations and resubmit the invoice to the Municipality for payment. He was later paid a sum of R270 368.



Issue	Complaint	Investigation and findings	Remedial action
False criminal record	The Public Protector received a complaint in which a 32-year-old Gauteng man, Mr M, alleging that official records showed that he was a criminal even though he did not have a conviction to his name. He had been arrested in 2009 and 2011 in Sinoville and Wierdaburg, Pretoria respectively. However, Mr M never got convicted as both cases were withdrawn on the basis of lack of evidence.	When officials at the South African Police Service's Criminal Record Centre (CRC), were contacted, they indicated that they hadn't been informed about the outcome of the cases against Mr M. The investigating officer was also contacted and asked to communicate the outcomes of the cases to the CRC.	Mr M's record was cleared shortly thereafter.
Municipal billing	The Public Protector received a complaint from a Gauteng, Ms M, who alleged that the City of Joburg was giving her problems with regard to a refund allegedly to the tune of R6981. The debt arose from Ms M's overpayment of her municipal account.	The impasse was resolved through meetings and correspondence.	Ms M eventually received a sum of R4714.23 from the municipality.
Unpaid bursary	The Public Protector received a complaint in which a KwaZulu-Natal woman alleged that the Big Five False Bay Municipality failed to pay for her university fees despite having awarded her a bursary. Ms N alleged that the Municipality had awarded her a bursary to study Civil Engineering at the Mangosuthu University of Technology. Even though the Municipality duly paid the fees for 2009 academic year, Ms N complained that it refused to pay the fees for 2010.	The intervention was for a long period, met with non-cooperation and evasive tactics by various municipal officials. An alternative dispute resolution meeting was eventually held with the Municipal Manager, who was new on the position and had not been party to the lack of cooperation experienced earlier.	A full payment was eventually made.
Travel documents	The Public Protector received a complaint from Ms Phedelia Terwase in December 2013, alleging that her husband, Pastor Mathew Terwase, was denied entry into a South Africa-bound flight in Lagos in November the same year.	It transpired that Terwase had earlier been issued with a new passport after his old one was stolen. However, officials at the Department of Home Affairs omitted to remove the name from the VISA and Entry Stop List. The name had been put on the list after the document was reported stolen. The Public Protector approached the department for clarity and the department responded urgently.	Terwase's name was removed from the list and he was able to enter South Africa shortly thereafter.

ANNUAL Report 2013/14



Issue	Complaint	Investigation and findings	Remedial action
RDP housing	The Public Protector received numerous complaints regarding allegations of maladministration in respect of RDP houses in Mpumalanga. Most of the complaints related to incomplete and defective houses.	Due to the number of RDP housing complaints the Public Protector continued to get from the province despite resolving earlier grievances, the Public Protector embarked on a complaint validation exercise, where affected communities were visited to establish the condition of the houses. A report with photographs illustrating the observations was forwarded to the provincial Department of Human Settlements.	After several attempts to resolve the complaints, a memorandum of understanding was entered into between the Public Protector and the department. As part of the agreement, the department undertook to repair 401 houses. an action plan was put together to indicate the different timelines of implementation. The Public Protector continues to monitor implementation.

CASELOAD AND STATISTICS FOR THE 2013/14 FINANCIAL YEAR

Case statistics

BRANCH	BROUGHT FORWARD FROM 2012/13	RECEIVED IN 2013/14	REFERRED TO OTHER INSTITUTIONS (With advice)	NO JURISDICTION (Advice provided)	FINALISED IN 2013/14	CARRIED OVER TO 2014/15
Head Office	2087	5091	1321	1700	3131	1090
Eastern Cape	1259	1874	122	67	1991	1224
Free State	606	1634	0	92	1761	386
Gauteng	3604	5465	1094	386	5359	2096
KwaZulu-Natal	996	4182	233	362	3232	1361
Limpopo	333	1397	0	82	1490	268
Mpumalanga	940	1037	23	52	1272	612
Northern Cape	1097	1257	48	54	1534	754
North West	1378	1602	46	118	2441	438
Western Cape	1322	2656	185	127	2431	1365
TOTAL	13622	26 195	3072	3040	24642	9594

Total case load for the 2013/14 financial year was 39 817



1.2 Organisational environment

The organisation continued to operate under severe human and financial constraints during the 2013/2014 financial year. This, among other things, has resulted in overspending as may be seen in the Auditor General's report and undermined staff morale. The funding constraints can be attributed to a rise in personnel costs and other services such as the increase in costs of renting buildings.

With regard to human resources, the new organisational structure was approved in the 2012/2013 financial year after consultations with the Minister of Finance and the Department of Public Service and Administration. Implementation of the new structure was effected in the same year; however, there have been challenges in respect of fully implementing the organisational structure. Key among those is the financial constraints as stated above and as a result over 41 percent of the posts in the new structure are not funded. This presents significant limitations in respect of our ability to implement our strategic objectives effectively. While this is a big problem, the volume of work in the investigations has increased tremendously in the last three years and there is no alignment between our human resources and our strategy.

With regard to business processes, at the beginning of the financial year we set ourselves a target of reviewing and re-engineering our internal business processes with the aim of ensuring that we are better placed at responding promptly to our complainants. We also wanted to ensure that we are able to improve internal efficiencies particularly in areas of finance, human resources and supply chain management. The Auditor-General, in previous years, had raised a number of concerns with regard to our internal control environment particularly in the areas of finance, supply chain and human resources. We are happy to report that some of these concerns have been addressed through the implementation of the Integrated Financial Management System designed to integrate key functions and controls in supply chain, payroll, finance and human resources. While this is the case, the organisation admits that re-engineering of our case management systems did not proceed as expected. However, the appointment of a business process re-engineering expert, towards the later part of the financial year, is a step towards the commencement of the re-engineering exercise. The organisation has also sought assistance from the State Information Technology Agency (SITA) to provide advice and augment our current resources as we aim to overhaul our case management processes. It is envisaged that redesigned and re-engineered processes will be implemented in the new financial year (2014/2015) and migration to an automated case management system will take place in the third quarter of the 2014/2015 financial year.

In the 2012/2013 financial year, the organisation received an unqualified audit opinion from the Auditor-General; however, there were matters of emphasis that required attention. These issues are currently being addressed and the Office will continue to improve its internal control and risk management processes to lay a platform for excellence in delivery and execution of our Constitutional and legislative mandates.

1.3 Key policy developments and legislative changes

No legislative changes took place during the year.

ANNUAL Report 2013/14



1.4 Strategic Goals

In pursuit of its constitutional and legislative mandate, vision and mission the Public Protector's work continued to be informed by five strategic objectives during the 2013/2014 financial year. These strategic objectives constitute the pillars to focus organisational energies, decisions and performance management.

Informed by the logical framework planning methodology entailed in the Treasury Guidelines, the strategic objectives collectively seek to generate the desired impact for the realisation of the organisational vision. These were further supported by strategies, which were devolved into programmes with each programme's strategies geared at generating the outputs that will collectively achieve a given strategic objective.

The following key strategic objectives informed the work of the Public Protector in the 2013/2014 financial year:

- a) Strategic Objective 1: Accessible to and trusted by all persons and communities;
- b) Strategic Objective 2: Prompt justice including remedial action;
- c) Strategic Objective 3: Promotion of good governance in the conduct of all state affairs;
- d) Strategic Objective 4: An efficient and effective organisation; and
- e) Strategic Objective 5: Optimal performance and service focused culture.

The first three strategic objectives focus on service delivery whereas the last two focus on leveraging systems and people to achieve the outputs necessary for the realisation of the strategic objectives in pursuit of the institutional vision.



2. PERFORMANCE INFORMATION BY STRATEGIC OBJECTIVE

SUMMARY OF OVERALL PERFORMANCE IN THE 2013/14 FINANCIAL YEAR

TARGETS	2013/14	2012/13
Number of planned targets during the financial year	63	81
Number of targets achieved	37	57
Number of target not achieved	26	24
Percentage level of performance	59%	70%

2.1. Strategic objective 1: Accessible to and trusted by all persons and communities

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objective: Accessible to and trusted by all persons and communities					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of MOPP clinics conducted per outreach officer in each province per month	Achieved. MOPP Clinics were conducted in the respective provinces	8 MOPP clinics per outreach officer in each province per month	Not achieved. Mpumalanga did not achieve the annual target of 192 clinics EC – 192 FS – 214 GAU – 196 KZN – 299 LIMP – 314 MPUM – 178 NC - 193 NW -192 WC -193 Total is 1971	Mpumalanga had 178 Clinics in 2013/14 financial year with a deviation of 14 below the planned target. The following provinces overachieved with deviations mentioned below: FS – 22 GAU – 4 KZN – 107 LIMP – 122 NC – 1 WC - 1	In respect of Mpumalanga, there were backlogs of because human resource constraints, new employees were appointed towards the end of the quarter and were still being inducted by the time of reporting. In respect of the provinces that exceeded their targets (KZN, FS, GAU, WC, NC, LIMP) more effort was put in ensuring accessibility of the Office with limited resources

ANNUAL Report 2013/14



Strategic objective: Accessible to and trusted by all persons and communities					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of information sessions conducted per outreach officer in each province per annum (focusing on organs of state)	Achieved. 111 information session were conducted out of an annual target of 63	8 information sessions per outreach officer in each province per annum (focusing on organs of state)	Exceeded. On average the Office had more than 9 information sessions per outreach officer per month (192 out of an annual target of 160) EC – 31 FS – 18 GAU – 21 KZN – 27 LIMP – 28 MPUM – 17 NC – 16 NW - 17 WC -17	32 more information session were held during the financial year	Effort was put in ensuring accessibility of the Office with limited resources
Number of radio slots used per Province per annum	Exceeded. 94 Radio slots out of an annual target of 54	6 radio slots per province per annum	Exceeded, 103 Radio slots conducted out of an annual target of 54 EC – 14 FS – 6 GAU – 11 KZN – 8 LIMP – 36 MPUM – 10 NC – 7 NW - 2 WC - 9	49 more radio slots were conducted	A lot more effort was put in, ensuring accessibility with the limited resources available
Number of newspaper articles published per province per annum	Exceeded. 90 newspaper articles out of a target of 54	6 newspaper articles per province per annum	Exceeded EC – 11 FS – 16 GAU – 11 KZN – 10 LIMP – 30 MPUM – 13 NC – 14 NW – 15 WC - 7	100 more newspaper articles were published	A lot more effort was put in ensuring accessibility with the limited resources available



Strategic objective: Accessible to and trusted by all persons and communities					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of national events conducted per annum	Achieved. 5 national events were held	5 national events per annum	Achieved. 5 National events were hosted in 2013/14 financial year	Not applicable (N/A)	N/A
Hosting of Good Governance week per Province per annum	Achieved. Good governance week was hosted in all provinces	Good Governance week per Province per annum	Achieved. Good governance week was hosted in all provinces	N/A	N/A
Hosting Annual Good Governance Conference	Achieved. Good Governance conference was hosted in October 2012	Annual Good Governance Conference in October 2013	Achieved. Good Governance conference was hosted between 21 and 26 October 2013	N/A	N/A
Number of people reached through outreach, communication and education activities	Exceeded. 51,347 million people were reached.	Reach out 10 million persons per annum through outreach, communication and education activities	Exceeded. 37 million people were reached during the year	27 million more people were reached	A lot more effort was put in ensuring accessibility with the limited resources available
Number of regional offices established and launched	Not Achieved. Regional Office in Limpopo was not launched	Establish and launch Regional offices in Thohoyandou, Port Elizabeth and Pietermaritzburg	Not Achieved. Not all regional offices were established	Regional Offices in Pietermaritzburg, Port Elizabeth and Thohoyandou not established	The failure to achieve targets is due to delays in procurement processes at the National Department of Public Works
Number of regional offices relocated	Not Measured (NM)	Relocate Siyabuswa office to Emalahleni; relocate Vryburg office to Klerksdorp and open relocated office from Mabopane to Germiston)	Not Achieved. Relocation of Vryberg Office to Klerksdorp was completed as planned	Siyabuswa and Mabopane Offices could not be relocated	The failure to achieve targets is due to delays in procurement processes at the National Department of Public Works

ANNUAL Report 2013/14



Strategic objective: Accessible to and trusted by all persons and communities					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of social networks utilised	Achieved. Public Protector Facebook and Twitter utilised.	Utilisation of Public Protector Facebook and Twitter	Achieved. Public Protector Facebook and Twitter accounts are utilised and responses issued	N/A	N/A
% of Public Protector buildings on which signage is put up	Not measured	Put up signage on at least 50% of Public Protector buildings	Achieved. Signage has been put up in 50% of Public Protector South Africa buildings	N/A	N/A
Application for permission to erect Public Protector signage on roads and erection of road signage	Not measured	Submit applications to relevant authorities to erect Public Protector signage on roads and erection of road signage	Not achieved. Applications were submitted to municipalities but approvals had not been granted at the time of reporting.	No approvals have been received yet	A major reason for non-achievement of this target are delays in approval of applications by municipalities
Production and distribution of a corporate video by 31 March 2014	Not measured	Produce and distribute a corporate video by 31 March 2014	Not achieved. Corporate video was not produced.	Corporate video was not produced and distributed	Corporate video could not be produced following a recommendation from Parliament linked to Public Protector South Africa funding constraints
Number of National Stakeholder consultations and engagements by the Public Protector in all Provinces	Achieved. Stakeholder consultations were held in all provinces	10 National Stakeholder consultation and engagement by the Public Protector in all Provinces	Achieved. National stakeholder consultation and engagements were held in all provinces and Head Office	N/A	N/A



Strategic objective: Accessible to and trusted by all persons and communities					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of quarterly reports on implementation of activities of MOUs signed during previous financial years	Achieved Quarterly reports on activities of the MOUs submitted	4 quarterly reports on implementation of activities of MOUs signed during previous financial years	Achieved. 4 Quarterly reports on implementation of activities of MOU were submitted	N/A	N/A
Number of engagements/ collaborations with stakeholders including organs of state per Province per annum	Achieved. 94 stakeholder collaboration out of an annual target of 72 were held	8 engagements/ collaborations with stakeholders including organs of state per Province per annum	Exceeded. EC – 15 FS – 11 GAU – 15 KZN – 11 LIMP – 15 MPUM – 11 NC – 8 NW – 20 WC - 9	43 more engagements/ collaborations were held with stakeholders	The target were held due to improved cooperation from the organs of state
Number of external newsletters published per annum	Achieved. 2 external newsletter published	2 External Newsletters published per annum	Achieved. 2 Newsletters published	N/A	N/A
Number of internal newsletters published per annum	Achieved. 4 internal newsletter published	4 Internal newsletters published per annum	Achieved. 4 internal newsletters published	N/A	N/A
Number media briefings held per annum	Achieved. 4 media briefings held	4 Media briefings per annum	Exceeded. 7 Media briefings held during the financial year	3 more media briefings were held	Media briefings were held to release Public Protector reports which is the reason some of the targets were achieved
Number of periodic surveys on Stakeholder trust, confidence and faith conducted	Achieved. 1 periodic survey conducted.	1 Survey on Stakeholder trust, confidence, faith and satisfaction to be conducted by December 2013	Achieved. Survey conducted	N/A	N/A

ANNUAL Report 2013/14



Strategic objective: Accessible to and trusted by all persons and communities					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Time taken to finalise reviews	Not measured	Finalise reviews within 2 months after receipt of the request	Not achieved. Reviews were not finalised within two months.	Reviews finalised well over two months instead of the initial target	The target could not be achieved mainly because of human resource constraints and high volume of backlog cases
Development of Automated Electronic Customer Survey	Not measured	Develop Automated Electronic Customer Survey by 31 March 2014	Not achieved. Electronic customer survey was not developed	Electronic Customer Survey could not be completed during financial year.	Delays in finalising the questionnaire impacted on ability to conduct the survey on time.
Conduct a survey on the institution's compliance with our Customer Service Charter	Not measured.	Conduct a survey on the institution's compliance with our Customer Service Charter	Achieved. Survey was conducted	N/A	N/A



3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

In respect of the target of establishing regional Offices, the Public Protector South Africa is considering the option of managing its own Office space requirements. Letters have already been sent to the Director-General of the Department Public Works and the Minister of Finance indicating our intention to manage our own Office space and accommodation needs. On the issue of reviews, the organisation will institutionalise the Customer Service Charter to improve our customer service. Re-engineering of our business processes is currently underway to assist with the identification of bottlenecks and the re-design of processes.

CHANGES TO PLANNED TARGETS

No in-year changes were made to the strategic objectives, targets and performance indicators.

LINKING PERFORMANCE WITH BUDGETS

Objective: Accessible to and trusted by all persons and communities	2012/2013			2013/2014		
	Budget 2012/13	Actual Expendi- ture 2012/13	(Over)/ Under Expendi- ture 2012/13	Budget 2013/14	Actual Expendi- ture 2013/14	(Over)/ Under Expendi- ture 2013/14
Outreach Education and Communication	6 060 000	6 113 825	-53 825	6 000 000	5 251 424	748 576
Media Relations and Corporate Branding	540 000	116 716	423 284	200 000	356 827	-156 827
Total	6 600 000	6 230 541	369 459	6 200 000	5 608 251	591 749

ANNUAL Report 2013/14



3.1. Strategic Objective 2 Prompt Justice including remedial action

Strategic Objective 2: Prompt justice including remedial action: This objective is aimed at fulfilling the mandate of the Public Protector to strengthen constitutional democracy by maintaining focus on the complaints through prompt resolution of all complaints and redressing any improper or prejudicial conduct in state affairs.

KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Strategic objective 2: Prompt justice including remedial action					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Date of completion of mapping, engineering and automation of identified business processes	Not achieved. Re-engineering could not be completed	Map, re-engineer and automate all identified business process by 31 March 2014, with a special focus on improving efficiency in our key processes	Not achieved. Not all processes were re-engineered and automated.	Only Finance and HR processes were automated. Re-engineering of business processes was not done as planned. Organisation appointed a Business process re-engineering expert	The delays in appointment of business process re-engineering expert impacted negatively on our ability to finalise the re-engineering project. This project will be completed by September 2014.



Strategic objective 2: Prompt justice including remedial action					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Time taken to resolve complaints allocated to the Early Resolution Unit	Not achieved. Complaints allocated to Early resolution were not resolved within the planned periods.	Investigate and resolve complaints allocated to Early Resolution units within the following time periods:			
		a) 50% of the complaints resolved within 3 months;	Exceeded. 59% (8061) of all ER complaints resolved within 3 months	9 % above the target.	Improved case management and monitoring resulted in performance improvements
		b) 30% of the complaints resolved within 4 months	Not achieved. 8% (1134) complaints resolved in 4 months	22% of the cases could not be resolved within the stipulated time frame	Target could not be achieved due to increase in the volume of complaints received.
		c) 20% of complaints resolved within 6 months.	Not Achieved. 11% (1459) of complaints resolved in six months	9% of the cases could not be resolved within the stipulated time frame	Target could not be achieved due to increase in the volume of complaints received.

ANNUAL Report 2013/14



Strategic objective 2: Prompt justice including remedial action					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Time taken to resolve other complaints received by Public Protector	Not achieved. Complaints were not finalised within the set time frames	Investigate and resolve all other complaints allocated (Early Resolution complaints) within the following time periods:			
		a) 50% of the complaints investigated and resolved within 3-6 months;	Not achieved. 33% (3668) of the complaints were resolved within 3-6 months	17% below the target of 50%	The targets were missed because human resources are not commensurate with volumes of cases received
		b) 50% of the complaints investigated and resolved within 7-12 months;	Not achieved. 35% (3857) of the complaints resolved with 7-12 months	15% of the cases could not be resolved within 7 – 12 months	The targets were missed because human resources are not commensurate with volume of cases received
Implementation and resolution of Alternative Dispute Resolution procedures and processes	Achieved. ADR procedures were implemented	Implement and review approved Alternative Dispute Resolution procedures and processes	Not achieved. ADR procedures were reviewed but not implemented	New ADR procedures were reviewed but not implemented as planned	Reviewed ADR procedures are yet to be approved.
Identification of training needs and conducting of training on approved Alternative Dispute Resolution procedures and processes	Not measured	Identify training needs and conduct training on approved Alternative Dispute Resolution procedures and processes	Not achieved. ADR training needs were identified but training could not be conducted	Training could not be conducted	ADR training could not be conducted due financial constraints and the fact that reviewed ADR procedures had not been approved.



Strategic objective 2: Prompt justice including remedial action					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Frequency of reports on Alternative Dispute Resolution cases resolved	Achieved. Quarterly reports submitted.	Quarterly report on Alternative Dispute Resolution cases resolved	Achieved. Quarterly reports on ADR cases were submitted as planned	N/A	N/A
% of state organs on the approved priority list with whom response protocols were signed	Not achieved. Response protocols established with 26%	Response protocols signed with 70% of state organs on the approved priority list	Exceeded. i) EC: Target exceeded 100%; ii) FS: Not achieved, 40%; iii) GP: Exceeded, 125%; iv) KZN: Exceeded, 100%; v) LIMP: Not achieved, 0%; vi) MP: Exceeded, 83%; vii) NC: Exceeded, 100%; viii) NW: Exceeded, 175%; and ix) WC: Exceeded, 150%.	The target of 70% was exceeded in 7 provinces	Good performance on this target can be attributed to improved cooperation from the state organs
Quarterly review and reporting on implementation of response protocols established during the previous financial year	Achieved. Reports submitted	Review and report quarterly on implementation of response protocols established during the previous financial year	Achieved. Quarterly reports on implementation of previous years response protocols submitted	N/A	N/A

ANNUAL Report 2013/14



Strategic objective 2: Prompt justice including remedial action					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Report on evaluation of compliance with Public Protector Rules	Not achieved. PP rules not promulgated	Promulgate, pilot, train and monitor the implementation of the Public Protector Rules	Not achieved. Public protector rules were not promulgated	Public protector rules were not promulgated	Public Protector rules are being reviewed by the State Law Advisors. It is envisaged that the rules will be promulgated and implemented in 2014/15 financial year
Number of workshops with organs of state	Not achieved. Training could not be conducted because PP rules were not promulgated	Conduct training for organs of state on the Public Protector Rules	Not Achieved. Training could not be conducted	Training was not conducted	Training for state organs on PP rules could not be conducted because the PP rules were not promulgated

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Key performance targets that could not be met during the financial year relate to finalisation of complaints. The key issue is the inadequate human resources to deal with volume of complaints that are received each year. The Public Protector will continue to engage with National Treasury to ensure that the organisational structure is funded in order to assist the Office in dealing with volumes of complaints received. In respect of the issue of the Public Protector rules, the Office is still awaiting approval and promulgation by the State Law Advisors before training and implementation can begin.

CHANGES TO PLANNED TARGETS

No changes were made to planned targets and performance indicators during the 2013/2014 year.

LINKING PERFORMANCE WITH BUDGETS 2

Programme /activity/ objective	2012/2013			2013/2014		
	Budget 2012/13	Actual Expenditure 2012/13	(Over)/ Under Expenditure 2012/13	Budget 2013/14	Actual Expenditure 2013/14	(Over)/ Under Expenditure 2013/14
Public Protector	1 400 000	1 565 820	-165 820	1 324 000	2 305 429	-981 429
Executive Support, Internal Relations & Parliamentary Liaison	1 096 000	1 228 186	-132 186	1 320 000	1 141 139	178 861
Deputy Public Protector	600 000	510 084	89 916	1 000 000	1 117 686	-117 686
Intake and Customer Care	387 800	347 085	40 715	625 000	612 024	12 976
Early Resolution	470 000	337 003	132 997	220 000	211 141	8 859
Good Governance and Integrity	680 000	404 529	275 471	1 026 000	931 828	94 172
Service Delivery	510 000	336 525	173 475	753 000	361 823	391 177
Public Protector Provincial Representation	10 735 999	9 532 235	1 203 764	10 750 000	15 493 629	-4 743 629
TOTAL	15 879 799	14 261 468	1 618 331	17 018 000	22 174 699	-5 156 699

ANNUAL Report 2013/14



STRATEGIC OBJECTIVE 3

Strategic Objective 3: Promotion of good governance in the conduct of all state affairs: This objective relates to sustainable transformation of the state to ensure good governance and responsive service delivery through systemic investigations and other interventions that target structural changes in organs of state.

Strategic objective 3: Promotion of good governance in the conduct of state affairs					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Number of systemic administrative deficiencies or interventions relating to service delivery and incidents of maladministration and corruption identified and resolved	Not achieved. 16 systemic investigations were still under investigation by the time the report was finalised.	Identify and resolve 1 systemic administrative investigations or interventions relating to service delivery, maladministration and corruption per Branch and per province	Not achieved. Systemic investigations were identified but could not be resolved	Systemic investigations were identified but could not be resolved by end of the financial year	Human resource constraints impacted on the ability of the Office to finalise these investigations. Most of the systemic investigations will likely be concluded in the new financial year.
Number of own initiative investigations identified, investigated and concluded	Not achieved. Not all investigators identified own initiative investigations	Identify, investigate and resolve 1 own initiative investigation per branch	Not achieved. Own initiative investigations identified but could not be resolved	The target for identifying own initiative investigations was achieved however the second target of resolving own initiative investigations could not be achieved	Human resource constraints impacted on the ability of the Office to finalise these investigations
Compliance with the Executive Members Ethics Act	Achieved. 100% compliance with EMEA	100% compliance with EMEA	Achieved. 100% compliance with EMEA	N/A	N/A



Strategic objective 3: Promotion of good governance in the conduct of state affairs					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Report on monitoring and management of investigations and implementation of remedial action and the impact thereof	Achieved. Managers conducted file inspections and remedial action implemented	Quarterly report on monitoring and management of investigations	Achieved. Quarterly reports on management of investigations submitted.	N/A	N/A
Report on monitoring and management of investigations and implementation of remedial action and the impact thereof	Achieved. Quarterly reports on implementation of remedial action submitted to PP.	Quarterly reporting on implementation of remedial action and impact thereof	Achieved. Quarterly reports on implementation of remedial action completed.	N/A	N/A
Date of hosting the general assembly	Not measured.	General assembly by July 2013	Not achieved. General Assembly was not hosted	General Assembly was only hosted in April 2014	General assembly was moved to April 2014
Number of EXCO meetings held	Not measured.	2	Achieved. 2 EXCO meeting held	N/A	N/A
% of planned AORC/AOMA courses performed	Not measured.	50%	Achieved. 50% AORC/AOMA courses performed	N/A	N/A
% of AORC/AOMA research outputs performed	Not measured.	50%	Achieved. 50% (1 out of 2) Research papers for AOMA completed.	N/A	N/A
Date of attendance of World Justice Forum and using the opportunity to network and benchmark	Not measured.	Attendance of World Justice Forum in June 2013	Achieved. Public Protector attended the World Justice Forum in June 2013	N/A	N/A

ANNUAL Report 2013/14



Strategic objective 3: Promotion of good governance in the conduct of state affairs					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Date of appointment of international relations manager, director and other AORC staff	Not measured.	31 March 2014	Not Achieved. International Relations Manager appointed but the AORC Director could not be appointed	AORC Director could not be appointed during the financial year	Public Protector South Africa could not find a suitable candidate for the job. The position has since been re-advertised
Public Protector contribution to ombudsman research and training through collaboration with the IOI and AORC/AU	Not measured.	Conduct at least 2 workshops on AU shared values with identified African states	Not achieved. 1 AU workshop was conducted in Zambia	1 AU workshop could not be concluded	Workshop could not be held due to the hosting of the African Ombudsman Summit
		Create a database on Ombudsman/ Public Protector jurisprudence	Achieved. Database was created.	N/A	N/A



STRATEGIC OBJECTIVE 4: AN EFFICIENT AND EFFECTIVE ORGANISATION

Strategic Objective 4: An efficient and effective organisation: This objective relates to the systems, policies, procedures, processes and resources required and managed to ensure an effective and efficient service focused organisation necessary to support the Public Protector in optimally fulfilling its constitutional mandate

Strategic objective 4: An efficient and effective organisation					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
% of strategic objectives within budget expenditure in the financial year	Not measured	80% of strategic objectives achieved within 5.1% budget variance	Not achieved. 63 % of strategic targets were achieved with 10% budget variance (over-expenditure)	37% of the targets this year were not achieved. Office overspent its total budget by 10% in the 2013/14 financial year	Overspending is due to unforeseen expenditure on personnel costs. Resource constraints and high workloads impacted negatively on the ability of the Office to meet all its strategic objectives
Obtain unqualified audit report and compliance with zero significant findings	Not achieved. Audit-General made findings	Unqualified audit report with zero significant findings by 31 March 2014	Not Achieved. Unqualified audit for the financial year could not be achieved	There are significant findings in the audit report that relate to irregular expenditure	Unqualified audit could not be achieved because of significant findings of irregular expenditure
Date of approval of 3-year ICT strategy	Not measured	Develop and approve 3-year ICT strategy by 31 July 2013	Achieved. ICT Strategy developed and approved.	N/A	N/A

ANNUAL Report 2013/14



STRATEGIC OBJECTIVE 5: OPTIMAL PERFORMANCE AND SERVICE FOCUSED CULTURE

Strategic Objective 5: Optimal performance and service focused culture: This objective is aimed at addressing people issues which is one of the key success factors that anchor an optimally performing and service focused organisation

Strategic objective 5: Optimal performance and service focused culture					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Date of approval of Human Resources Capability Strategy that is aligned to organisational strategy	Achieved. Human resource plan reviewed and implemented.	Approved Human Resources capability strategy that is aligned to organisational strategy by 30 April 2013	Achieved. Human Resource capability strategy and plan approved.	N/A	N/A
% of approved and funded vacancies filled	Exceeded 95.3% of approved vacancies filled.	95% of all approved and funded vacancies filled at all times	Not achieved. 94% of all funded vacancies filled	There is a variance of 1% from the planned target	During the course of the year a number of posts were frozen due to financial constraints and this impacted on the ability of the Office to meet this target
Number of surveys on employee behaviour conducted per annum	Not achieved. 1 survey was conducted instead of 2	1 survey on employee behaviour per annum	Achieved. 1 Employee survey conducted in March 2014	N/A	N/A
Date of approval of Business Unit Scorecards	Not measured	Approve 2014/2015 Business Unit Scorecards by 31 March 2014	Not achieved. Business Unit scorecards not signed by 31 March 2014	Business Unite scorecards were not signed	Delays in finalisation of the strategic planning processes impacted on the ability of business units to finalise their scorecards for the 2014/15 financial year.



Strategic objective 5: Optimal performance and service focused culture					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Date of approval of Individual scorecards	Not measured	Approve Individual scorecards by 30 April 2013	Not achieved. Individual scorecards were not signed by 30 April 2013	Individual scorecards were not all signed by 30 April 2013	There were challenges with certain staff members who raised concerns about unrealistic targets in the performance agreements
Date of completion of individual bi-annual performance discussions	Not measured	31 October 2013	Not Achieved. Performance assessments were not all done by 31 October	Some employees did not do their performance assessments by 31 October 2013	Delays in finalisation of performance assessments means that the organisation missed the target
Number of quarterly performance reports on monitoring of business performance produced within a month after the end of a quarter	Not measured	4	Achieved. 4 Quarterly performance reports submitted to EXCO	N/A	N/A
Date of roll-out of PP values and higher purpose statement	Achieved. Workshops on PP values conducted.	Roll-out PP values and higher purpose statement by 31 March 2014	Achieved. Higher Purpose project was rolled-out in all provinces and Head Office	N/A	N/A
Number of co-operative and stakeholder engagement activities	Achieved. Benchmarking visits were held	Benchmarking visits and joint ventures with 2 identified high performing institutions	Exceeded. 4 Benchmarking visits were held during the 2013/14 financial year	2 more visits were held during the financial year.	The actual visits exceeded the planned targets mainly due to higher than expected number of requests received by the Office during the year.

ANNUAL Report 2013/14



Strategic objective 5: Optimal performance and service focused culture					
Performance Indicator	Actual Achievement 2012/13	Planned Target 2013/2014	Actual Achievement 2013/2014	Deviation from planned target to Actual Achievement for 2013/2014	Comment on deviations
Date of approval of Customer Service policy	Not measured	Develop and approve Customer Service policy by 30 March 2014	Achieved. Customer Service Policy was developed and approved	N/A	N/A
Number of quarterly reports produced relating to tracking and monitoring provincial performance against the Service Charter	Not measured	3	Achieved. 3 Quarterly reports relating to tracking and monitoring performance against Customer Service Charter produced.	N/A	N/A

LINKING BUDGETS WITH PERFORMANCE FOR STRATEGIC OBJECTIVE 4 AND 5

Programme/activity/objective	2012/2013			2013/2014		
	Budget 2012/13	Actual Expenditure 2012/13	(Over)/ Under Expenditure 2012/13	Budget 2013/14	Actual Expenditure 2013/14	(Over)/ Under Expenditure 2013/14
Research and Knowledge management	600 000	247 015	352 985	350 000	278 720	71 280
Internal Audit	500 000	1 465 787	-965 787	800 000	1 079 285	-279 285
Risk Management and Security	588 600	333 046	255 554	400 000	360 027	39 973
Strategic Planning and Performance Management	694 500	68 882	625 618	300 000	10 532	289 468
CEO's Office	2 003 000	1 772 275	230 725	1 900 000	2 773 793	-873 793
Provincial Liaison	305 000	211 860	93 140	200 000	169 733	30 267
Finance, Payroll and SCM	3 720 000	3 377 722	342 278	3 800 000	5 019 039	-1 219 039
Facility Management and Logistics	11 401 600	14 707 033	-3 305 433	9 400 000	13 611 758	-4 211 758
Human Resource Management and Development	3 233 500	3 503 582	-270 082	2 800 000	3 012 328	-212 328
Information and Communication Technology	11 802 375	8 459 620	3 342 755	7 430 000	10 671 117	-3 241 117
TOTAL	34 848 575	34 146 821	701 754	27 380 000	36 986 333	-9 606 333



PUBLIC PROTECTOR

ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance



PUBLIC PROTECTOR



PART C: GOVERNANCE



ANNUAL Report 2013/14



1. INTRODUCTION

EXECUTIVE AUTHORITY

The Public Protector is the Executive Authority in terms of the Public Protector Act 23 of 1994. In performing her duties effectively and efficiently, the Public Protector is assisted by the Deputy Public Protector, to whom several responsibilities and powers have been delegated in terms of section 2A(6) and (7) of the Act.

EXECUTIVE COMMITTEE

A committee consisting of the Public Protector, Deputy Public Protector and Chief Executive Officer (CEO) meets at least once a quarter to assist the Public Protector with organisational performance monitoring, review and decision advice.



MANAGEMENT COMMITTEE

A committee, chaired by the Chief Executive Officer, referred to as the Management Committee, comprises all heads of Public Protector South Africa core operations and corporate services. The committee meets quarterly and reports on the performance of each sub-programme and recommends remedial action (if any) to the Executive Committee.

AUDIT COMMITTEE

There is an independent Audit Committee appointed in terms of the provisions of the Public Finance Management Act 1 of 1999.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee is responsible for monitoring the management of Risk within Public Protector South Africa. It is also responsible for ensuring that the action plans as per the Risk Register are effectively implemented. The Committee reports directly to the CEO as the Accounting Officer.

THINK TANK COMMITTEE

A peer review mechanism referred to as the Think Tank Committee, comprising all leaders of investigation teams, meets quarterly to assist the Public Protector in reviewing cases, mainly reports, before they are finalised. Mini-Think Tank Committees within investigation teams have now been established to ensure effectiveness and efficiency.



2. PORTFOLIO COMMITTEES

The Public Protector is accountable to the National Assembly through the Portfolio Committee on Justice and Constitutional Development. In the previous financial year the Public Protector met twice with the Portfolio Committee to present the 2013/2014 Strategic Plan and Budget and the 2012/2013 Annual Report.

3. EXECUTIVE AUTHORITY

The Public Protector is the Executive Authority in terms of the PFMA. Quarterly performance reports were submitted in all EXCO meetings chaired by the Public Protector.

4. RISK MANAGEMENT

The Public Protector South Africa conducts regular risk assessments and the Risk Management Committee convenes on a quarterly basis to assess progress against the Risk Management Plan and to update the Risk Register. New and emerging risks are identified, action plans developed and included in the Risk Register for implementation and monitoring. The Risk Management Committee reports directly to the CEO on progress against the Risk Management Plan and mitigation of unacceptable risks. While there has been progress in mitigating certain risks, there are still challenges in implementing some mitigation plans mainly because of human resource constraints. The Institution is in the process of filling the position of a Chief Risk Officer. It is envisaged that this will assist the institution in overall management of risk and to institutionalise a risk management culture across Public Protector South Africa.

The Audit Committee oversees the effectiveness of overall risk management processes within the Public Protector South Africa.

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr Vusi Mokwena (Chairperson)	BComm, Bachelor of Accounting Science (Honours); CA (SA)	External	N/A	3 March 2012	N/A	4
Ms Pumla Mzizi	BBusSC Finance; Hons; BCompt Hons CTA; BCom Honours in Transport Economics CA (SA)	External	N/A	3 March 2012	N/A	5
Mr David Lekoto	BComm; BComm Honours, Postgraduate Diploma in Certified Fraud Examiners, Certified Professional Accountant (SA), General Internal Auditor	External	N/A	3 March 2012	N/A	4



5. COMPLIANCE WITH LAWS AND REGULATIONS

A compliance checklist has been developed as a tool to regularly monitor compliance with applicable laws and regulations. The checklist is updated on a quarterly basis. In addition, a Compliance Officer will be appointed in the new financial year to drive and regularly monitor compliance with all laws and regulations.

The Public Protector put the following Committees and Forums in place to ensure and monitor compliance with laws and regulations:

- Employment Equity Committee;
- Skills Development and Training Committee;
- Gender Equality Committee;
- Risk Management Committee;
- Occupational Health and Safety Committee;
- Labour Relations Consultative Forum;
- Executive Committee;
- Audit Committee;
- Management Committee; and
- Internal Audit Committee.

6. FRAUD AND CORRUPTION

The Fraud Prevention Plan was completed in the 2013/2014 financial year and the final plan will be approved in the next financial year. Fraud and corruption is reported through the national anti-corruption hotline (0800 701 701), which has been communicated to all staff including new employees. There were no reported fraud and corruption cases during year under review.

7. MINIMISING CONFLICT OF INTEREST

There is a code of conduct for all Public Protector South Africa employees and all staff are required to sign the declaration of business interest forms at the beginning of the financial year.

There is also a register at Supply Chain Division for declaring interests during all procurement processes. In addition, there is a declaration form (SBD4) prescribed by Treasury and completed with each transaction made where service providers are compelled to declare. There is a declaration form (SBD8) where bidders declare their own past SCM practices. A form has been prescribed by Treasury (SBD9) where a bidder declares whether they have registered or submitted proposals of more than one company.

The following process is followed where a conflict of interest has been identified:

- The organisation will engage either the staff member and or the service provider with the involvement of both SCM and HR.
- The Audi Alterum Partem rule is applied to afford the staff member and or the service provider an opportunity to respond. After an investigation into the matter has been launched the outcome must be presented to the accounting officer for necessary sanctions.
- If the matter cannot be finalised through internal processes then the State Attorney must be involved or the matter can be settled through the court of law. In case of a service provider, the matter must be reported to National Treasury for possible blacklisting or listing on the register of defaulters.



8. CODE OF CONDUCT

All Public Protector South Africa employees have signed a conduct of conduct which is enforceable. Breaches of conduct attract disciplinary action.

NATURE OF CODE OF CONDUCT /ETHICS AND THE EFFECT IT HAS ON PUBLIC PROTECTOR SOUTH AFRICA

The code of conduct exist to provide direction to employees with regards to their relationship with the legislature, political and executive office-bearers, other employees and the public and to indicate the spirit in which employees should perform their duties. The code of conduct is communicated to all staff and every employee is required to sign the code of conduct.

PROCESS FOLLOWED IN CASES WHERE THERE IS A BREACH OF CODE OF CONDUCT

- The employee will be given a notice of intention to proceed with disciplinary action.
- The employee will be given an opportunity to respond to the notice
- If the employee accepts/concedes to have breached the code of conduct, a warning is issued.
- If the employee does not accept the final written warning, then the employer will subject the employee to a disciplinary process or action, which has the power of dismissal

9. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

No health and safety concerns were raised during the 2013/2014 financial year.

All Public Protector South Africa offices have representatives for Health and Safety and meetings were held on a quarterly basis. Provinces also reported on a monthly basis as per the OHS strategy document and requirements of the Occupational Health and Safety Act.

THE FOLLOWING HAS BEEN IMPLEMENTED TO ENSURE SAFETY IN OUR OFFICES

- All OHS representatives have been trained for evacuation procedures;
- Training was done for first aid representatives;
- All offices have first aid boxes; and
- Evacuation policy and procedures have been implemented in all offices.

10. COMPANY /BOARD SECRETARY

Not applicable

11. SOCIAL RESPONSIBILITY

Public Protector South Africa participated in Cell C's Take a Girl Child to Work Day®. Learners were given an opportunity to experience the "world of work" in different operations of the institution and learned about career opportunities they may pursue.

ANNUAL Report 2013/14



AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014.

Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. During the 2013/14 financial year 5 meetings were held by the Audit Committee. The current Audit Committee was appointed effective from 1 May 2014 when the term of office of the previous Audit Committee expired.

Audit Committee up to 31 March 2014

Name	Role	Scheduled Meetings		Special Meetings	
		Held	Attended	Held	Attended
Mr V Mokwena	Chairperson	4	4	1	0
Mr D Lekoto	External Member	4	3	1	1
Ms P Mzizi	External Member	4	4	1	1

Audit Committee from 1 May 2014

Name	Role	Scheduled Meetings		Special Meetings	
		Held	Attended	Held	Attended
Ms. P. Mzizi	Chairperson	1	1	1	1
Mr R Theunissen	External Member	1	1	1	1
Mr A Mashego	External Member	1	1	1	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

In line with the PFMA, internal audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is usually achieved by means of the identification of corrective actions and suggested enhancements to the internal control processes and risk management. From the various reports of the internal auditors and the management and audit reports of the Auditor General South Africa it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to financial reporting, reporting on pre-determined objectives and compliance with laws and regulations.

Through our analysis of audit reports and engagement with the Public Protector SA we can report that the system on internal control for the period under review was not adequate and effective.

A matter of concern for the Audit Committee is that the Public Protector SA is currently not implementing all internal audit action plans agreed upon.

Based on the quarterly reviews performed and the internal audit report, the fraud and risk management system is not adequate and effective.



The Audit Committee remains concerned with the uncertainty relating to going concern of the Public Protector SA due to inadequate funding.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the external audit outcomes on the audited financial statements to be included in the annual report, with the Auditor General South Africa and the Accounting Officer;
- reviewed the Auditor General South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the departments compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

Evaluation of reporting on pre-determined objectives

The Audit Committee has to the extent possible:

- reviewed and discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report, with the Auditor General South Africa and the Accounting Officer,
- reviewed the compliance with the National Treasury Guide for the preparation of the annual report; and
- reviewed significant adjustments resulting from the audit.

Internal audit

The Audit Committee is satisfied that the internal audit function operated effectively during the year under review. The Audit Committee also notes that the deficiencies in risk management mentioned above impact on the adequate implementation of the risk based audit approach.

Auditor General South Africa

We have reviewed the Public Protector SA's implementation plan for audit issues raised in the previous year and we are not satisfied that the matters have been adequately resolved.

The Audit Committee has met with the Auditor General South Africa and is not aware of any unresolved issues with respect to the recently completed audit.

The Audit Committee concurs with the Auditor General South Africa's conclusions on the annual financial statements.

General

The Audit Committee strongly recommends that the Public Protector SA must prioritise the adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audit in order to achieve the required effectiveness in governance, accountability and clean administration.

Signed on behalf of the Audit Committee by:

Chairperson of the
Audit Committee

Ms P Mzizi CA (SA)

Date 31 July 2014



PART D: HUMAN RESOURCE MANAGEMENT





1. INTRODUCTION

Overview of Human Resources matters at Public Protector South Africa

The Human Resources (HR) function provides an integrated and comprehensive HR Service covering Employment Equity, Work Place Skills Plan, Training Plan, Employee Wellness Programme, HR Planning, Organisational Development, Recruitment and Selection processes, and HR Administration. The HR Plan of the Public Protector South Africa is aligned with the Corporate Strategy. The plan provides details on how the HR function supports the goals and strategies of the organisation, ensuring that HR planning and practices are consistent across the organisation. It also outlines how the gaps between future and present capacity will be addressed. Below is a list of HR priorities for the year under review:

1. Review and approval of HR Policies;
2. Review and finalisation of Performance Management Development System;
3. Implementation of Human Resource Development Plan;
4. Roll-out and implementation of Strategic Alignment Project covering change management and team building initiatives; and
5. Instil organisation values into employee behaviour.

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

1. Human capital sourcing and retention strategies are in place to ensure attraction and retention of staff.
2. The recruitment strategy for people with disabilities is in place to attract and retain people with disabilities.
3. The Employment Equity Plan is in place to ensure compliance with the Employment Equity Act.
4. A targeted recruitment and selection drive to attract high calibre, competent and skilled staff is in place.
5. Competency assessments are conducted for managerial and strategic positions.
6. Recruitment is monitored and reported on a monthly and quarterly basis.

Employee performance management framework

1. Performance Management Development System Policy in place to manage the performance of employees through a results driven approach enabling the office to fulfil its constitutional mandate by encouraging behaviours that are aligned to and give effect to its purpose for existence;
2. Enabling the office to ensure the execution of its strategy by aligning organisational and individual performance objectives to its vision and mission;
3. Enabling the office to promote effective organisational and individual performance by identifying the performance measures that leverage its value creation processes; and
4. Enabling the office to maximise leader, team and employee contribution towards the achievement of Public Protector South Africa strategic objectives

Employee wellness programmes

1. Employee Wellness programmes have been established to improve health and wellbeing of employees through health education and activities that will support positive lifestyle changes thereby resulting in improved employee productivity as well as reducing the health care costs
2. HIV and AIDS policy is in place which ensure prevention of unfair discriminating and prejudice against HIV positive employees and also incorporating the Disease Management Programme



3. Disease Management Programme is the preventative as well as curative intervention for reducing healthcare costs and improving quality of life for individuals with chronic disease conditions by preventing or minimizing the effects of a disease

Policy development

HIGHLIGHT ACHIEVEMENTS

The following achievement can be highlighted for the 2013/2014 year:

1. All HR Policies were reviewed and new policies developed and approved.
2. The Employment Equity Report was submitted to the Department of Labour.
3. A revised training plan was approved and implemented.
4. A revised organisational structure was approved and is being implemented.
5. Ninety percent of all approved and funded vacancies are filled.
6. The organisational values were reviewed and approved.
7. Intake assessment and customer service held workshops with all staff.

CHALLENGES FACED BY THE INSTITUTION

The challenges faced by the institution are as follows:

1. Lack of trust and low employee morale;
2. Absence of organisation culture common to all in the institution;
3. High turnover of staff;
4. The need to improve on customer focused culture, work ethic and performance culture;
5. Inability to plan and allocate human resources to align with the core business and the strategic objectives of Public Protector South Africa;
6. Insufficient HR budget and inability to address the over-arching budgetary constraints in support of HR activities and strategic objectives;
7. Insufficient/inadequate employee engagement;
8. Attraction, employment and retention of people with disabilities and women in senior management positions remains a big; and
9. Inability to implement incentive and career progression schemes due to lack of funding.

FUTURE HR PLANS /GOALS

The future HR plans/goals are informed by the strategic plan for the period 2014 to 2017 and are as follows:

1. Continuously improve governance controls and strengthen compliance monitoring.
2. Re-engineer performance management systems to align with organisational values and desired outcomes.
3. Recruit, develop and retain best human resources.
4. Strengthen leadership and team building in pursuit of higher purpose.

ANNUAL Report 2013/14



Personnel Cost by programme/ activity/ objective

Programme/activity/ objective	Total Expenditure for the entity	Personnel Expenditure	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
Strategic Direction and Executive Support	R25 569 134	R16 254 682	64%	33	R492 566,12
Core Operations	R132 020 198	R109 158 328	83%	232	R474 601.43
Corporate Support Services	R63 912 900	R24 828 994	39%	51	R636 640.87

Personnel costs by salary band

Programme/activity/ objective	Total Expenditure for the entity	Personnel Expenditure	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
Strategic Direction and Executive Support	R25 569 134	R16 254 682	64%	33	R492 566,12
Core Operations	R132 020 198	R109 158 328	83%	232	R474 601.43
Corporate Support Services	R63 912 900	R24 828 994	39%	51	R636 640.87

Performance Rewards

Programme//activity/ objective	Performance rewards	Personnel Expenditure	% of performance rewards to total personnel cost
Top Management	N/A	R5 383 569	N/A
Senior Management	N/A	R65 826 459	N/A
Professional qualified	N/A	R48 727 454	N/A
Skilled	N/A	R23 450 243	N/A
TOTAL	N/A	R143 387 725	N/A

Training Costs

Programme//activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Strategic Direction and Executive Support	R16 254 682	R152 134	0.93%	22	R6 915.18
Core Operations	R109 158 328	R65 322	0.05%	304	R214 875
Corporate Support Services	R24 828 994	R1 051 187	4.2%	42	R25 028.26

Note: Training expenditure includes trainee learner investigators and interns.



Employment and vacancies

Programme/activity/objective	2012/2013 No. of Employees	2013/2014 Approved Posts	2013/2014 No. of Employees	2013/2014 Vacancies	% of vacancies
Strategic Direction and Executive Support	13	34 One(1) additional post approved (Business Process Engineer)	33	2	3%
Core Operations	216	241 One additional post approved (Provincial Rep: Mpumalanga)	230	13	13%
Corporate Support Services	40	74	51	2	4.1%
Total	269	349	314	17	11%

Programme/activity/objective	2012/2013 No. of Employees	2013/2014 Approved Posts	2013/2014 No. of Employees	2013/2014 Vacancies	% of vacancies
Top Management	3	3	3	0	0%
Senior Management	24	27	27 *(One) additional post	0	0%
Professional qualified	124	191	174	16	9.19%
Skilled	53	125	109	1	0.91%
Semi-skilled	65	0	0	0	0%
Unskilled	0	0	0	0	0
TOTAL	269	346	314	17	5.41%

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	0	3
Senior Management	27	2	0	29
Professional qualified	173	1	1	175
Skilled	106	1	0	107
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	309	4	1	314

ANNUAL Report 2013/14



Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	1	0.32%
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	1	0.32%

EXPLANATION: Most staff leave for better prospects elsewhere, which is coupled by the need to change the internal environment to account for normal staff attrition.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	1
Final Written warning	3
Dismissal	0

Equity Target and Employment Equity Status.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	1	0	0	0	0	0	0
Senior Management	14	15	0	1	0	1	3	3
Professional qualified	89	90	5	7	4	5	6	6
Skilled	25	30	1	2	0	2	0	2
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	130	136	6	10	4	8	9	11



Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Senior Management	8	13	1	1	0	1	2	2
Professional qualified	54	60	8	9	5	6	4	4
Skilled	65	65	8	9	3	6	6	6
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	128	140	17	19	8	13	12	12

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	1
Professional qualified	2	2	0	0
Skilled	1	2	1	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	3	4	1	2

EXPLANATIONS:

Inability to attract and retain people with disability.
Conditions of service .

To address the variance the office developed the recruitment strategy to attract and retain staff.

All advertisement are specific regarding the needs, which include senior management services, people with disability.

Targeted recruitment drive and composite adverts were placed nationally and in regional newspapers.

ANNUAL Report 2013/14



Adv. Stoffel Fourie
Executive Manager
Governance & Integrity



Momelezi Kula
Executive Manager
Outreach & Education



Reginald Ndou
Executive Manager
Service Delivery



Dumisani Dlamini
Chief Financial Officer



Abongile Madiba
Chief Investigator
Governance & Integrity



Ponatshego Mogaladi
Executive Manager
Early Resolution



Sebaba Lentsoane
Senior Manager
Human Resources



Sechele Keebine
Provincial Representative
North West



Lesedi Sekele
Senior Manager
Intake & Assessment



Sello Mothupi
Senior Manager
Provincial Liaison



Kgalalelo Masibi
Senior Manager
Communication



Risenga Maruma
Senior Manager
Executive Support



Zoleka Mtumtum
Senior Manager
Facilities Management



Charles Motau
Senior Manager
Information Technology



Adv. Elasbe Del Waal
Chief Investigator
Service Delivery



Dinkie Dube
Provincial Representative
Gauteng



Botromia Sithole
Provincial Representative
Northern Cape



Adv. Johann Raubenheimer
Chief Investigator
Early Resolution



Sphelo Samuel
Provincial Representative
Limpopo



Adv. Mlandeli Nkosi
Provincial Representative
KwaZulu-Natal



Suné Griessel
Provincial Representative
Free State



Adv. Ruthven Janse v Rensburg
Provincial Representative
Western Cape



Adv. Nomsa Mthwakazi
Provincial Representative
Eastern Cape



Dube Sibekuzi
Provincial Representative
Mpumalanga



Adv. Nkebe Kanyane
Chief Investigator
Governance & Integrity



Lucas Zepe
Senior Manager
Strategic Support



PUBLIC PROTECTOR

ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance



PUBLIC PROTECTOR



PART E: FINANCIAL INFORMATION





REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE PUBLIC PROTECTOR SOUTH AFRICA

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the financial statements of the Public Protector South Africa set out on pages 107 to 138, which comprise the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (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.

AUDITOR-GENERAL'S RESPONSIBILITY

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

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Protector South Africa as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

EMPHASIS OF MATTERS

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.



RESTATEMENT OF CORRESPONDING FIGURES

8. As disclosed in note 26 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during the year ended 31 March 2014 in the financial statements of the constitutional institution at, and for the year ended, 31 March 2013.

GOING CONCERN

9. Note 28 to the financial statements indicates that the constitutional institution incurred a deficit of R20 450 499 during the year ended 31 March 2014 and, as of that date, the constitutional institution's current liabilities exceeded its current assets by R38 912 530. This condition indicates the existence of a material uncertainty that may cast significant doubt on the constitutional institution's ability to discharge its liabilities in the normal course of business.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

11. Performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the constitutional institution for the year ended 31 March 2014:
 - Programme 1: strategic direction and executive support on pages 76 to 79
 - Programme 2: core operations on pages 60 to 75
12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's **Framework for managing programme performance information**.
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

ADDITIONAL MATTER

16. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matter:

ACHIEVEMENT OF PLANNED TARGETS

17. Refer to the annual performance report on [page(s) 60 to 79] for information on the achievement of the planned targets for the year.

ANNUAL Report 2013/14



COMPLIANCE WITH LEGISLATION

18. I performed procedures to obtain evidence that the constitutional institution had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

ANNUAL FINANCIAL STATEMENTS, PERFORMANCE REPORT AND ANNUAL REPORT

19. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. The constitutional institution corrected material misstatements of the cash flow statement, statement of comparison of budget and actual amount and the key management personnel disclosure note identified by the auditors in the submitted financial statements, resulting in the financial statements receiving an unqualified audit opinion.

EXPENDITURE MANAGEMENT

20. Contractual obligations and money owed by the constitutional institution were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.
21. Effective steps were not taken to prevent irregular expenditure as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

INTERNAL CONTROL

22. I considered internal control relevant to my audit of the financial statements annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

LEADERSHIP

23. Although the leadership of the constitutional institution developed a plan to address external audit findings, adherence to the plan was not timeously monitored by the appropriate level of management to prevent non-compliance with legislation.

FINANCIAL AND PERFORMANCE MANAGEMENT

24. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored by management.
25. The financial statements were subject to material adjustments as there were insufficient processes to ensure complete and accurate financial statements.

Pretoria
31 July 2014



AUDITOR - GENERAL

Auditor - General



A Partnership For Good Governance



ANNUAL Report 2013/14



FINANCIAL STATEMENTS



ANNUAL Report 2013/14**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014
Statements of Financial Position as at 31 March 2014

Figures in Rand	Note(s)	2014	2013 Restated*
Assets			
Current assets			
Receivables from exchange transactions	3	200 194	670 651
Cash and cash equivalents	4	185 591	14 530 339
		385 785	15 200 990
Non-current assets			
Property, plant and equipment	5	19 995 941	15 977 331
Intangible assets	6	1 023 079	55 854
		21 019 020	16 033 185
Total assets		21 404 805	31 234 175
Liabilities			
Current liabilities			
Finance lease obligation	7	1 298 459	920 871
Payables from exchange transactions	8	26 273 530	21 437 604
Provisions	9	11 726 326	8 275 572
		39 298 315	30 634 047
Non-current liabilities			
Finance lease obligation	7	3 161 444	2 096 008
Provisions	9	5 078 719	4 187 295
		8 240 163	6 283 303
Total liabilities		47 538 478	36 917 350
Net assets		(26 133 673)	(5 683 175)
Accumulated deficit		(26 133 673)	(5 683 175)

* See Note 26



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014
Statements of Financial Position as at 31 March 2014

A Partnership For Good Governance

Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013
Revenue from non-exchange transactions			
Government transfers			
Revenue from exchange transactions	10	199 253 000	183 147 000
Finance income	11	587 627	845 011
Other income	12	215 081	373 103
Total revenue		200 055 708	184 365 114
Expenditure			
Staff costs	13	(149 644 097)	(121 297 889)
Depreciation and amortisation	14	(5 827 676)	(2 906 708)
Finance costs	15	(520 436)	(272 129)
Other operating expenses	16	(18 075 794)	(17 531 498)
Loss on disposal of assets	17	(54 738)	(118 856)
Administrative expenses	18	(46 383 466)	(38 126 050)
Total expenditure		(220 506 207)	(180 253 130)
Operating (deficit) surplus		(20 450 499)	4 111 984
(Deficit) surplus for the year		(20 450 499)	4 111 984

Statement of Changes in Net Assets

Figures in Rand	Accumulated Deficit	Total net assets
Opening balance as previously reported	(10 026 293)	(10 026 293)
Adjustments		
Correction of errors (Note 26)	231 134	231 134
Balance at 01 April 2012 as restated*	(9 795 159)	(9 795 159)
Changes in net assets		
Surplus for the year	4 111 984	4 111 984
Total changes	4 111 984	4 111 984
Opening balance as previously reported	(5 629 724)	(5 629 724)
Adjustments		
Correction of errors (Note 26)	(53 450)	(53 450)
Balance at 01 April 2013 as restated*	(5 683 174)	(5 683 174)
Changes in net assets		
Deficit for the year	(20 450 499)	(20 450 499)
Total changes	(20 450 499)	(20 450 499)
Balance at 31 March 2014	(26 133 673)	(26 133 673)

* See Note 26

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014
Statements of Financial Position as at 31 March 2014

Cash Flow Statement

Figures in Rand	Note(s)	2014	2013 Restated*
Cash flows from operating activities			
Receipts			
Grants		199 253 000	183 147 000
Interest income		587 627	845 011
Other receipts		685 536	70 037
		200 526 163	184 062 048
Payments			
Employee costs		(145 301 918)	(118 758 225)
Suppliers		(41 547 537)	(30 953 127)
Finance costs		(520 436)	(272 129)
Other operating expense payments		(18 075 793)	(17 531 499)
		(205 445 684)	(17 531)
Net cash flows from operating activities	19	(4 919 521)	16 547 068
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(7 234 940)	(8 910 881)
Proceeds from sale of property, plant and equipment	5	-	103 000
Purchase of other intangible assets	6	(1 009 351)	-
Net cash flows from investing activities		(8 244 291)	(8 807 881)
Cash flows from financing activities			
Finance lease payments		(1 180 936)	(539 743)
Net increase/(decrease) in cash and cash equivalents		(14 344 748)	7 199 444
Cash and cash equivalents at the beginning of the year		14 530 339	7 330 895
Cash and cash equivalents at the end of the year	4	185 591	14 530 339

* See Note 26

A Partnership For Good Governance

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand

Statement of Financial Performance

Revenue	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Revenue from exchange transactions						
Other income	108 000	-	108 000	215 081	107 081	
Finance income	417 000	-	417 000	587 627	170 627	
Total revenue from exchange transactions	525 000	-	525 000	802 708	277 708	
Revenue from non-exchange transactions						
Taxation revenue						
Government grants & subsidies	199 253 000	-	199 253 000	199 253 000	-	
Total revenue	199 778 000	-	199 778 000	200 055 708	277 708	
Expenditure						
Personnel	(130 207 000)	(10 000 000)	(140 207 000)	(145 301 918)	(5 094 918)	Note 31.1
Finance costs	(755 000)	-	(755 000)	(520 436)	234 564	
Goods and services	(64 074 000)	10 000 000	(54 074 000)	(59 623 332)	(5 549 332)	Note 31.2
Finance lease repayments	-	-	-	(1 180 936)	(1 180 936)	
Total expenditure	(195 036 000)	-	(195 036 000)	(206 626 622)	(11 590 622)	
Operating deficit	4 742 000	-	4 742 000	(6 570 914)	(11 312 914)	
Fixed and Intangible assets	(4 742 000)	-	(4 742 000)	(8 244 291)	(3 502 291)	Note 31.3
Deficit for the period	-	-	-	(14 815 205)	(14 815 205)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(14 815 205)	(14 815 205)	
Reconciliation						
Provisions				(4 342 178)		
Depreciation and amortisation				(5 827 676)		
Accruals				(4 835 929)		
Loss on disposal of assets				(54 738)		
Fixed and intangible assets				8 244 291		
Finance lease repayments				1 180 936		
Actual Amount in the Statement of Financial Performance	-	-	-	(20 450 499)		

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

1. Presentation of Annual Financial Statements

The following are the principal accounting policies of Public Protector South Africa, which are in all material respects, consistent with those applied in the previous year. Management has used assessment and estimates in preparing the annual financial statements.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the constitutional institution. The figures have been rounded off to the nearest one rand.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the constitutional institution will continue to operate as a going concern for at least the next 12 months.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the constitutional institution; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are expensed during the financial year in which they are incurred.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value, from the date available for use.

**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Estimated useful life
Furniture and fixtures	5-16 years
Motor vehicles	
• Owned vehicles	5 years
• Leased vehicles	Over the lease term
Office equipment	
• Owned office equipment	5-8years
• Leased office equipment	Over the lease term
Computer equipment	4-8 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each financial year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Changes in estimates are based on an assessment of continued operational functionality and use of the assets.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from derecognising an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from derecognising an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the constitutional institution or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the constitutional institution; and
- the cost or fair value of the asset can be measured reliably.

The constitutional institution assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	2-7 years
Intangible assets are derecognised:	
<ul style="list-style-type: none"> • on disposal; or • when no future economic benefits or service potential are expected from its use or disposal. 	

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.5 Related parties

Parties are considered to be related if one party has the ability to (a) control the other party, or (b) exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control. This includes:

- (a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Public Protector South Africa
- (b) Individuals owning, directly or indirectly, an interest in the Public Protector South Africa that gives them significant influence, and close members of the family of any such individual;
- (c) Key management personnel, and close members of the family of key management personnel; and
- (d) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) above or over which such a person is able to exercise significant influence.

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the reporting entity or the government of which it forms part. Where related party transactions occur, these are disclosed. Related party transactions are not disclosed if that transaction occurs within: normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

1.6 Financial instruments

INITIAL RECOGNITION

Financial assets and financial liabilities are recognised on the balance sheet when the Public Protector South Africa becomes a party to the contractual provisions of the instrument. All “regular way” purchases and sales of financial liabilities are recognised using trade date accounting.

MEASUREMENT

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

DERECOGNITION

the Public Protector South Africa retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass through” arrangement; or the Public Protector South Africa has transferred its rights to receive cash flows from the asset and has either (a) transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same customer on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the difference in the respective carrying amounts is recognised in the surplus or deficit for the year.

OFFSET OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when the Public Protector South Africa has a legally enforceable right to set off recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Public Protector South Africa’s principle financial assets are accounts receivables and cash and cash equivalents.

RECEIVABLES FROM EXCHANGE TRANSACTIONS

Accounts receivables are measured at amortised cost using the effective interest rate method reduced by appropriate allowances for impairment

PAYABLES FROM EXCHANGE TRANSACTIONS

Accounts and other payables are stated at their nominal value. Short-term payables with no interest rate are measured at the original invoice amount if the effect of discounting on individual transactions is immaterial. All payables are settled within 30 days. Where there is a delay in payment it is usually due to a dispute on the transaction. Under such circumstances the time delay is not regarded as being material. The obligation to pay goods and services that have been acquired in the ordinary course of business from suppliers are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and deposits held with banks, all of which are available for use by the Public Protector South Africa unless otherwise stated.

FINANCIAL LIABILITIES

The Public Protector South Africa's principle financial liabilities are accounts payable. All financial liabilities are measured at amortised cost, comprising original debt less principle payments and amortisations.

1.7 Prior period errors

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from failure to use or the misuse of reliable information that was available when the financial statements for that period were issued, and could have been reasonably expected to be taken into account in those financial statements.

All prior period errors are corrected retrospectively to the earliest period practicable. Comparative amounts for prior periods in which the error occurred are restated.

1.8 Key management personnel

The key management of the Public Protector South Africa includes the Public Protector, the Deputy Public Protector, the CEO and Executive Managers.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

FINANCE LEASES - LESSEE

Leases where substantially all the risks and rewards of ownership of the underlying asset are transferred to the Public Protector South Africa are classified as finance leases. Assets held under finance leases are initially recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Financial Performance. Contingent rentals are recognised as expenses in the periods in which they are incurred.

OPERATING LEASES - LESSEE

All leases that the Public Protector South Africa enters into as a lessee, and where the lessor retains substantially all the risks and rewards of ownership of the underlying asset, are classified as operating leases. Payments made under operating leases are charged against revenue on a straight-line basis over the term of the lease.



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

1.10 Impairment of non-cash-generating assets

At each balance sheet date, the Public Protector South Africa reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense, unless the relevant asset is carried at a re-valued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a re-valued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. Accruals and provisions have been raised 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 accruals and 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 office. The gratuity calculation is based on the basic salary and period in office. The provision raised in the Annual Financial Statements is the actual amount that is payable to the Public Protector on vacating the office.

POST-EMPLOYMENT BENEFITS: DEFINED CONTRIBUTION PLANS

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Employees of the Public Protector South Africa participate in a defined contribution plan retirement benefit fund. The defined contribution plans offered to employees are the Government Employees Pension Fund (GEPF) and Sanlam pension fund. Public Protector South Africa's obligation is determined by the amounts



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

to be contributed for each reporting period. When contributions are paid to the pension fund, the Public Protector South Africa has no further payment obligations. Expenses are recognised when employees render a service entitling them to contribution. Payments to the defined contribution plans are charged against income as and when they are incurred.

1.12 Provisions and contingencies

PROVISIONS

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that it will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

- The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

CONTINGENT LIABILITY

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

1.13 Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished and directly gives approximately equal value in the form of goods and services or use of assets or services to the entity in exchange.

INTEREST INCOME

Interest income is accrued on favourable balances with commercial banking institutions. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

1.14 Revenue from non-exchange transactions

Revenue from non-exchange transactions constitutes transfer payments from the Department of Justice and Constitutional Development.

The Public Protector South Africa recognises revenue from transfers in the period in which the transfer becomes binding. This is when the recognition criteria have been met.

Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition.

Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

Receivables are recognised when a binding transfer arrangement is in place but cash or other assets have not been received. The Public Protector South Africa analyses all stipulations contained in transfer agreements to determine if it incurs a liability when it accepts transferred resources.

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

1.15 Gain/losses on disposal of assets

Gains or losses on disposal are included in surplus or deficit for the year and are determined by comparing sales proceeds with the carrying amounts.

1.16 Finance costs

Finance costs comprises of interest expense on borrowings and finance lease liabilities. All borrowing costs are recognised in surplus or deficit using the effective interest method

Finance costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

In order to conform to changes, comparative figures have been adjusted where necessary. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the Public Protector South Africa may reasonably have available for reporting.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

1.19 Irregular expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of any applicable legislation, including the Public Finance Management Act. Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the constitutional institution has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 25: Employee benefits

The impact of the standard is not material.

GRAP 31 : Intangible Assets (Replaces GRAP 102)

It is unlikely that the amendment will have a material impact on the constitutional institution's annual financial statements.

2.2 Standards and interpretations issued, but not yet effective

The constitutional institution has not applied the following standards and interpretations, which have been published and are mandatory for the constitutional institution's accounting periods beginning on or after 01 April 2014 or later periods:

GRAP 18: Segment Reporting

The effective date of the standard is for years beginning on or after 01 April 2016.

It is unlikely that the standard will have a material impact on the constitutional institution's annual financial statements.

GRAP 20: Related parties

The effective date of the standard is for years beginning on or after 01 April 2014.

It is unlikely that the standard will have a material impact on the constitutional institution's annual financial statements.

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the constitutional institution's accounting periods beginning on or after 01 April 2014 or later periods but are not relevant to its operations:



PUBLIC PROTECTOR

PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

GRAP 105: Transfers of functions between entities under common control

The effective date of the standard is for years beginning on or after 01 April 2014.

GRAP 106: Transfers of functions between entities not under common control

The effective date of the standard is for years beginning on or after 01 April 2014.

GRAP 107: Mergers

The effective date of the standard is for years beginning on or after 01 April 2014.

GRAP108: Statutory Receivables

The effective date of the standard is not yet set by the Minister of Finance.

Figures in Rand	2014	2013
-----------------	------	------

3. Receivables from exchange transactions

Other receivables	160 605	569 355
Interest receivable	39 589	101 296
	200 194	670 651

4. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents included in the cash flow statement comprise of the following amounts in the statement of financial position.

Cash on hand	26 548	15 926
Bank balances	159 043	14 514 413
	185 591	14 530 339

A Partnership For Good Governance



PUBLIC PROTECTOR

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

5. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	8 417 332	(5 278 717)	3 138 615	7 463 816	(4 406 574)	3 057 242
Motor vehicles	5 789 488	(1 933 284)	3 856 204	3 320 448	(1 113 259)	2 207 189
Office equipment	7 451 137	(2 909 846)	4 541 291	4 871 278	(2 066 074)	2 805 204
Computer equipment	16 892 766	(8 432 935)	8 459 831	13 377 941	(5 470 245)	7 907 696
Total	38 550 723	(18 554 782)	19 995 941	29 033 483	(13 056 152)	15 977 331

Reconciliation of property, plant and equipment: March 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	3 057 242	954 030	(129)	(872 528)	3 138 615
Motor vehicles	2 207 189	2 673 633	(89 087)	(935 531)	3 856 204
Office equipment	2 805 204	2 739 713	(11 258)	(992 368)	4 541 291
Computer equipment	7 907 696	3 584 729	(47 468)	(2 985 126)	8 459 831
	15 977 331	9 952 105	(147 942)	(5 785 553)	19 995 941

Reconciliation of property, plant and equipment: March 2013

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2 258 334	1 497 434	(6 508)	(692 018)	3 057 242
Motor vehicles	1 424 505	1 608 626	(291 616)	(534 326)	2 207 189
Office equipment	1 101 324	2 097 806	(17 561)	(376 365)	2 805 204
Computer equipment	3 037 166	6 205 264	(46 665)	(1 288 069)	7 907 696
	7 821 329	11 409 130	(362 350)	(2 890 778)	15 977 331

Assets subject to finance lease (Net carrying amount)

Motor vehicles	3 414 138	1 713 747
Office equipment	934 070	1 147 916
	4 348 208	2 861 663

5. Property, plant and equipment (continued)

Change in accounting estimates

During the year ended 31 March 2014, the Public Protector South Africa reviewed the useful lives of its assets. As a result, the useful lives were adjusted upward by one year and in certain instances, they were adjusted downwards by one to three years. Estimates of residual values on applicable assets were also adjusted. The net effect of change in estimates is a reduction in the depreciation of R269 235.



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

6. Intangible assets

	2014		2013			
	Valuation accumulated impairment	Cost / Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 130 342	(107 263)	1 023 079	120 991	(65 137)	55 854
Reconciliation of intangible assets: March 2014						
			Opening balance	Additions	Amortisation	Total
Computer software			55 854	1 009 351	(42 126)	1 023 079
Reconciliation of intangible assets: March 2013						
			Opening balance	Amortisation		Total
Computer software			71 785	(15 931)		55 854

During the year ended 31 March 2014, the Public Protector South Africa reviewed the useful lives of its intangible assets. As a result, the useful lives were adjusted upward by two to seven years. The net effect of change in estimates is a reduction in the depreciation of R14 442.

Figures in Rand 2014 2013

7. Finance lease obligation

Minimum lease payments due

- within one year	1 758 226	1 236 650
- in second to fifth year inclusive	3 752 891	2 437 861
	5 511 117	3 674 511
less: future finance charges	(1 051 214)	(657 632)
Present value of minimum lease payments	4 459 903	3 016 879

Present value of minimum lease payments due

- within one year	1 298 459	920 871
- in second to fifth year inclusive	3 161 444	2 096 008
	4 459 903	3 016 879

Non-current liabilities	3 161 444	2 096 008
Current liabilities	1 298 459	920 871
	4 459 903	3 016 879

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Public Protector South Africa is leasing motor vehicles and photocopiers under finance leases.

The average lease term for photocopiers was three years and for motor vehicles was five years or 150 000 km. The average effective borrowing rate for photocopiers was 8.5 percent (2013: 8.5 percent) and for motor vehicle was 10.5 percent (2013:10.5 percent). The interest rates are fixed at the contract date. The Public Protector South Africa's obligations under finance leases are secured by the lessor's charge over the leased assets.

Figures in Rand	2014	2013
8. Payables from exchange transactions		
Trade payables	6 088 451	6 260 618
Deferred operating lease	432 870	769 386
Accrued Salaries back-pay and allowances	1 198 491	220 823
Accrued performance bonus	1 715 245	-
Accrued service bonus	3 628 008	2 608 197
Creditors accruals-suppliers	3 181 847	3 225 087
Accrued operating leases	10 028 618	8 353 493
	26 273 530	21 437 604

9. Provisions

Reconciliation of provisions: March 2014

	Opening balance	Additions	Utilised during the year	Total
Untaken leave	5 055 394	3 552 312	(444 085)	8 163 621
Performance bonuses	2 983 351	2 100 913	(1 829 089)	3 255 175
Provision - Levies	236 827	447 037	(376 334)	307 530
Gratuity	4 187 295	891 424	-	5 078 719
	12 462 867	6 991 686	(2 649 508)	16 805 045

Reconciliation of provisions: March 2013

	Opening balance	Additions	Utilised during the year	Total
Untaken leave	3 934 059	1 463 923	(342 588)	5 055 394
Performance bonuses	2 444 075	2 544 266	(2 004 990)	2 983 351
Provision - levies	191 784	354 334	(309 291)	236 827
Gratuity	3 353 286	834 009	-	4 187 295
	9 923 204	5 196 532	(2 656 869)	12 462 867
Non-current liabilities			5 078 719	4 187 295
Current liabilities			11 726 326	8 275 572
			16 805 045	12 462 867

**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

The Public Protector is entitled to a gratuity payable upon vacating office as stated in the Judges' Handbook. The Public Protector's term of office is a fixed term of seven years.

Untaken Leave provision relates to present obligation as a result of leave days accumulated during the current period, which were not utilised by the end of the financial year. In the event of termination of employment, employee's untaken leave days are payable to the extent that they are not forfeited. Untaken leave days are forfeited if they are not taken at the end of the leave cycle.

Employees of the Public Protector South Africa are assessed annually in terms of the performance management and development system. The moderation and review of the performance assessments takes place after the financial year end and the payment of incentives also takes place after the financial year-end. Employees are considered for performance incentives if their final moderated and reviewed assessment rating falls within the range of commendable, highly commendable and exceptional.

Public Protector South Africa contributes to compensation fund (levies) payable annually to the Department of Labour. The Department of Labour conducts an assessment annually based on number of employees and total salary costs for Public Protector South Africa and determines the amount payables. The assessment is normally completed and issued after the financial year end.

10. Government transfers

Transfers from Department of Justice and Constitutional Development	199 253 000	183 147 000
---	-------------	-------------

11. Finance income

Interest revenue		
Bank	587 627	845 011

12. Other income

Recoveries of bursaries	53 513	58 657
Recoveries of medical aid contributions	4 492	180 006
Parking and access cards	38 940	51 966
Pension-Sanlam	93 339	-
Other income	24 797	82 474
	215 081	373 103

13. Staff costs

Basic	99 241 592	80 981 540
Performance bonus	2 100 913	2 544 266
Medical aid company contributions	4 544 015	3 819 023
Cell phone allowance	2 110 110	870 613
Medical aid allowance	880 472	842 531
Defined contribution pension expense	10 909 910	8 873 377
Travel allowance	3 719 880	3 331 017
Service bonuses	7 284 680	5 812 922
Acting allowances	692 489	404 443
Housing benefits and allowances	3 330 481	3 047 558

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Gratuity	891 425	834 009
Pension allowances	2 432 646	2 317 957
Non pensionable allowance	7 348 910	5 692 634
Leave discounting	3 552 312	1 463 923
Other staff allowance	604 262	462 076
	149 644 097	121 297 889

Figures in Rand	2014	2013
-----------------	------	------

14. Depreciation and amortisation

Furniture and fittings	872 520	692 018
Motor vehicle - owned	51 376	61 170
Motor vehicles - leased	884 155	473 155
Office equipment - owned	735 001	290 498
Office equipment - leased	257 375	85 866
Computer equipment	2 985 123	1 288 070
Computer software	42 126	15 931
	5 827 676	2 906 708

15. Finance costs

Obligation under finance leases	520 436	272 129
---------------------------------	---------	---------

16. Other operating expenses

Rental office buildings	8 773 405	8 503 144
Copy charges photocopiers	111 388	158 162
Rental motor vehicles	3 095 153	2 308 768
Other operating costs	1 490 488	1 697 344
Printing and publications	1 174 204	1 298 070
Staff training and development	1 358 900	1 547 862
Stationery	1 856 318	1 485 158
Communication costs	215 938	532 990

**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	18 075 794	17 531 498
--	-------------------	-------------------

17. Losses on disposal of assets**Loss on disposal of assets**

Property, plant and equipment	54 738	118 856
-------------------------------	--------	---------

Figures in Rand	2014	2013
-----------------	------	------

18. Administrative expenses

Audit fees	3 243 717	2 106 402
Bank charges	106 140	84 818
Cleaning services	1 278 440	1 294 431
Outsourced cases investigations	2 218 664	-
Consulting and professional fees	3 839 688	3 148 162
Catering	1 554 032	2 072 810
Information technology	10 412 239	9 125 369
Marketing and promotions	2 251 883	1 699 029
Fuel, oil & toll fees leased and owned vehicles	1 651 822	896 604
Travel and subsistence domestic	10 439 600	7 818 945
Travel and subsistence foreign	1 517 242	1 680 247
Communication	2 503 179	2 572 921
General and administrative expenses	2 053 535	2 414 438
Municipal services	3 313 285	3 211 874
	46 383 466	38 126 050

19. Cash (used in) generated from operations

(Deficit) surplus	(20 450 499)	4 111 984
-------------------	--------------	-----------

Adjustments for:

Depreciation and amortisation	5 827 676	2 906 708
-------------------------------	-----------	-----------

(Gain)/losses on sale of property, plant and equipment	54 738	118 856
--	--------	---------

Increase/(decrease) in provisions relating to employee costs working	4 342 178	2 539 663
--	-----------	-----------

Changes in working capital:

(Increase)/decrease in other current assets	-	41 483
---	---	--------

ANNUAL Report 2013/14**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Receivables from exchange transactions	470 457	(303 068)
Increase/(decrease) in payables	4 835 929	7 131 442
	(4 919 521)	16 547 068

20. Auditors' remuneration

Fees	3 243 717	2 106 402
Figures in Rand	2014	2013

21. Operating lease

Operating lease obligation-Buildings		
- within one year	2 799 369	5 507 419
- in second to fifth year inclusive	544 668	2 784 040
	3 344 037	8 291 459

The Public Protector South Africa occupies office buildings leased under operating leases. Department of Public Works enters into the lease agreement on behalf of the Public Protector South Africa. The lease payments made by Department of Public Works are being recovered from Public Protector South Africa. The lease term ranges between one and 10 years. The escalation rate ranges between seven and ten percent. Four other office buildings are occupied by Public Protector South Africa at no cost as they are owned by Department of Public Works.

22. Revenue

Other income	215 081	373 103
Finance Income	587 627	845 011
Transfer from Department of Justice and Constitutional Development	199 253 000	183 147 000
	200 055 708	184 365 114

The amount included in revenue arising from exchanges of goods or services are as follows:

Other income	215 081	373 103
Finance Income	587 627	845 011
	802 708	1 218 114

The amount included in revenue arising from non-exchange transactions is as follows:**Transfer revenue**

Transfer from Department of Justice and Constitutional Development	199 253 000	183 147 000
--	-------------	-------------



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

23. Commitments

Already contracted but not provided for

• Contracted services	4 550 922	1 238 304
• Procurement of goods and services	417 468	13 709 760
	4 968 390	14 948 064

The Public Protector South Africa discloses commitments if it has raised an order for goods and service, but the goods and services have not yet been delivered.

24. Related parties

The Public Protector South Africa considered African Ombudsman and Mediators Association (AOMA) a related party due to the fact that the Public Protector South Africa, Advocate T.N Madonsela is an Executive Secretary of AOMA. Furthermore, she has been delegated with authority to sign off on all AOMA transactions.

There were no transactions that occurred during the financial year between AOMA and the Public Protector South Africa

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014
Notes to the Annual Financial Statements

25. Key management personnel

Executive	Basic Salary	Pension	Travel allowance	2014				Total
				Medical aid allowance	Non pension allowance	Other allowance	Bonus	
Public Protector	1 432 325	-	-	-	550 406	77 700	-	2 060 431
Deputy Public Protector	799 621	-	-	-	533 081	-	-	1 332 702
Chief Executive Officer	799 621	119 943	331 703	31 864	49 571	-	-	1 332 702
Chief Financial Officer	453 209	67 981	90 000	-	131 569	15 440	12 589	770 788
Executive Manager: Good Governance	613 343	92 001	206 697	57 600	1 770	23 160	51 112	1 045 683
Executive Manager: Service Delivery	574 651	86 198	91 973	32 675	58 468	23 160	48 157	915 282
Executive Manager: Early Resolution	560 920	84 138	60 000	-	15 193	189 936	46 743	956 930
Executive Manager: Communications	560 920	72 920	-	-	254 545	23 160	46 743	958 288
Acting: Chief Financial Officer	-	-	-	-	-	45 276	-	45 276
	5 794 610	523 181	780 373	122 139	1 594 603	397 832	205 344	9 418 082



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014
Notes to the Annual Financial Statements

25. Key management personnel (continued)

	Basic Salary	Pension	Travel allowance	2013				Total	
				Medical aid allowance	Non pension allowance	Other allowance	Bonus		Leave payout
Public Protector	1 364 119	-	-	-	524 196	77 700	-	-	1 966 015
Deputy Public Protector	235 196	-	-	-	156 797	-	-	-	391 993
Former Deputy Public Protector	504 811	-	-	17 504	276 969	-	84 135	14 600	898 019
Chief Executive Officer	757 217	113 583	315 507	31 864	43 858	-	-	-	1 262 029
Chief Financial Officer	516 792	67 183	82 500	-	126 259	21 230	46 981	-	860 945
Executive Manager: Good Governance	584 529	87 418	190 368	57 600	6 271	23 160	79 273	-	1 028 619
Executive Manager: Service Delivery	550 733	82 610	91 973	49 424	46 296	71 499	76 034	-	968 569
Executive Manager: Early Resolution	263 435	39 515	30 000	-	915	94 968	60 824	-	489 657
Executive Manager: Communications	523 328	68 033	-	-	237 242	23 160	67 517	-	919 280
Acting Executive Manager: Intake, assessment and customer service	-	-	-	-	-	31 491	-	-	31 491
	5 300 160	458 342	710 348	156 392	1 418 803	343 208	414 764	14 600	8 816 617

ANNUAL Report 2013/14**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements**26. Prior period errors**

Comparative amounts for the cash flows from investing activities have been restated by adjusting for non-cash transactions relating to acquisition of finance leases to the value of R 2 498 249, and the balance of finance lease obligation resulting from the disposal of leased assets for the amount of R 140 494. However, these adjustments on the cash flow statement did not affect the accumulated surplus as no journals were required.

In the previous financial year an amount of R957 695 was disclosed as discounting of creditors. It has been discovered in the current year that discounting of creditors is not applicable to the Public Protector South Africa, hence this amount has now been reversed. The journal entry was only a reallocation from operating expenses (Cr) and finance cost (Dr). The reversing entry did not affect the accumulated deficit.

During the term of the operating lease agreement, the Public Protector South Africa amended the number of parking bays required in the lease and this resulted in a change in the monthly instalments. This amendment was previously not effected in the calculation of accrual and the deferred liability. The accrual and the deferred liability have now being adjusted in the respective financial years.

Item of Office Equipment with a net book value of R8 027 has been reported as stolen in the 2012/2013 financial year, but was not removed from the asset register.

Expenditure relating to travel and municipal services was not recognised in the correct period. The accrual for the amount of R105 034 (2012/2013) and R47 609 (2011/2012) has now been recorded as an accrual in the relevant financial year.

A payment of R3 485 was received in 2012/2013 for a debt relating to medical aid contributions and it was not cleared in the correct period.

2012/2013 additions on owned motor vehicle did not include residual values in the calculation of depreciation. A residual amount has been estimated at R61 633 and included in the calculation of depreciation. As a result depreciation for 2012/2013 has been reduced by R19 779.

An item of computer equipment was disposed with a book value of R695, but it was not removed from the asset register.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Increase in accruals-2011/12	(47 609)
Decrease in deferred operating lease-2011/12	78 152
Decrease in operating lease accruals-2011/12	200 591
Increase in deferred operating lease	(24 504)
Decrease in operating lease accruals	68 516
Decrease in computer equipment: cost	(6 508)
Decrease in accumulated depreciation: computer equipment	5 813
Decrease in office equipment: cost	(15675)
Decrease in accumulated depreciation: office equipment	7 648
Increase in accruals	105034)
Decrease in debtors	(3 485)
Decrease in accumulated depreciation: own motor vehicle	19 779

**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

A Partnership For Good Governance

Statement of Financial Performance

Depreciation expense	(15)
Travel and accommodation	15 186
Rental: building & other fix structures	(44 012)
Loss on sale of assets	8 737
Municipal services	89 848
Decrease in sundry income	3 485
Depreciation: owned motor vehicle	(19 779)

27. Risk management**Introduction and overview**

This note represents information about the exposure to financial risks, the objectives, policies and processes for measuring and managing financial risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements.

Liquidity risk

The Public Protector South Africa is exposed to liquidity risk as it is dependent on the transfers and grants received from the Department of Justice. Timely receipts of transfers and grant amounts are necessary for the Public Protector South Africa to be able to make payments as and when required in terms of its financial liabilities.

Included in the payables is the amount of R10 028 618 (2013/14) and R8 353 493 (2012/13) relating to operating leases, which is due to the Department of Public Works. The amount has been accumulating since 2008 due to the Department of Public Works not invoicing the Public Protector South Africa.

The table below analyses the Public Protector South Africa's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows

Contractual undiscounted liabilities	Payable in less than 3 months	Payable in 3-12 months	Payable after 1 year	Total
At 31 March 2014				
Payables from exchange transactions	16 244 912	-	-	16 244 912
Operating leases	10 028 618	-	-	10 028 618
Finance lease liabilities	324 615	973 844	3 161 444	4 459 903
	26 598 145	973 844	3 161 444	30 733 433

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Contractual undiscounted liabilities	Payable in less than 3 months	Payable in 3-12 months	Payable after 1 year	Total
At 31 March 2013				
Payables from exchange transactions	13 084 110	-	-	13 084 110
Operating leases	8 353 493	-	-	8 353 493
Finance lease liabilities	230 218	690 653	2 096 008	3 016 879
	21 667 821	690 653	2 096 008	24 454 482

Credit risk

Credit risk represents the potential loss to the Public Protector South Africa as a result of unexpected defaults or unexpected deterioration in the creditworthiness of counterparties. The Public Protector's credit risk is primarily attributable to its receivables. However, this risk is minimal as the Public Protector's receivables (excluding amounts held with banks) are limited to advance to employees and interest receivable. There are no past due and impaired receivables.

The carrying amount included in the Statement of Financial Position represents the Public Protector's maximum exposure to credit risk in relation to this asset. The Public Protector South Africa does not consider there to be any significant concentration of credit risk.

With regard to credit risk arising from the other financial assets, which comprise cash and cash equivalents, the Public Protector's exposure arises from a potential default of the counterparty where credit rating is constantly monitored, with a maximum exposure to the carrying amount of these instruments. Cash and cash equivalents are only placed with banking institutions with an AA credit rating.

Market risk

Interest rate risk

Cash flow interest rate risk

The Public Protector South Africa is exposed to cash flow interest rate risk arising from cash on hand at commercial banks, which earns interest at floating rates based on daily bank deposit rates. The Public Protector South Africa is also exposed to fair value interest rate risk arising from fixed interest rates in the finance lease contracts entered into for the acquisition of motor vehicles and photocopiers. The Public Protector South Africa's ability to mitigate this risk is limited by the fact that these finance lease contracts are transversal contracts managed by the National Treasury, and prohibitions contained in the Public Finance Management Act 1 of 1999.

The Public Protector's exposure to market risk (in the form of interest rates risk) arises as a result of the following:

- Possible interest on late payment by the Public Protector South Africa.
- Interest income linked to rates prescribed by the National Treasury
- Interest on accounts held at banking institutions.

The Public Protector South Africa is mainly exposed to interest rate fluctuations. The Public Protector South Africa's financial assets and financial liabilities are managed in such a way that the fluctuations in variable rates do not have material impact on the surplus/(deficit) as the Public Protector South Africa settles its outstanding obligation within 30 days and interest on outstanding debts is charged monthly using the applicable interest rates

**PUBLIC PROTECTOR SOUTH AFRICA**

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements**Foreign exchange risk**

The Public Protector South Africa is exposed to limited foreign exchange risk as the Public Protector South Africa does not have international operations, and the majority of its transactions are performed locally. The Public Protector South Africa has therefore not implemented any specific risk management strategies related to the mitigation of this risk.

Fair Values

The Public Protector South Africa's financial instruments consist mainly of cash and cash equivalents, trade and other receivables and trade and other payables.

No financial asset was carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets and financial liabilities

Receivables from exchange transactions

The carrying amount of trade receivables approximates fair value due to the relatively short-term maturity of this financial asset

Payables from exchange transaction

The carrying amount of trade payables approximates fair value.

	Financial Assets	Financial liabilities	Total carrying amount
31 March 2014			
Receivables from exchange transactions	200 194	-	200 194
Cash and cash equivalents	185 591	-	185 591
Trade and other payables	-	16 244 912	16 244 912
Operating leases	-	10 028 618	10 028 618
	385 785	26 273 530	26 659 315
31 March 2013			
Total carrying amount			
Receivables from exchange transactions	670 651	-	670 651
Cash and cash equivalents	14 530 339	-	14 530 339
Trade and other payables	-	13 084 110	13 084 110
Operating leases	-	8 353 493	8 353 493
	15 200 990	21 437 603	36 638 593

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

28. Going concern

The Public Protector South Africa has an accumulated loss of R26 133 673 (31 March 2013: R5 683 174) due to a deficit of R20 450 499 for the period ending 31 March 2014. Although the Public Protector South Africa's current liabilities exceeds its Current assets by R38 912 530, this financial statements have been prepared on a going concern basis as the institution is a constitutional entity and will continue in operational existence for the foreseeable future. Funds have been allocated by the National Treasury for the medium term period. Public Protector South Africa has engaged National Treasury with the aim of requesting additional funding through the adjustment budget process in order to reduce the accumulated deficit during the 2014/15 financial year. Funding from National Treasury through the adjustment budget should meet the criteria of unforeseen and unavoidable expenditure and in the Public Protector South Africa's view the requested funding meets the criteria.

29. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure: opening balance	13 686 306	-
Less: fruitless and wasteful expenditure written off.	(13 686 306)	-
Add prior 2010/11 expenditure on case management system discovered in 2012/13	-	11 452 738
Add: 2011/12 expenditure discovered in 2012/13	-	2 233 568
	-	13 686 306

Public Protector South Africa consulted with the Office of the State Attorney for a legal opinion and representation in the disciplinary hearing relating to the fruitless and wasteful expenditure. Notice of disciplinary hearing and charge sheet were formulated and submitted to the Public Protector for approval, however the official concerned resigned before the approval was granted to proceed with the disciplinary hearing. Public Protector South Africa will therefore not continue to pursue the matter as it is deemed uneconomical. The State Attorney advised that they no longer have jurisdiction since the official has resigned.

30. Irregular expenditure

Opening balance	7 865 928	2 970 194
Add: Irregular expenditure - current year (tax clearance certificates)	34 196	4 895 734
Add: Irregular expenditure - current year (consulting services)	212 800	-
Add: Irregular expenditure - current year (external investigative panel)	4 242 016	-
Less: Amounts condoned	(7 811 228)	-
Less: Amounts not recoverable (not condoned)	(54 700)	-
	4 489 012	7 865 928



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

Tax clearance certificates for the price quotations and competitive bids.

In terms of National Treasury Practice Note 8, we are required to be in possession of an original valid tax clearance certificate for all price quotations and competitive bids greater than R30 000 (VAT inclusive).

Public Protector South Africa relied upon photocopies of the tax clearance certificates for these purchases, and this has been disclosed in 2012/2013 and transactions that occurred in the current financial year are also being disclosed. An application for condonation was approved by National Treasury for 2012/2013 transactions. The approval excludes the award for catering services on the basis of falsified tax clearance certificates. The service provider concerned has been deregistered from the Public Protector South Africa supplier data base subsequent to the notice from treasury. The amount of R54 700 has been written off as it could not be recovered.

Public Protector South Africa (Public Protector South Africa) acquired services of a financial consultant under the company Crisco Skill Development cc, to assist in the preparation of the annual financial statements after the resignation of the Chief Financial Officer in March 2013. The services were quoted at a rate per hour. The total cost based on hours worked exceeded R30 000 and Crisco Skill Development cc did not have a valid tax clearance certificate at the time of appointment due to outstanding tax obligations.

Public Protector South Africa is required to reject any bid from a supplier who fails to provide written proof from the South African Revenue Service that that supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations. Public Protector South Africa do not have a written proof indicating that the supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations. Public Protector South Africa has now been invoiced for the amount of R212 800. National Treasury will be informed of the non-compliance by Crisco Skill Development cc.

ANNUAL Report 2013/14



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014
Notes to the Annual Financial Statements

External investigative panel

The Public Protector South Africa outsourced some of the outstanding and complex cases for investigation in order to reduce the case backlog. The amount committed per case was a negotiable amount of R70 000 (inclusive of all costs), however some of the cases eventually exceeded the capped amount. In terms of the National Treasury practice note no. 8 of 2007/2008, we are required to invite and accept written price quotations for requirements up to an estimated value of R500 000. Paragraph 3.3.3 of the same practice note also states that if it is not possible to obtain at least three written price quotations, the reasons should be recorded and approved by the accounting officer.

Practice note 8, Paragraph 3.4 states that the accounting officer should invite competitive bids for all procurement above R500 000. The reason for deviating from inviting competitive bids should be recorded and approved by the accounting officer. We are also required in terms of this practice note to advertise competitive bids in the Government Tender Bulletin. Public Protector South Africa did not comply with the requirement of practice note 8 as stated above as a result no bid documentation is available.

Analysis of expenditure awaiting condonation per age classification

	2014	2013
Current year	4 489 012	4 895 734
Prior years	-	2 970 194
	4 489 012	7 865 928

Details of irregular expenditure condoned

Incident	Condoned by	Amount
Non-compliance with requirements of TR.16A9,1(d) and National treasury practice note No. 8 of 2007/08	National Treasury	7 811 228
		7 811 228

Details of irregular expenditure not recoverable (not condoned)

Incident	Amount
Non-compliance with requirements of TR.16A9,1	54 700

(d) and National treasury practice note No.8 of 2007/08, not condoned on the basis of falsified tax clearance certificate 2012/13



PUBLIC PROTECTOR SOUTH AFRICA

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

31. Explanation of material differences between the budget and actual amounts

The Public Protector South Africa presents its approved budget on a cash basis and financial statements on the accrual basis. The Budget is approved on a cash basis by economic classification. The approved budget covers the financial period 1 April 2013 to 31 March 2014. Changes between the approved and final budget are due to additional funding received from National Treasury through the adjustment budget process and any shifting of funds between the economic classifications. The final budget as indicated in the Statement of Comparison of Budget and Actual Amounts is therefore the approved budget.

31.1 Compensation of Employees

Personnel costs have been increasing at an average of 20 percent over the past three years with 25 percent (R24.5 million) and 23 percent (R28.353 million) increase in 2012/2013 and 2013/2014 financial years respectively. This is attributed to annual salary increases and the funding of new positions from the baseline budget, which resulted in an overspending in the relevant years. The number of permanent employees increased by nine percent from 284 (2012/2013) to 309 (2013/2014), and five percent average increase over the last three years. This excludes 98 trainee investigators with the annual cost of R6 million in 2013/2014. Leave pay has increased by 100 percent (R730 474) and 143 percent (R2.1 million) in 2012/2013 and 2013/2014 respectively, while cell phone allowances increased by 142 percent.

31.2 Goods and Services

Expenditure on goods and services exceeded the budget by 27 percent (R13 861 260). This is due to, among others, an increase of R5 million from last financial year for renewal of a three-year Microsoft premier support and licenses. Travel costs have also increased by 26 percent (R2.5million) from 2012/2013 as a result of teambuilding exercise, outreach and stakeholder events. In the current financial year an amount of R2.2 million was paid for outsourced investigations, hence a 100 percent increase compared to the previous year. Due to a high number of leased vehicles acquired in the current year, usage of vehicles for outreach and investigations have increased, hence an increase of 84 percent in expenditure on fuel and toll fees. Security services in certain offices have increased and resulted in an increase of 80 percent compared with the 2013 financial year.

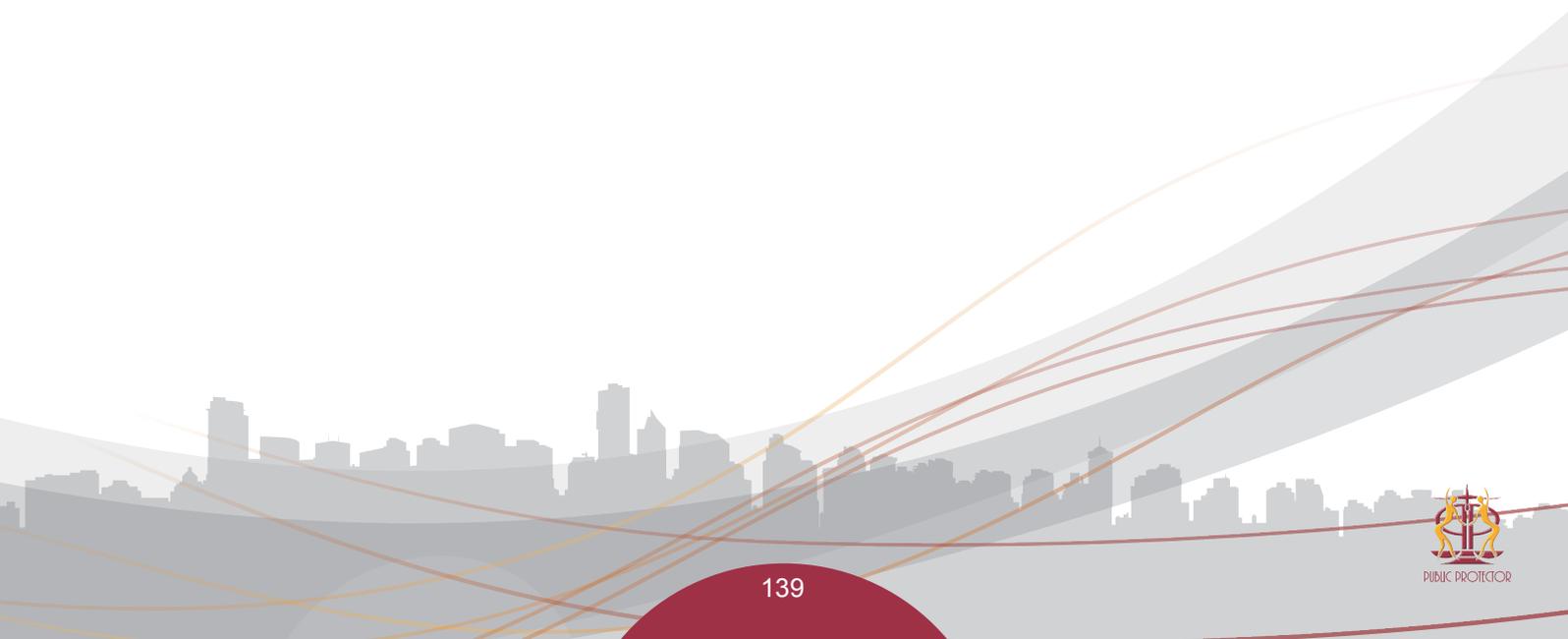
31.3 Capital Expenditure

Capital expenditure for current financial year is R8 244 291. The budget is exceeded by 74% (R3 502 291). This is attributed to the upgrade of telephone management system and IT infrastructure, installation of security equipment, call centre equipment, new printers and software and development costs for the Integrated Financial Management System.

32. Contingencies

On the 31 March 2008, the Public Protector South Africa (Public Protector South Africa) entered into a license and maintenance agreement with Systems Applications Products South Africa (PTY) LTD (SAP South Africa). Under this agreement Public Protector South Africa licensed certain SAP software and acquired software maintenance services. In terms of the signed agreement SAP premium support services have a minimum initial term of two years from initial activation and thereafter automatic renewals of one calendar year each, unless the licensee terminates the agreement by sending a written notice to SAP South Africa, received at least 30 days prior to the end of the applicable calendar year. Public Protector South Africa terminated the agreement in writing in the 2011 calendar year. SAP South Africa is claiming the amount due in terms of the agreement for the invoices relating to 2011 and 2012 calendar year. An estimate of the contingent liability is R 2 520 427. According to the State Attorney's assessment this will unlikely result in an outflow of cash.

ANNUAL Report 2013/14





PUBLIC PROTECTOR

ACCOUNTABILITY | INTEGRITY | RESPONSIVENESS

A Partnership For Good Governance



PUBLIC PROTECTOR



175 Lunnon Street, Hillcrest Office Park, Pretoria
Private Bag X677, Pretoria 0001
Tel: (012) 366-7000 | Fax: (012) 362-3473 | Toll free: 0800 11 20 40
Email: registration2@pprotect.org | www.publicprotector.org



PUBLIC PROTECTOR

