



the cpsi

Government Component:
Centre for Public Service Innovation
REPUBLIC OF SOUTH AFRICA



**CENTRE FOR PUBLIC
SERVICE INNOVATION**

2015/2016 FINANCIAL YEAR

ANNUAL REPORT





CONTENTS

PART A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION.....	6
2. LIST OF ABBREVIATIONS/ACRONYMS	7
3. FOREWORD BY THE MINISTER.....	8
4. DEPUTY MINISTER'S STATEMENT.....	10
5. REPORT OF THE ACCOUNTING OFFICER.....	12
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	16
7. STRATEGIC OVERVIEW	17
7.1. Vision.....	17
7.2. Mission.....	17
7.3. Values.....	17
8. LEGISLATIVE AND OTHER MANDATES.....	17
9. ORGANISATIONAL STRUCTURE	18
10. ENTITIES REPORTING TO THE MINISTER.....	19

PART B:

GENERAL INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	21
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE.....	21
2.1 Service Delivery Environment	21
2.2 Service Delivery Improvement Plan.....	21
2.3 Organisational environment.....	22
2.4 Key policy developments and legislative changes.....	22
3. STRATEGIC OUTCOME ORIENTED GOALS	22
4. PERFORMANCE INFORMATION BY PROGRAMME	23
4.1 Programme 1: Administration.....	23
4.2 Programme 2: Public Sector Innovation.....	28
5. TRANSFER PAYMENTS	38
6. CONDITIONAL GRANTS	38
7. DONOR FUNDS.....	39
7.1 Donor Funds Received	39
8. CAPITAL INVESTMENT.....	39



PART C:

GOVERNANCE

1. RISK MANAGEMENT	41
2. FRAUD AND CORRUPTION	41
3. MINIMISING CONFLICT OF INTEREST	41
4. CODE OF CONDUCT	41
5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	41
6. PORTFOLIO COMMITTEES	42
7. SCOPA RESOLUTIONS	42
8. PRIOR MODIFICATIONS TO AUDIT REPORTS	42
9. INTERNAL CONTROL UNIT	42
10. INTERNAL AUDIT AND AUDIT COMMITTEES	43
11. DRAFT AUDIT AND RISK COMMITTEE REPORT	44

PART D:

HUMAN RESOURCE MANAGEMENT


1. INTRODUCTION	46
2. OVERVIEW OF HUMAN RESOURCES	46
3. HUMAN RESOURCES OVERSIGHT STATISTICS	47

PART E:

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL	63
2. ANNUAL FINANCIAL STATEMENTS	65





PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION

PHYSICAL ADDRESS: Corporate 66 Office Park
Corner Von Willigh and Lenchen Avenue
Centurion
Pretoria
South Africa

POSTAL ADDRESS: Postnet Highveld Suite 404
Private Bag X111
Centurion
0001

TELEPHONE NUMBER/S: +27 12 683 2800 / +27 860000 CPSI (2774)

FAX NUMBER: +27 12 643 0943

EMAIL ADDRESS: info@cpsi.co.za

WEBSITE ADDRESS: www.cpsi.co.za

TWITTER: CPSI_SA

SKYPE: CPSINNOV8

FACEBOOK: Centre For Public Service Innovation

GPS COORDINATES: 25°51'11.19"S

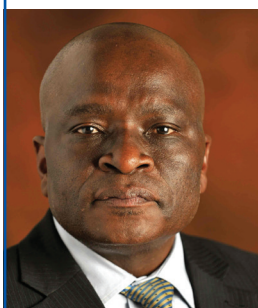
28°11'44.52"E

2. LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
APRM	African Peer Review Mechanism
CAPAM	Common Wealth Association of Public Administration and Management
CD	Chief Director
CFO	Chief Financial Officer
CPSI	Centre for Public Service Innovation
D	Director
DPSA	Department of Public Service and Administration
ED	Executive Director
ICT	Information and Communication Technology
MMIC	Multi-media Innovation Centre
MPSA	Minister for Public Service and Administration
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NESTA	National Endowment for Science, Technology and the Arts
NQF	National Qualification Framework
OECD	Organisation for Economic Co-operation and Development
OGP	Open Government Partnership
PERSAL	Public Service Salary Payment System
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
RMP	Resource Management Plan
SADC	Southern African Development Community
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Service
TR	Treasury Regulations
UN	United Nations
UNDP	United Nations Development Programme
UNPAN	United Nations Public Administration Network

3. FOREWORD BY THE MINISTER

ADV. N. RAMATLHODI
(DR), MP
MINISTER FOR PUBLIC SERVICE
AND ADMINISTRATION



This Annual Report provides a comprehensive account of the work of the Centre for Public Service Innovation (CPSI) for the financial year 2015/16 as outlined in the organisation's 2015/16 Annual Performance Plan (APP). The Annual Performance Plan cascades from the 2015/19 Strategic Plan which derives from the organisation's mandate to entrench the culture and practice of innovation in the public sector. It serves as a blueprint with all the activities and programmes which are key deliverables or targets for the organisation for the next three years.

Reinventing government continues to be the focus of the public service and administration portfolio. The year under review, marked a milestone where the CPSI for the first time received a transfer payment and was thus not reliant on the Department of Public Service and Administration (DPSA) for Corporate Services. This strategic configuration gives the CPSI an added responsibility of being separately accountable for and compliant to public service regulations such as the Public

Finance Management Act (PFMA) and the Public Service Act. This will definitely auger well for enhanced good governance.

On the performance front, this latest configuration will afford the CPSI a conducive space as an independent government entity, to focus specifically on its strategic mandate of entrenching innovation and creative thinking in the public service in pursuit of new and better solutions to improve the delivery of services to citizens.

Vision 2030, as encapsulated in the National Development Plan (NDP) reflects on the kind of public institutions we envisage being: "institutions... that we creatively redesigned to meet our needs..." When the NDP thus calls for a capable state, it expects us, as a portfolio, as parliament, and as citizens, to jointly and creatively rethink, redesign and reinvent our public service. The NDP further states that "both national and international institutions need to be overhauled", because "in most countries, the public sector is linked into out-dated national models that do not allow it to deal with global challenges"

In achieving our collective mandate, the NDP provides guidance by unpacking a number of key drivers for change and what would constitute an enabling environment. Innovation, it says, should start to become pervasive across state, business and social sectors. Innovation should focus on improved public services and on goods and services aimed at low-income sectors."

As we reflect on the year under review, we do so fully acknowledging the remarkable gains that the CPSI continues to make in bringing about change in the public service through innovation. Public servants at the coal face are challenging out-dated

ways of doing things that are no longer meeting the needs of our connected, sophisticated and informed citizens. They are pushing boundaries to move beyond ordinariness to find new, extraordinary ways of delivering services.

As evidence, we can proudly single out the continued growth in the number of entries that the CPSI receives from public officials for the annual Public Sector Innovation Awards. The CPSI Awards have unearthed many innovative projects of such high-quality including The Workplace Delivery of Medication project from the Port Shepstone Provincial Hospital in KwaZulu-Natal, the overall CPSI Innovation Awards winner for 2015; The Diesel Jojo Tanks project from Limpopo, winner of the 2014 Awards, the Animal Health Project from Gauteng, winner of the 2013 Awards and many others. These projects continue to revolutionise and disrupt service delivery as it has been conventionally practiced. What is more, they are literally saving their departments millions of Rands whilst improving service standards.

What is even more heartening, through the CPSI, a number of innovative projects that have been unearthed from the coal face where public servants are actively re-inventing government are being replicated, thus ensuring that they do not fall by the way side.

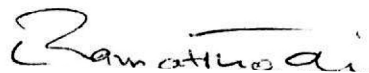
The spark of innovation that the CPSI has ignited is certainly spreading throughout the public service and the citizens stand to reap the benefits. As a government entity, the working partnerships that the CPSI continues to establish with other public sector institutions, as well as business and civil society in order to realise a shared responsibility are certainly paying off. This is

evidenced by the emergence of remarkable innovations such as the Home Affairs portal from the Department of Home Affairs for online application of vital documents.

Reinventing government may be a long, complicated and contentious process, but it is the only process that will enable the public service to achieve Vision 2030 of the NDP, to grow our country's economy, reduce unemployment, combat corruption and accelerate service delivery. Innovation and creative thinking will always play a seminal role as the key guiding principles for future growth and success of government's efforts to improve services to citizens. Innovation is beyond any doubt, an indispensable ingredient that will ensure that our government remains relevant and responsive in its efforts to deliver services successfully.

As Minister for Public Service and Administration, I would like to sincerely thank the CPSI for their outstanding contribution in putting the country on a growth and development trajectory through innovation.

In addition, I would like to thank and congratulate the Executive Director of the Centre for Public Service and Administration, Ms Thuli Radebe, for her visionary leadership. Through her guidance and commitment, she ensured that the CPSI manages to find its feet while at the same time continuing as a reliable driver of innovation in public service delivery during the year under review.



Adv. N. Ramatlhodi (Dr), MP
Minister for Public Service and
Administration

4. DEPUTY MINISTER STATEMENT

MS. AYANDA DLODLO
DEPUTY MINISTER FOR PUBLIC
SERVICE AND ADMINISTRATION



A critical question in today's world is how to stimulate growth in a manner that is global, sustainable and equitable.

As part of the global community, South Africa engages in various national and international programmes as testimony to our government's commitment to engage like-minded parties to find solutions to our common problems.

Across the globe innovation is increasingly regarded as a key that unlocks value to most governments, as this innovation grows from a mindset that is engrossed in finding tangible solutions to the real challenges that exist in our systems.

In this regard, our government has ensured a consistency in participating in programmes and platforms that create space for engagement and reflection aimed at finding collective solutions to the continued global challenges of poverty, inequality and unemployment.

As Lead Chair on the Open Government Partnership (OGP) Steering Committee, our responsibility is to steer the partnership

to harness new technologies that offer opportunities for information sharing, public participation and collaboration.

The launch of South Africa's Open Data Portal in October 2015 signifies our commitment to enhance innovation as the portal provides an easily accessible mechanism for government published data, dealing directly with the value of access to information. Ensuring ease of access to government information, the portal provides citizens and civil servants with data that can be used to solve big social and economic challenges in their local context.

The 2030 Agenda for Sustainable Development Goals as adopted by the United Nations General Assembly sets comprehensive, far-reaching and a people-centred set of universal and transformative goals and targets which require enhanced innovation models to achieve.

Between now and 2030, South Africa as a Member State of the United Nations has resolved to create conditions for sustainable, inclusive and sustained economic growth, shared prosperity and decent work for all. Through the Sustainable Development Goals which build on the Millennium Development Goals, we embark on a collective journey for prosperity, pledging that no one will be left behind.

Together with other Member States of the African Union, South Africa has acceded to a number of crucial programmes including the African Peer Review Mechanism (APRM). These are programmes that are aimed at ensuring that we lead a government that is transparent, people-centred and responsive to the needs of the millions of our people who bore the brunt of being marginalised for centuries.

South Africa has also ratified the African Charter on the values and Principles of Public Service and Administration. Besides promoting the principles and values of the public service, the Charter ensures quality and innovative service delivery that meets the requirements of all stakeholders.

The Charter encourages citizens and users of public services to actively and effectively participate in public administration processes and promotes moral values inherent in the activities of Public Service Agents with a view to ensuring transparent service delivery.

The overall vision of the Charter directly corresponds with South Africa's Vision 2030 which is encapsulated in our National Development Plan (NDP), which is to build South Africa into a developmental State. Similarly, the Sustainable Development Goals, are a mirror image of our own government's priorities and targets as expressed in our collective vision of the future contained in the NDP.

The CPSI continues to play a critical role to help the public sector to appreciate the value of innovation as a key enabler of improved service delivery.

Through the efforts of the CPSI, we have witnessed the unearthing and replication of several innovative Information Communication Technology (ICT) based information management projects which have enormously improved government-to-government and government-to-citizen information flow. Such work clearly demonstrates government's resolve to implement various ICT solutions that will ensure a sustained transition to transparency in terms of government information, accountability and clean governance in line with open government.

However, a greater challenge lies ahead as we continue to explore more creative and innovative solutions to effectively improve our performance in meeting Vision 2030, our continental imperatives as well as the SDGs.

Innovation is about growth, development and sustainability, it is essential to Africa's future economic prosperity and quality of life. It is about fostering entrepreneurship to raise productivity, fostering competitiveness, meeting the challenges of globalisation in order to thrive as a nation within our environmental, geographic and demographic limits.

We will continue to look to the CPSI for unearthing replicable innovative projects and solutions that will move our country to a progressive developmental trajectory.



Ms. Ayanda Dlodlo (MP)
Deputy Minister for Public Service and Administration

5. REPORT OF THE ACCOUNTING OFFICER

MS THULI RADEBE
EXECUTIVE DIRECTOR: CPSI



OVERVIEW OF THE OPERATIONS OF THE ORGANISATION

On the 1st of April 2015, the Centre for Public Service Innovation (CPSI) reached an important milestone since its formation more than a decade ago. The CPSI began the 2015/16 financial year as a fully-fledged independently accountable government component with its own unique policies and internal business processes and systems. From this date, the CPSI, for the first time received a transfer payment, thus starting a journey of operating on equal footing with other portfolio organisations within the Ministry of Public Service and Administration (MPSA).


Looking back at our maiden year as an independent government component, as we do in this Annual Report, one is overwhelmed with pride and awe at our accomplishments. We literally hit the ground running, having to meet our targets as spelled out in our Annual

Performance Plan while at the same time implementing our policies and systems to ensure compliance and good governance.

Finding the balancing act between dealing with teething problems of a new corporate services programme and simultaneously delivering on our annual programmes and activities which are central to our existence as a government component, was not easy. We literally had to pull ourselves up by our own bootstraps. However, through the determination and relentless resilience of the dedicated staff, we weathered the storm.

We began our work for the 2015/16 financial year, as articulated in our Annual Performance Plan and guided by our new 2015/2019 Strategic Plan. This multi-year plan contains a series of important programmes and initiatives that contribute towards the fulfilment of our strategic mandate, namely to entrench the culture and practice of innovation in the public sector. It is this mandate that, on a national scale, entrusts the CPSI with an influential role of collaborating in building an efficient, effective and development-oriented public service, capable of delivering Vision 2030 of the National Development Plan (NDP).

Vision 2030 requires collaboration and synergy across the three spheres of government to achieve seamless service delivery to improve the lives of our citizens. In line with our mandate, the CPSI recognises the centrality of innovation for improved service delivery. This explains our deep commitment towards a sustained innovation-friendly environment that allows public officials to freely unleash their talent, ingenuity and creativity to find viable solutions to persistent service delivery challenges. What has been most assuring to us is to see how many government institutions across the three spheres are taking the baton and speeding



off to innovate independent of the CPSI, such as the Departments of Correctional Services, Health, Home Affairs and Transport; and several departments in the nine provinces as well as local government such as the cities of Tshwane and Johannesburg. That is what we aspire to – departments taking heed of our call and becoming solution focussed. That makes our hard work worth our while!

Our platforms and products put in place for the entrenchment of the culture and practice of innovation have matured to the point of sustaining our efforts. Bringing over 350 public officials together every year to explore ways to embrace innovation in addressing persistent service delivery challenges is paying off. The involvement of private sector, academic and civil society partners during the Annual Public Sector Innovation Conference facilitates cross-sector collaborations that are essential for sustainable innovation initiatives.

“Ideas that Work: The South African Public Sector Innovation Journal” has really come of age with more and more accolades being received for its relevance and usefulness in terms of its content, not only in South Africa but also internationally by organisations such as CAPAM, the UN and the UNDP.

We have raised a concern over the years about how in South Africa we do not replicate or scale up all the home grown innovations that are unearthed through the Public Sector Innovation Awards Programme. As a response, we committed in our strategic plan to facilitate the replication of at least two of these innovations every year. We are indeed excited to see how the past two years’ replication initiatives are making a significant impact on service delivery.

It is very humbling to see how the awards programme has come to be appreciated for what it really is, that is, not just a ceremony

at the end of each year but a year-long rigorous programme of bringing to our attention all those valuable initiatives and tested solutions that have a positive impact on the experience of the citizens at their interface with government. Importantly these solutions become valuable additions to the growing repositories that are used in public administration innovation management capacity building programmes. It is most assuring to see how the rewarding and awarding of drivers and originators of these innovative solutions is really deepening and strengthening the inculcation of the culture of innovation.

It is a pleasure to observe today how the CPSI has reached a point where replication and scaling-up of innovative solutions have taken root, to the extent that some donors have come forward with the intention to support the replication programme and other initiatives. This has highly strengthened our partnerships with partners such as the United Development Programme (UNDP) coming on board to collaborate on and support various programmes that entrench local innovation and regional integration through the sharing of innovative practices.

Our renewed focus on replicating and scaling-up the many innovations unearthed yearly, does not detract us from the responsibility to better understand the root causes of existing challenges and to respond with identifying – or developing – innovative responses. The development, testing and piloting of some of these solutions spans across more than one financial year but the results, such as those achieved in the year under review, motivates us to stay the course, despite significant obstacles along the way.

It is quite fulfilling to note how 333 public officials from institutions across sectors have taken ownership of the Multi-Media

Innovation Centre. It has matured as a facility for them to examine the way they conduct their business and reinvent their processes. This has ensured that innovation is at the centre of their strategic planning sessions.

In the year under review the CPSI successfully established structures, systems and processes in order to comply with all the statutory requirements as set out in the Public Service Act, Public Service Regulations, Public Finance Management Act and all other applicable legislations.

International partnerships, such as with the UNDP and OECD as well as other international Innovation focused organisations such as NESTA have also provided great learning platforms with the CPSI invited to more innovation learning events and also requested to share experiences. This has seen the Southern African approach being benchmarked around the world.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental receipts for 2015/16 were generated commission on insurances. Due to the nature of the activities carried out by the CPSI, it is not required from the CPSI to collect revenue as a core function.

Departmental receipts

Departmental receipts	2015/16		
	Target R'000	Actual R'000	% deviation from target R'000
Tax revenue			
Sales of goods and services other than capital assets	2	2	-
Total	2	2	-

Programme Expenditure

Voted Funds Programme	2015/16		
	Final Appropriation R'000	Actual Expenditure R'000	Actual Expenditure
1. Administration	14 012	13 344	668
2. Public Sector Innovation	14 991	14 711	280
Total	29 003	28 055	948

CPSI's actual expenditure for the period under review amounted to R28.055 million of the allocated amount of R29.003 million (i.e. 96.73 per cent of the total budget).

The main reason for the under expenditure in Programme 1: Administration was as a result of the lease agreement for additional accommodation not being finalized by the Department of Public Works as anticipated. Funding allocated for compensation of employees in Programme 2: Public Sector Innovation required reprioritization of funds due to higher general cost of living adjustments and notch increases within the public service which resulted in a request to abolish a post and job evaluation for a lower level post.

The CPSI received donor funding from the European Union valued at R2.200 million and an amount of R200 000 from the Government of the Kingdom of Belgium for additional capacity and piloting of an innovative solution.

Virements/roll overs

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

Unauthorised, Fruitless And Wasteful Expenditure

During the 2015/16 financial year the CPSI did not incur any unauthorised or fruitless and wasteful expenditure.

Future plans of the department

During the 2014/15 financial year, the CPSI applied for additional accommodation through the Department of Public Works. This application was not finalized during the period under review as anticipated. This agreement will be finalized during the 2016/17 financial year. The additional accommodation will result in additional lease payment for the CPSI amounting to an estimated amount of R1.0 million per annum.

Public Private Partnerships

The CPSI did not participated in any Public Private Partnerships during the 2015/16 financial year.

Discontinued activities / activities to be discontinued

No activities were discontinued or are to be discontinued.

New or proposed activities

There are no new or proposed activities.

Supply Chain Management

During the 2015/2016 financial year, the CPSI did not receive nor conclude any unsolicited bid proposals. All SCM processes and systems are in place in the Organisation. There is an approved Supply Chain Management policy which is fully implemented and compliance is closely monitored.

Bid Committee structures, such as the Bid Specification Committee, Bid Evaluation Committee and the Bid Adjudication Committee are fully functional in line with the National Treasury guidelines on Supply Chain Management. These committees fulfil the role of compliance monitoring within the procurement process in terms of Treasury prescripts as well as internal organisational policies. All Supply Chain Management Practitioners and Bid Adjudication Committee members have signed a code of conduct whereby, to the extent required by their position, they should declare any business, commercial and financial interests or activities undertaken for financial gain that may raise possible conflict of interest.

The CPSI uses procurement checklists aimed at preventing irregular expenditure which are continuously revised within the Supply Chain Management environment.

Gifts and Donations received in kind from non related parties

Flight, accommodation and ground transport valued at R33 000 for one official to attend the AAPAM Innovation Management Awards as a nominated juror.

Sponsorships by two organisations valued at R36 000 and R178 000 respectively towards the hosting of the 6th Annual SADC UNPAN Workshop.

An amount valued at R276 000 was sponsored in kind by three organisations towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme.

Sponsorship towards the Annual CPSI Public Sector Innovation conference valued at R50 000.

Exemptions and deviations received from the National Treasury

No exemptions and deviations were requested from the National Treasury by 31 March 2016.

Events after the reporting date

None

Other

None

Acknowledgement

In conclusion, it would be remiss of me if I did not thank the Minister and the Deputy Minister for Public Service and Administration for supporting and guiding us and for acknowledging our capability to provide thought-leadership and expertise to drive innovation in the public sector. We certainly accept the challenge with open arms.

I present this report as the final outcome of the work of a dedicated team who share the passion and commitment to see service delivery improving in the country, because of innovation.



Ms Thuli Radebe
Executive Director: CPSI

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The Auditor General is engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the CPSI for the financial year ending 31 March 2016.

Yours faithfully



Ms Thuli Radebe
Executive Director: CPSI

7. STRATEGIC OVERVIEW

7.1. Vision

A solution-focussed effective and efficient Public Sector through Innovation

7.2. Mission

To facilitate the unearthing, development and practical implementation of innovative solutions within and throughout the public service.

7.3. Values

As a public sector entity, the values of the CPSI are grounded in the Constitution. The following values are guiding the CPSI's strategic direction and the manner in which it is structured:

Nurture: The CPSI endeavours to support and encourage public sector institutions in their efforts to innovate, from unearthing innovative initiatives to replication and mainstreaming.

Recognition: Through its Awards Programme, innovators are recognised and publically acknowledged for their contribution to the improvement of service delivery.

Partnerships: Innovation cannot thrive in isolation. The CPSI values partnerships with other public sector entities, with the private and NGO sectors, with the South African National System of Innovation and with key global role players within the space of public sector innovation.

Compassion and empathy: Public Sector Innovation is not an end to itself. Its purpose is to improve service delivery. Understanding the root causes of service delivery failures or backlogs requires innovators to engage with and respond to the needs of recipients of services guided by compassion and empathy.

Efficiency and effectiveness: The need to save government money through leveraging greater efficiency, effectiveness and productivity is a strong priority of the current administration. Efficiency and effectiveness are primary requirements for all CPSI projects as well as internal operations.

Knowledge sharing: Innovation flourishes in a learning organisation. By exposing the organisation and partners to local and international innovative practices, appropriate and contextually relevant innovations are identified and piloted.

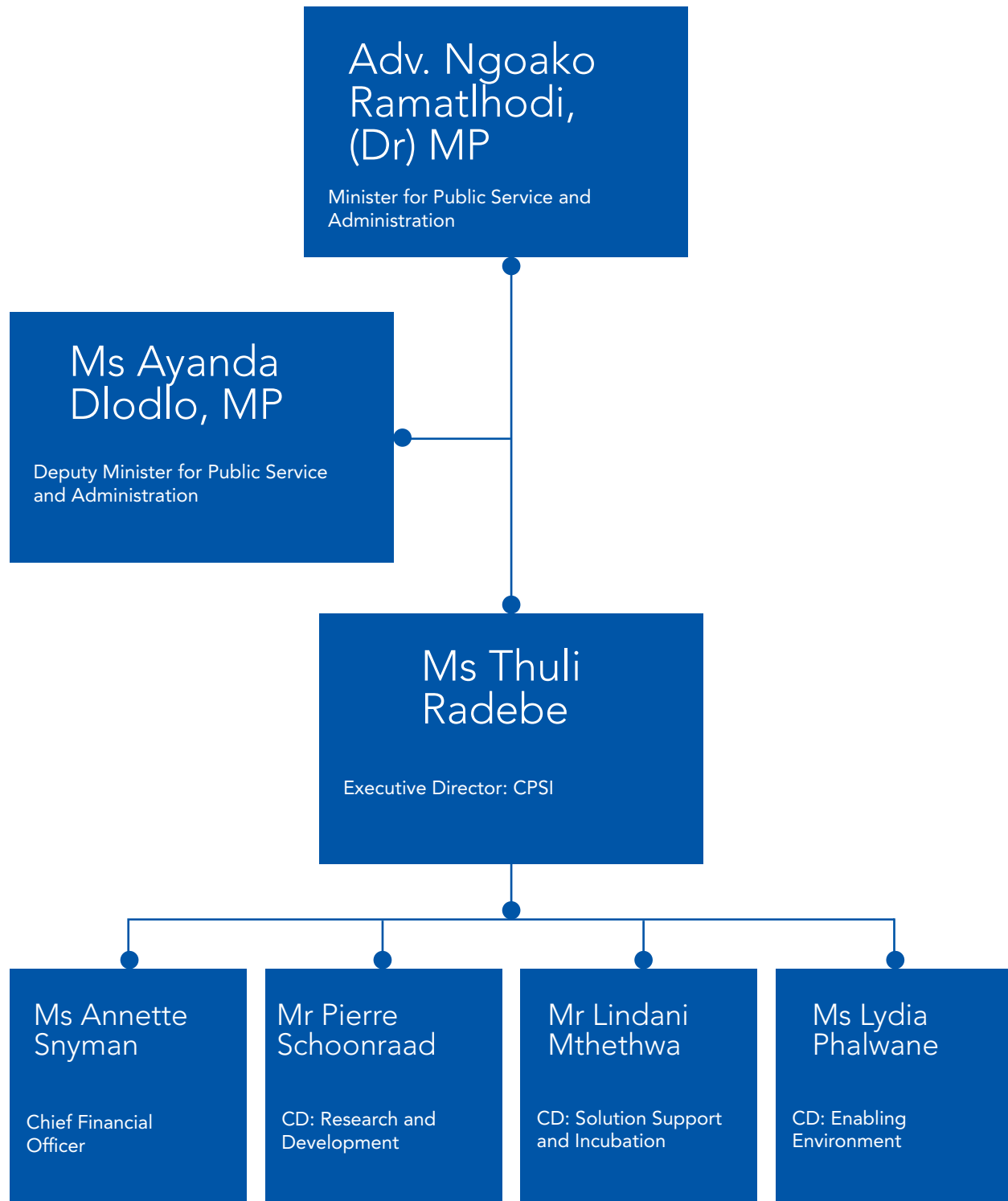
8. LEGISLATIVE AND OTHER MANDATES

In terms of the Public Service Act (PSA) of 1994, as amended in 2007, the Minister for the Public Service and Administration is responsible for innovation in the public service. This role is further expanded on in Government Notice 34562 of 2 September 2011.

The CPSI is:

- Providing the Minister with independent, diverse, and forward-looking research findings and advice on innovative service delivery with a specific focus on government's priorities.
- Enhancing public service transformation and reform through innovation partnerships and projects.
- Supporting the creation of an enabling environment for innovation within the structures and agencies of the South African government.

9. ORGANISATIONAL STRUCTURE





10. ENTITIES REPORTING TO THE MINISTER

All relevant officials of the CPSI disclosed no related party transactions with any of the entities reporting to the Minister.

Komane
Tuck Shop



ing'shaya
ngaphakathi



PART B: PERFORMANCE INFORMATION

Great Deal

Buy your
1.25L at the
great deal of
R. 9.50



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General of South Africa (AGSA) performed the necessary audit procedures on the performance information in order to provide reasonable assurance of performance against predetermined objectives in the form of an audit conclusion. The audit conclusion is included in the report to management under the Predetermined Objectives heading in the *Report on other legal and regulatory requirements* section of the AGSA report.

Refer to page 63 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Chapter 3 of the National Development Plan (NDP) states that "Innovation across state, business and social sectors should start to become pervasive". The NDP further indicates that innovation should also focus on improved public service delivery and on goods and services aimed at low-income sectors. To achieve this, the CPSI identified the following outcomes of government's 2014-2019 Medium Term Strategic Framework which must contribute to the achievement of the vision as set out in the NDP:

- o Access to quality basic education
- o Health Access
- o Reduction of Crime
- o Environmental assets & natural resources protected
- o SA's support to SADC, Africa and South-South cohesion
- o Effectiveness, efficiency, development oriented public service

All these outcomes are addressing systems, procedures and processes in relevant sectors. CPSI partners with various sectors, including Health, Safety and Security and Education to deliver on MTSF targets.

The CPSI operates within the National System of Innovation driven by the Department of Science and Technology to bridge the gap between science and technology innovation and service delivery innovation.

The CPSI fulfils its mandate by creating a climate in which innovation is prized, encouraged, rewarded, implemented and mainstreamed. In response to the mandate set by the Act, the vision and mission of the CPSI recognises that innovation is one of the critical ways that we can leverage upon to ensure that the public sector can deliver value for money in terms of quality services.

2.2 Service Delivery Improvement Plan

The CPSI does not deliver services directly to citizens but assists government departments in achieving their service standards. The CPSI is functioning in a niche environment with a specific focus on innovation to improve service delivery. As such, the focus is on those persistent sector specific challenges which are not being solved by the current solutions and where the root causes of service delivery failures or poor performance are not linked to management-related inefficiencies. The CPSI creates platforms and products for entrenching the culture and practice of innovation in the public sector to enhance service delivery. This is done through the platforms and products including the CPSI Public Sector Innovation Awards Programme, the CPSI Public Sector Innovation Conference, the Multi-Media Innovation

2.3 Organisational environment

The CPSI became an independently accountable entity by receiving a transfer payment through the DPSA from 1 April 2015. This required the CPSI to adhere to the requirements as set out in the PFMA (Section 38 (j)). Due to limited resources the realignment of functions led to the multi-tasking of employees to adhere to the compliance requirements for a government component. During the period under review the CPSI had to find the balance between the compliance requirements of a new corporate services programme and simultaneously delivering on its annual programmes and activities which are central to the existence of the organisation as a government component.

2.4 Key policy developments and legislative changes

In the period under review, there were no new policy developments or legislative changes that affected the CPSI's operations.

3. STRATEGIC OUTCOME ORIENTED GOALS

In the Strategic Plan for 2015/19 the CPSI identified the following strategic outcome oriented goals that are aligned to Government's priority outcomes;

- **Finding, developing and promoting replication of service delivery innovations**
- **The culture and practice of innovation entrenched for improved, effective and efficient public service delivery.**

These goals are achieved through:

- **Testing and piloting of new innovations/prototypes.** Testing and piloting provide space and risk-friendly environment for ensuring that innovations have a positive impact on service delivery and that unintended consequences are understood and mitigated in order for successful pilots to be handed over to the relevant service owner departments.
- **Creating and strengthening an enabling environment** for innovation within and throughout the public sector. By growing and sharing the knowledge repository of innovative practices, tools and approaches, sectors are empowered to innovate and replicate innovations. The Multi-Media Innovation Centre (MMIC) serves as a facility where departments can interrogate their own challenges and leverage the knowledge repository to find appropriate solutions.
- **Recognising and awarding innovations.** The Awards programme enables the South African public sector to unearth "hidden" solutions in our midst for replication and scaling up.
- **Facilitating the replication and scaling up** of local and international innovative solutions, approaches and models for sector-specific mainstreaming.

The Strategic Outcome Oriented Goals are pursued within the context of Vision 2030 and for the shorter term, as guided by the 2014 – 2019 MTSF. Therefore, when considering which challenges to be investigated, innovations to be piloted or replicated, or innovative practices to be shared, the alignment with government priorities is first and foremost.

Being part of the Public Service and Administration portfolio, Outcome 12 remains the primary focus of the organisation and in the year under review, the CPSI in particular focussed on innovations related to sub-outcomes 4 and 7, namely, *Efficient and effective management and operations systems and Improved inter-departmental coordination and institutionalisation of long-term planning.*

Improved efficiencies, effectiveness and coordination were in particular achieved in the Safety and Security (Outcome 3), Health (Outcome 2 and International Cooperation (Outcome 11) sectors and aligned with specific MTSF sub-outcomes. For example, the "Memeza Community Alarm System" was piloted with specific consideration of sub-outcome 1 of the Safety and Security-related MTSF namely *Reduced levels of contact crime: Communities and all people feel unsafe due to unacceptably high levels of serious and violent crime such as murder, rape and aggravated robberies*. By reducing the SAPS response time to incidents of crime in the pilot area to less than 10 minutes, and by facilitating a community-wide response to an incident, vulnerable households were indeed made safer.

In response to Health sub-outcomes 6 and 7 (*Improved health management and leadership and Improved health facility planning and infra-structure delivery*), the CPSI facilitated health-specific workshops where innovations were shared for replication and further facilitated the replication of two innovations, "Saving Blood, Saving Lives", and "Dietetics Outreach".

The CPSI's continued efforts to coordinate and share innovative practices and related content through the United Nation's Public Administration Network Portal (UNPAN) not only contributes to our own repository of innovative practices but further strengthens regional integration in line with Outcome 11 and specifically sub-outcome 7 (*strong, mutually beneficial South-South cooperation*).

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

There are three sub-programmes

- **Strategic Management** provides administrative support to the Executive Director and co-ordinates implementation, monitoring and reporting on the organisation's overall performance.
- **Corporate Resources Management** manages and monitors the provision of corporate resource management services; information communication and technology management services; security management services; office support and auxiliary services.
- **Office of the Chief Financial Officer** ensures compliance with all relevant financial management statutes and regulations, notably the Public Finance Management Act (PFMA) and oversees the effective Financial and Supply Chain Management of the organisation.

The Strategic Objectives of this programme for the year under review were as follows:

- Consolidating and monitoring the implementation of the performance plans in line with the organisation's strategic priorities and statutory reporting regulations
- Developing and implementing Corporate Resource Management policies, procedures, plans or strategies to ensure organisational compliance, effectiveness and efficiency
- Providing effective financial and supply-chain management by monitoring the organisation's expenditure and ensuring compliance with statutory reporting requirements

Actual achievements on strategic objectives

The CPSI was granted approval by the National Treasury to receive a transfer payment from the DPSA with effect of 1 April 2015, subject to the provisions of Section 38 (1) (j) of the PFMA.

- The CPSI successfully implemented effective, efficient and transparent financial management and internal control systems that comply with Sections 39 and 40 of the PFMA, read with Chapters 17 and 18 of the Treasury Regulations in terms of budget management and reporting responsibilities respectively.
- Successfully established structures, systems and processes in order to comply with all the statutory requirements as set out in the Public

Service Act, Public Service Regulations, Public Finance Management Act and all other applicable legislations.

- Successfully implemented Transversal Systems (i.e. Basic Accounting System (BAS), Logistical Information System (LOGIS) and Personnel Administration System (PERSAL). Identified CPSI officials were trained by National Treasury to operate these systems, and the necessary controls were introduced to ensure sound financial management.

During the year under review the CPSI operated in line with the approved Financial and HR Delegations. The following Policies were also approved:

- Basic Accounting System
- Cash Management
- Travel Policy
- Catering and Entertainment Policy and Procedure
- Internal Performance Reporting process
- Internal Policy procedure
- Terms of Reference for Corporate Governance
- Wireless Remote Access, Device and Sim card Policy.

- Recruitment
- Job Evaluation and Job Description
- Supply Chain Management
- Payroll Management
- Risk Management Policy
- Risk Management Strategy
- Internal Audit Charter

The CPSI has a shared services arrangement with the DPSA on Auditing and Risk Management, amongst other areas, which includes the sharing of an Audit Committee. Approval was granted by National Treasury in terms of Treasury Regulations, for the appointment of the shared Audit Committee Members of DPSA and CPSI. This also culminated in the approval of the Audit Committee Charter for both institutions.

Programme 1: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicator	Performance target 2015/16	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
1.1 Consolidate and monitor the implementation of the performance plans in line with the organisation's strategic priorities and statutory reporting regulations	Compliance with statutory reporting requirements on organisation performance	Quarterly performance reports submitted to MPSA, DPSA, DPME and National Treasury	Achieved Quarterly performance reports submitted to MPSA, DPSA, DPME and National Treasury as per required timeframes	None	None
		Submit the organisation's Performance Plan and Annual Report for tabling in Parliament and submission to DPSA, DPME, the Auditor General and the National Treasury	Achieved The 2016/17 Annual Performance Plan and 2014/15 Annual Report submitted to DPSA, DPME, the Auditor General and the National Treasury and tabled in Parliament	None	None
1.2 To develop and implement Corporate Resource Management policies, procedures, plans or strategies to ensure organisational compliance, effectiveness and efficiency	Number of CRM policies, procedures and strategies identified, developed and implemented	Identify, develop and implement at least two CRM policies, procedures, plans or strategies	Achieved Three Policies were developed, approved and implemented: <ul style="list-style-type: none"> • The Job Evaluation and Job Description Policy • Recruitment Policy • Wireless Remote Access, Device and Simcard Policy 	None	None
1.3 To provide effective financial and supply-chain management by monitoring the organisation's expenditure and ensuring compliance with statutory reporting requirements	Compliance with statutory reporting requirements on financial and supply chain management	Quarterly financial reports submitted to the MPSA, DPSA and the National Treasury	Achieved Quarterly financial reports were submitted to the MPSA, DPSA and the National Treasury within the required timeframes	None	None

Programme 1: Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective	Performance Indicator	Performance target 2015/16	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
		Submit the organisation's medium term expenditure framework input to the DPSA and the National Treasury	Achieved The organisation's medium term expenditure framework input was submitted to the DPSA and the National Treasury within the required timeframes	None	None
		Submit the organisation's Adjusted Estimates of National Expenditure to the DPSA and the National Treasury	Achieved The organisation's Adjusted Estimates of National Expenditure was submitted to the DPSA and the National Treasury within the required timeframes		
		Submit the organisation's Estimates of National Expenditure to the DPSA and the National Treasury	Achieved The organisation's Estimates of National Expenditure was submitted to the DPSA and the National Treasury within the required timeframes	None	None
		Submit the Organisational Procurement Plan and Consultancy Reduction Plan to the DPSA and the National Treasury	Achieved The Organisational Procurement Plan and Consultancy Reduction Plan were submitted to the DPSA and the National Treasury within the required timeframes	None	None

Programme 1: Strategic objectives, performance indicators, performance targets and actual achievements

Strategic Objective	Performance Indicator	Performance target 2015/16	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
	Number of financial or supply chain management policies or procedures identified, developed or reviewed and implemented	Identify, develop and implement at least two Financial or Supply chain management policies or procedures	<p>Achieved</p> <p>Six Policies were developed, approved and implemented:</p> <ul style="list-style-type: none"> • Policy and Procedure for the management of Salary Slips and Salary Control Sheets • Supply Chain Management Policy • Basic Accounting System Policy • Cash Management Policy • Travel Policy • Catering and Entertainment Policy and Procedure 	Four additional policies were developed and approved	The CPSI had been using DPSA policies as per MoU between the two institutions, the development of policies was fast tracked to ensure that we have policies that are aligned to the CPSI work environment, in line with the transfer requirements

Strategy to overcome areas of under performance

There were no areas of under-performance. All targets were achieved.

Changes to planned targets

There were no changes to the planned targets during the period under review.

Linking performance with budgets

PROGRAMME 1: ADMINISTRATION		Final Appropriation R'000	Actual Expenditure R'000	Actual Expenditure
1.	Strategic Management	4 348	4 335	13
2.	Corporate Resource Management	6 571	5 949	622
3.	Office of the Chief Financial Officer	3 093	3 060	33
Total		14 012	13 344	668

4.2 Programme 2: Public Sector Innovation

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

There are three sub-programmes

- **Research and Development** establishes the knowledge base in support of the programme to inform the selection and development of potential innovative models and solutions.
- **Solution Support and Incubation** facilitates the testing, piloting, demonstration, replication and mainstreaming of innovative solutions for the public sector.
- **Enabling Environment** nurtures and sustains an enabling environment, which entrenches a culture and practice of innovation in the public sector through innovative platforms and products.

The Strategic Objectives of this programme for the year under review were as follows:

Investigation of service delivery challenges to identify solutions for possible development, adaptation, piloting and/ or replication, in partnership with the relevant stakeholders

The CPSI annually investigates at least three persistent service delivery challenges with the aim to identify or develop new solutions. One of the challenges investigated relates to extensive queuing and over crowding in hospitals. This investigation revealed that a number of solutions are available which deal with back-office optimisation, including pharmacy automation, electronic file management, pharmacy shelving optimisation, elimination of duplication in the dispensing of chronic medication and improved queue management. Other solutions negate the need for patients to visit a health facility to receive chronic medication, thus reducing over-crowding and long queues. These include Pharmacy Dispensing Units in Gauteng, KZN's Workplace Delivery of Medication project and the Western Cape's bulk distribution of chronic medication. The critical outstanding challenge remains the ineffective referral system or, in many cases, the absence of a referral system between primary health care and hospitals.

This challenge was subsequently posted on The Innovation Hub's OpenIX Exchange to seek innovative solutions for a cost-effective referral system between clinics and hospitals. Following an evaluation and refinement of 31 submitted solutions, the CPSI will test and pilot a proposed solution in at least one hospital and feeder clinics in the 2016/17 financial year.

The second investigation was that of rat infestation in informal settlements and state facilities such as prisons. This investigation revealed that sufficient solutions do exist and therefore a comprehensive case study (see below) was developed to disseminate to stakeholders for replication. The third challenge that was investigated relates to waste management in hospitals where industry standards are not always followed, leading to illegal dumping of medical waste at sites that put citizens, especially children, at risk.

The CPSI continued with its programme to develop case studies of innovations from across the public sector for dissemination, especially through our journal "*Ideas that Work: The South African Public Sector Innovation Journal*".

Development of case studies of selected service delivery innovations, for dissemination through the CPSI's knowledge platforms and products

The CPSI developed six case studies for dissemination, especially through our journal *Ideas that Work: The South African Public Sector Innovation Journal*. These are:

- **A comprehensive case study on rat infestation in townships and the efficacy of different innovative solutions**

Alexandra Township was faced with a major problem of rodent infestation resulting in serious health and safety risks, particularly for children. The study investigated existing and possible solutions and made recommendations towards a more comprehensive approach.

- **Tshepo 10 000**

Tshwane has one of the fastest growing populations of all South Africa's major cities with 65% of the population is younger than 35 years. This case study investigated one of the innovative solutions the City implemented to deal with the youth employment, namely targeting 10 000 unemployed young people between the age of 21 and 35 years, equipping them entrepreneurial training and encouraging them to establish co-operatives. These cooperatives are then given access to procurement opportunities by various departments in the City.

- **The Green Door**

The study describes the Green Doors project, an initiative of Gauteng Department of Community Safety that seeks to provide a comfortable and safe zone for victims of domestic violence in immediate danger. These Green Doors have become doors of hope for victims of abuse, domestic violence and sexual offences.

- **Cannon Rocks Reverse Osmosis Plant**

The study reflects on one of the initiatives, namely reverse osmosis, to provide potable water in an environment where water provision is a serious challenge. The achievements of the project in terms of service delivery is that the communities of Cannon Rocks and Boknes now have access to potable water, which has been supplied in an affordable, sustainable and effective manner since May 2009.

- **Outreach Programme at Bavians**

The case study investigated the Bavians Local Municipality innovative solutions to ensure that indigent households apply for and receive free basic services.

- **Inclusive Education at Bukhosibethu**

The Inclusive Education project started by the Mpumalanga Department of Education at Bukhosibethu Inclusive Primary School was written up as an innovative example of how inclusive education can be implemented in South Africa's basic education system. Inclusive Education is education that accommodates all learners with diverse needs regardless of age, gender, ethnicity, language, culture or any disability in mainstream schools.

Piloting with service owners, demonstration to public servants, and facilitation of replications, in identified sectors, of innovative models and solutions that improve service delivery

During the period under review the CPSI, together with the Gauteng Department of Health, hosted the Health Sector Innovation workshop designed specifically for hospital CEOs. During the workshop the Gauteng Hospital CEOs were exposed to a number of health innovative solutions that have been unearthed through the CPSI Awards Programme. These included the **"Saving Blood Saving Lives"** project from Edendale Hospital, KZN which has saved the hospital over R13.25 million since 2013, through efficient use of blood and blood products to eliminate wastage. This project is making more blood available for emergencies and other hospitals. Already, the project has been replicated in 12 other hospitals in KZN. The CPSI has replicated this innovation at Bertha Gxowa Hospital in Gauteng province.

The CPSI has partnered with SAPS and The Innovation Hub to find a solution that would improve SAPS response times to incidents of crime in informal settlements. The proposed solution, identified through a rigorous selection process, namely the **Memeza Household and Community Alarm**, was selected for piloting in Diepsloot, Gauteng. Phase one of the pilot, funded by the CPSI was completed with very positive results which led to the installation of a further 560 units as part of the second phase of the pilot, with the support of private sector funders. The solution already contributed to the reduction of crime in the pilot community and resulted in a number of arrests. Seven jobs were created in the community for, amongst others, installers and one SMME empowered. The further rollout of this project has the potential to generate additional job opportunities. Additional funding has also been solicited from the Tirelo Boshia Grant Facility for the further expansion of the project to the Gauteng Social and Education sectors. Due to its success in improving the response time by the police during criminal attacks on citizens, this project was recognised by the Premier of Gauteng in his 2016 State of the Province Address, for support towards its roll-out in other areas and sectors.

An Energy Efficiency Model has been developed and phase 1 of the pilot project was initiated at Helen Joseph Hospital. The pilot project is focusing on retrofitting (replacement of equipment and consumables with energy saving alternatives) and behavioural changes to achieve at least a 25% reduction in energy consumption annually.

In partnership with the private sector, we were able to expand the **E-learning project**, a commitment from the 2014/15 APP in Mthatha in the Eastern Cape by

equipping 3 schools with computer laboratories to the value of about R1.0 million.

Promoting a culture of innovation in the public sector to enhance service delivery through sustaining and managing knowledge programmes, products and platforms

In continuing to entrench and drive the culture and practice of innovation in the public sector, the CPSI, through its platform, the **Multi-Media Innovation Centre (MMIC)** recorded 333 visitors and users from the public sector and other partners. The MMIC is a learning, demonstration and planning platform that allows public officials to interrogate their service delivery challenges and explore possible innovative solutions.

In August 2015, the **9th CPSI Public Sector Innovation Conference** was hosted in Cape Town under the theme: *"Reinventing the Public Sector through Innovation"*. The Conference serves as a platform to collaboratively explore key elements for successful implementation and sustaining of innovative programmes to enhance public sector performance. Furthermore, it encourages the sharing of innovative perspectives and practices to improve service delivery. Undoubtedly, one of the key programmes in light of the CPSI's mandate, the conference was a roaring success, in terms of the quality of presentations, discussions and deliberations. Of significance was the Ministerial Roundtable which saw political principals committing to supporting public sector innovation and calling on all in attendance to embrace this vehicle in their strife for excellence and maximised productivity. The Ministers of Home Affairs and Science

and Technology participated in the 2015 CPSI Public Sector Innovation Conference Ministerial Roundtable.

The **2015 Public Sector Innovation Awards Programme** launched on 7 May 2015 in Northwest Province and was attended by officials from all spheres of government. The objective of the programme is to celebrate successes of individuals and teams while importantly serving as a critical mechanism for identifying service delivery innovations for the replication programme. The Adjudication workshop was held from 8 to 9 October 2015. This was followed by a Finalist workshop held from 29 to 30 October 2015. The Annual Awards programme culminated in an Awards ceremony wherein 20 public sector innovations were recognised. The overall winner of the 13th CPSI Public Sector Innovation Awards was The Workplace Delivery of Medication project from the Port Shepstone Provincial Hospital in KwaZulu-Natal. The project was conceptualised to enhance systems in the hospital that speed up the delivery of much needed medical services to patients directly at workplaces. Another finalist innovative project, **Saving Blood, Saving Lives**, an Edendale Hospital innovation, was replicated in Gauteng, as discussed elsewhere in this report.

In addition, another award winning project, the **Dietetics Outreach** Project, was scaled up in other Districts in Limpopo. The project focuses on vulnerable children to reduce malnutrition and the number of malnourished children admitted to health institutions.

The following are finalists and the category winners of the **2015 Public Sector Innovation Awards Programme**:

CATEGORY A: INNOVATIVE PARTNERSHIPS IN SERVICE DELIVERY		
Name of the project		Province
Workplace Service Delivery of Medication	Winner	KwaZulu Natal
GP Down Referral Model	1st Runner -up	North West
Family Planning and Baby Immunisation	2nd Runner - up	Western Cape
Sci-Bono Discovery Centre : Science Centre	2nd Runner -up	Gauteng
Shintshimpilo	3rd Runner -up	KwaZulu Natal
CATEGORY B: INNOVATIVE USE OF ICT's TO IMPROVE SERVICE DELIVERY		
Name of the project		Province
Sunward High School	Winner	Gauteng
Vula APP Mobile	1st Runner -up	Western Cape
Tshwane Wi-Fi	2nd Runner -up	Gauteng
MomConnect	3rd Runner -up	National

CATEGORY C: INNOVATIVE SERVICE DELIVERY INSTITUTIONS		
Name of the project		Province
The One-Stop Shop	Winner	Gauteng
High Volume Cataract Service at Eerste River Hospital	1st Runner-up	Western Cape
Saving Blood, Saving Lives Project	1st Runner-up	KwaZulu Natal
Primary Animal Health Care Mobile Clinics	2nd Runner-up	Eastern Cape
Youth FabLab School Programme	3rd Runner-up	Gauteng
CATEGORY D: INNOVATIVE ENHANCEMENT OF INTERNAL SYSTEMS IN GOVERNANCE		
Name of the project		Province
Revenue Information Management system (RIMS)	Winner	Gauteng
Budget Management Instrument, Approved Post List & Finance Monitoring Committee	1st Runner-up	Western Cape
Online Payroll Certification	2nd Runner-up	Gauteng
Chronic Dispensing Unit (CDU)	3rd Runner-up	Western Cape
MINISTERIAL AWARDS		
Soul Sanctuary - KZN		
Breatheasy – Western Cape		

PUBLIC SECTOR INNOVATOR OF THE YEAR
Workplace Service Delivery of Medication – Port Shepston Hospital in KZN

The Workplace service delivery is a project conceptualized to enhance systems in the hospital that speeds up delivery of much needed health services to patients. Congestion, long queues and longer waiting times in the Port Shepstone hospital resulted in patients defaulting in their medication and missing their scheduled appointments with doctors and nurses. To address these challenges and to achieve 100% collection and better compliance from patients, the workplace service delivery project was implemented.

The project is a patient focused initiative that ensures medication is delivered directly to the patient. Medicines are pre-packed according to the script of the patient and delivered for collection from their local clinic and pre-determined collection points including their work places. By so doing patients do not have to travel long distances to the hospital and take time off work for the purpose of collecting medicine. The pharmacy further sends post-basic pharmacist assistants to the collection points to address queries and give more information on medications. Currently medication can be collected at 10 collection points including Shoprite, Illovo and Marburg Manufacturers amongst others and this service benefits 402 patients who collect at these points.

The innovation of the project is in taking pharmaceutical services to the patients, moving away from the norm that requires patients to travel to health facilities to collect medication. This localized distribution strategy has improved service delivery immensely and has ensured a higher medication collection compliance rate, reduced long queues that hamper hospital services, medicine wastage due to defaulters, and ultimately contributes to healthier patients.

Various projects recognised at the Public Sector Innovation Awards Programme were entered in the African Association of Public Administration and Management (AAPAM) Awards for Innovative Management. The innovative project, MomConnect, an initiative by the National Department of Health was recognized and won a silver (2nd position) in an awards ceremony held in March 2016 in Zambia.


During the period under review the CPSI published two editions (Volume 6: Issue 1 and 2) of *"Ideas that Work: The South African Public Sector Innovation Journal"* for public sector wide learning and replication. This journal serves as a repository of public sector innovations and is used by many to kick-start innovations in their respective sectors as well as academic institutions in their public administration and other teaching programmes. The two editions were used to promote and profile the UN

Sustainable Development Goals (SDGs) and the African Union (AU) Agenda 2063 respectively.

The CPSI continues to expose public servants to public sector innovations through a series of Innovation Workshops. During the period under review the CPSI also facilitated three workshops to public sector officials on public sector innovation management. The departments of Home Affairs, Correctional Services and Health benefited from this initiative.

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


In June 2015, the CPSI, in partnership with the United Nations Development Programme (UNDP) and the



City of Johannesburg, hosted the United Nations Public Administration Network (UNPAN) Regional Workshop under the theme – “*Realigning Southern African Development Community (SADC) to Sustainable Development Goals (SDGs) and enhancing regional integration*”. The workshop was attended by 11 countries from the SADC Region, including South Africa.

In partnership with the UNDP, CPSI also hosted a Foresight Exchange Forum for Development in Africa. This forum was attended by officials from the National Planning Commission (DPME) and 13 other countries including Namibia, Botswana, Nigeria, Egypt, Cape Verde, Mauritius, Kenya and Zimbabwe, amongst others. The objective of this important Regional Forum was to share continental best practices in long term planning and assist member states to integrate innovation in the implementation of their national long-term plans.

The hosting of these two important workshops has led to a significant increase in the contribution to and use of the UNPAN (United Nations Public Administration Network) Portal, also strengthening our knowledge base of innovative practices in our region. This Portal is a virtual electronic network that promotes the sharing of knowledge and exchange of innovative practices and lessons learned in public policies and management at local, national and international levels. The CPSI is the Southern Africa’s Online Regional Centre (ORC), with the responsibility of identifying, coordinate and uploading content to the portal on behalf of the SADC Region. During the period under review the CPSI was one of the top three performing ORCs in all categories.



Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements

No	Strategic Objective	Performance Indicator	Planned Target 2015/16	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
2.1	To investigate service delivery challenges to identify solutions for possible development, adaptation, piloting and/ or replication, in partnership with the relevant stakeholders	Number of specific service delivery challenges investigated to determine root causes and identify possible solutions	At least three service delivery challenges investigated and possible solutions identified	Achieved Three service delivery challenges investigated, possible solutions identified and Investigative Report developed and approved by the ED: <ul style="list-style-type: none"> • Rat infestation in informal settlements and state facilities such as prisons • Long queues and overcrowding in hospitals. • Waste Management in hospitals 	None	None
2.2	To develop case studies of selected service delivery innovations, for dissemination through the CPSI's knowledge platforms and products	Number of case studies developed for dissemination through the CPSI's knowledge platforms and products	At least 5 case studies related to service delivery innovations developed for dissemination	Achieved One challenge seeking solutions for improving the referral system between clinics and hospitals posted on the Open IX Exchange to initiate a development process Achieved Six Case studies were developed and disseminated through the Innovation Journal, "Ideas that Work"; <ul style="list-style-type: none"> • Rat infestation in townships and the efficacy of different innovative solutions; • Ishepo 10 000; • The Green Door; • Cannon Rocks Reverse Osmosis Plant; • Outreach Programme at Baviaans • Inclusive Education at Bukhosibethu 	None 1 case study	None The time allocated to develop case studies is dependent on availability of information and research. The time to complete a case study therefore differs in each instance. Due to the great national and international demand for case studies for public sector learning and for academic teaching, it was agreed to develop an additional case study.

Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements

No	Strategic Objective	Performance Indicator	Planned Target 2015/16	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
2.3	To pilot with service owners, demonstrate to public servants, and facilitate the replication, in identified sectors, of innovative models and solutions that improve service delivery	Number of innovative service delivery solution initiated for piloting with service owners over a short-term period	At least one new pilot initiated to address service delivery challenges	Achieved The Memeza Community Alarm solution that was developed in 2014/15 through The Innovation Hub was identified for piloting in the 2015/16 financial year. A further 560 units were installed with Private Sector funding support.	None	None
		Number of innovative service delivery solution initiated for piloting with service owners over a multi-year period	At least one new pilot initiated to address service delivery challenges	Achieved Energy Efficiency Pilot Project initiated at Helen Joseph Hospital to address high cost of energy in state hospitals	None	None
		Number of visits to the Multi-media Innovation Centre by public sector officials and other partners	At least 300 public sector officials and other partners visited the MMIC	Achieved A total of 333 public sector officials and other partners visited and used the MMIC. The visitors included amongst others, City of Tshwane, NSG, City of Johannesburg, Technology Innovation Agency, National Treasury, Civilian Secretariat of Police, The UNDP, SAHRC, SALGA	33 additional visitors to the MMIC	The CPSI conducted more sector specific innovation workshops during the period under review. As such, more government departments became aware of the CPSI's mandate and the work it does through these workshops. In addition the virtual MMIC presentations and demonstrations in official government events, also resulted in a higher demand for the use of and visit to the MMIC. As an example the office of the Deputy President and the Minister of Home Affairs referred their teams to the MMIC.
		Upgrading of equipment and updating content the Multi-media Innovation Centre	Assessment of the MMIC equipment and content requirements for possible upgrading and updating in 2016/17	Achieved Assessment of the MMIC equipment and content requirements for possible upgrading and updating in 2016/17 was conducted and an assessment report developed	None	None

Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements

No	Strategic Objective	Performance Indicator	Planned Target 2015/16	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
		Number of innovative projects facilitated for replication	Two CPSI award winning and/or other innovation projects identified, facilitated and supported for replication	Achieved Two CPSI award winning projects were identified, facilitated and supported for replication. <ul style="list-style-type: none"> Replication of the Saving Blood, Saving lives Project was facilitated and initiated at Bertha Gxowa Hospital Dietetics project was facilitated for replication at Mokopane Hospital in the Waterberg District 	None	None
2.4	To promote a culture of innovation in the public sector to enhance service delivery through sustaining and managing knowledge programmes, products and platforms	Number of finalist innovation projects or programmes recognised in the Annual CPSI Public Sector Awards Ceremony to encourage and promote innovation in the public sector	At least four projects per category identified and recognised in a formal awards ceremony	Achieved Entries were received to the 13th CPSI Public Sector Innovation Awards. Four innovative projects per category were identified and recognised at the Awards Ceremony held in October. A total 20 Public Sector Innovative Solutions (including a Ministerial award) were awarded	None	None
		Knowledge on public service innovations shared and exchanged through the Annual Public Sector Innovation Conference to encourage learning and replication	Host the Annual Public Sector Innovation Conference to share at least five innovative best practices and a panel of experts' discussion held	Achieved The Annual Public Sector Innovation Conference was hosted in August 2015 attended by more than 350 delegates. Five innovative case studies were presented A Ministerial Roundtable followed by a panel of experts' discussion was held	None	None

Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements

No	Strategic Objective	Performance Indicator	Planned Target 2015/16	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
		Number of editions of the "Ideas that Work" : The South African Public Sector innovation Journal published to encourage learning	Vol 6 Issue 1 and 2 of the "Ideas that Work" : The South African Public Sector innovation Journal published with at least 5 case studies and copies disseminated to the public sector, academia and stakeholders	Achieved Two editions (Volume 6 Issue 1 and 2) of "Ideas that Work"; The South African Public Sector Innovation Journal were published with a total of 11 local case studies, 12 insight articles and 13 international innovations. The Journals were disseminated to various stakeholders	None	None
		Number of workshops on Leading Innovation in the Public Service to build capacity in the public service held	Two workshops held and attended by public officials	Achieved Two workshops were held, one in August attended by 31 delegates and the second one in October attended by 27 delegates	None	None
2.5	Participate in regional and international innovation programmes for learning, sharing and profiling of South African innovations to strengthen good governance initiatives	Number of content items on Innovation, Public Administration and Finance, uploaded onto the UNPAN Portal as the SADC Online Regional Centre to contribute to the strengthening of public administration and good governance initiatives	Upload 1200 content items on innovation, public administration and finance onto the UNPAN Portal	Achieved The CPSI uploaded 1497 documents to the UNPAN Portal. These include 1046 public administration and innovative news items, 156 events; 285 public administration and innovative documents (i.e. presentations, journals and reports) and 10 Notices. Content was solicited from SADC participants	297 additional uploads	CPSI is the UNPAN online regional centre for the Southern African region and in partnership with the UNDP hosted a very successful workshop which was attended by participants from SADC countries. This resulted in more SADC countries contributing their content for uploading.

Programme 2: Strategic objectives, performance indicators, planned targets and actual achievements

No	Strategic Objective	Performance Indicator	Planned Target 2015/16	AActual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
		UNPAN SADC regional workshop hosted to maximize SADC's content contribution to the UNPAN Portal	Host a UNPAN SADC regional workshop attended by representatives from SADC countries	Achieved The UNPAN SADC Regional Workshop was hosted in June 2015 in Johannesburg and attended by representatives from 10 SADC countries, Malawi, the DRC, Seychelles, Lesotho, Tanzania, Namibia, Mozambique, Mauritius, Botswana and Swaziland	None	None
		Number of country visits conducted to create awareness on UNPAN	Conduct two SADC country visits	Achieved Two SADC countries were visited to create awareness on UNPAN. Botswana was visited in July and Mozambique in November 2015 respectively	None	None
		Number of South African innovation projects supported to enter into International Awards Programmes	Enter at least eight South African public service innovation projects into International Awards Programmes	Achieved Eight (8) CPSI Public Sector Innovation Awards finalists innovation projects were entered into the AAPAM Innovative Management Awards. One of the entered projects, MomConnect, was awarded Silver	None	None
		Number of regional and international innovation programmes participated in for learning, sharing and profiling of South African innovations to strengthen good governance initiative	Participate in at least two regional and international programmes	Achieved - Participated in the Committee of Experts in Public Administration (CEPA) in April 2015 - Co-hosted and participated in a Foresight Regional Workshop with UNDP in December 2015	None	None

Strategy to overcome areas of under performance

During the period under review all planned targets were achieved, there were no deviations.

Changes to planned targets

There were no changes to planned targets.

Linking performance with budgets

PROGRAMME 2: PUBLIC SECTOR INNOVATION		Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
1.	Research and Development	2 861	2 644	217
2.	Solution Support and Incubation	3 842	3 809	33
3.	Enabling Environment	8 288	8 258	30
Total		19 991	14 711	280

5. TRANSFER PAYMENTS

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

6. CONDITIONAL GRANTS

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

7. DONOR FUNDS

7.1. Donor Funds Received

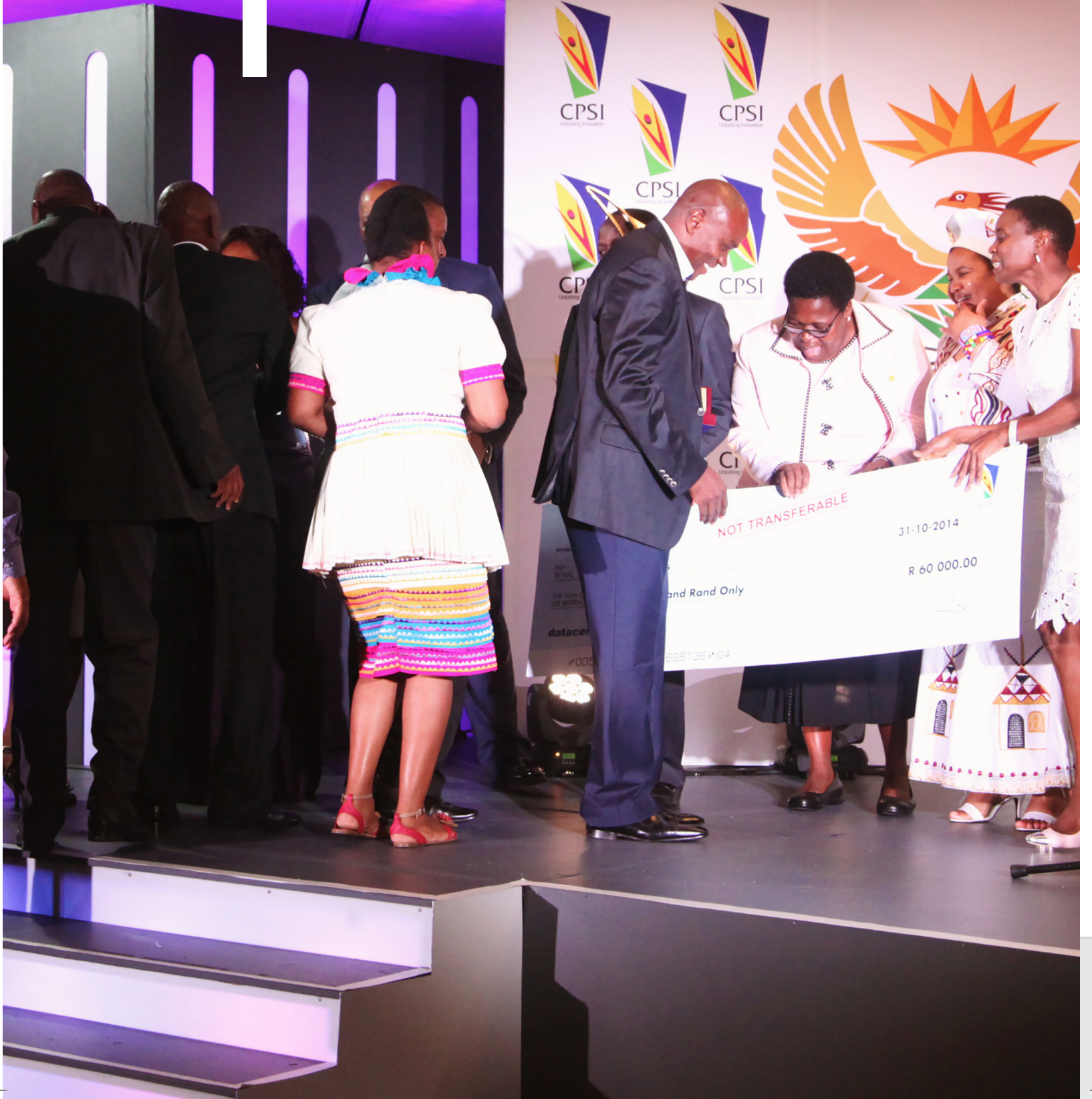
Name of donor	European Union - General Budget Support
Full amount of the funding	R10 700 000.00
Period of the commitment	2015-2018
Purpose of the funding	The purpose of the program is to unlock innovation in the Public Sector
Expected outputs	<ol style="list-style-type: none"> 1) To investigate and recommend sustainable models and solutions for innovative service delivery 2) To facilitate the creation, adaption, piloting and mainstreaming of innovative solutions within the public sector 3) To create and sustain an enabling environment which entrenches a culture of innovation in the public sector through innovation platforms and products
Actual outputs achieved	<p>Funding was approved for human capacity, during the period under review 4 posts were filled in the salary band highly skilled supervision (Level 9-11). These officials were involved in the following outputs through their appointments:</p> <ol style="list-style-type: none"> 1) Creating and sustaining an enabling environment to entrench a culture of innovation in the public sector through innovation platforms and products such as the MMIC, the CPSI Conference and Awards Programmes 2) Facilitating the testing, piloting, demonstration, replication and mainstreaming of innovative solutions for the public sector. During the period under review the appointed officials were, amongst others, involved in the replication of the Dietetic project and the "Saving Blood Saving Lives" project
Amount received in current period (R'000)	R2.200 million
Amount spent by the department (R'000)	R1,916 million
Reasons for the funds unspent	The remaining funds will be surrendered to the RDP fund during the 2016/17 financial year
Monitoring mechanism by the donor	Quarterly reports submitted to National Treasury on progress.

Name of donor	The Government of the Kingdom of Belgium
Full amount of the funding	R1 600 000
Period of the commitment	June 2015 – December 2016
Purpose of the funding	To improve front-line public service delivery
Expected outputs	<p>Result Area 1: A Grant Facility to support initiatives to improve public service delivery is established and implemented</p> <p>Result Area 2: New and Innovative ways of public service delivery are piloted</p> <p>Result Area 3: Sound practices and lessons learned for improved public service delivery are enhanced and sustained</p>
Actual outputs achieved	Released funding during 2015/16 financial year. An Energy Efficiency Model has been developed and phase 1 was piloted at Helen Joseph Hospital. The model has retrofitting and behavioural changes phase to achieve at least a 25% reduction in energy consumption.
Amount received in current period (R'000)	R200 000
Amount spent by the department (R'000)	R24 000
Reasons for the funds unspent	The remaining funds will be requested in the 2016/17 financial year to execute the proposed deliverables in the 2016/17 work plan.
Monitoring mechanism by the donor	Steering committee meetings are held between the donor and the department to monitor the progress of the project.

8. CAPITAL INVESTMENT

Not applicable.

PART C: GOVERNANCE



1. RISK MANAGEMENT

The CPSI is committed to implementing and maintaining an effective, efficient and transparent system of risk management as outlined in the Public Financial Management Act. The CPSI has developed a Risk Management Framework, Policy Strategy and Implementation Plan during the 2015/2016 reporting period. Emerging strategic risks have been identified during the strategic planning processes. Management has developed mitigating strategies and will continuously report progress to the Audit and Risk Committee.

Risk management is a standard agenda item for EXCO meetings to ensure adequate follow up on mitigation strategies and emerging risks. The Audit and Risk Committee reviewed risk management reports during its quarterly meetings and recommended appropriate interventions.

2. FRAUD AND CORRUPTION

The CPSI has adopted the Department of Public Service and Administration's Fraud Prevention Policy and Strategy and is committed to identifying risks related to fraud and corruption during its business risk assessment. The CPSI has not reported any incidents of fraud or corruption to the authorities.

3. MINIMISING CONFLICT OF INTEREST

Conflict of interest in the organisation is minimised by the declaration of interests by Senior Managers and in committees such as the Bid Specification, Bid Evaluation, Bid Adjudication, Audit and Risk Committee as well as Recruitment and Selection Panels where members must sign declaration of interest forms at every sitting of these committees. All Supply Chain Management officials sign a Code of Conduct to the extent that is required by their positions whereby they are required to declare any business, commercial and financial interests or activities undertaken for financial gain that may raise possible conflict of interest.

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

4. CODE OF CONDUCT

The CPSI is utilising the Code of Conduct as outlined in the Public Service Regulations Chapter 2. Cases of breach of the Code of Conduct reported during the period under review were dealt with as required in line with the Resolution 1 of 2003.

5. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The CPSI has adopted the Department of Public Service and Administration's Health and Safety policy. No complaints by employees were received on the occupational hazards. The CPSI will develop its own Health and Safety Policy, this process commenced with the training of two officials in this area.

6. PORTFOLIO COMMITTEES

Dates of the meeting	Matters raised by the Portfolio Committee	How was the matters addressed
21 April 2015	Briefing on the Strategic Plan, 2015/16 Annual Performance Plan, and the Budget	Presentation made and questions for clarity answered
19 August 2015	Briefing on the 1 st Quarter Performance Report	Presentation made and questions for clarity answered
19 October 2015	Briefing on the 2014/15 Annual Report	Presentation made and questions for clarity answered
2 March 2016	Briefing on the 3 rd Quarter Performance Report	Presentation made and questions for clarity answered

7. SCOPA RESOLUTIONS

No SCOPA engagements took place during the year under review.

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

No separate audit opinion was issued for the CPSI for the 2014/15 financial year. No matters were reported in the 2014/15 Audit Report for the CPSI in the audit report of the Department of Public Service and Administration. The 2015/16 financial year is regarded as the first independent accountable year for the CPSI.

9. INTERNAL CONTROL UNIT

The CPSI has, within the Office of the CFO, dedicated personnel to set-up control processes and to provide management with assurance regarding the reliability of reporting; effectiveness and efficiency of operations and compliance with applicable financial laws and regulations. Several policies and control procedure manuals were developed during 2015/16 and this includes; the supply chain management policy, cash management policy, catering and entertainment policy and procedure, payroll management policy, recruitment policy, travel policy, risk management policy, etc.

The CPSI relies on the work of the shared Internal Audit Activity for assurance on the adequacy and effectiveness of the system of internal control. Based on the performance information audit and financial statements audit reports produced by Internal Audit Activity during the year, CPSI's internal control environment is satisfactory. Management is committed to implementing action plans on control weaknesses identified in order to improve the safeguarding of assets and the effectiveness and efficient management of resources.

10. INTERNAL AUDIT

The CPSI has a shared Internal Audit service arrangement with the DPISA (through a signed MoU and approved by the National Treasury); which provides independent and objective assurance and insight to management on the effectiveness of governance, risk management and internal control systems in order to assist the CPSI to achieve its objectives. The Internal Audit Activity operates under the control and direction of the shared Audit and Risk Committee.

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

- A review of the 2015/16 - 2018/19 Strategic Plan for CPSI;
- A review of the 2015/16 Annual Performance Plan and Annual Operational Plan;
- A review of the Interim (September 2015) Financial Statements for CPSI;
- A review of the 1st quarter performance information report 2015/16;
- A review of the 2nd quarter performance information report 2015/16, and
- A review of the 3rd quarter performance information report 2015/16.

Management has noted the concern of the Audit and Risk Committee and AGSA regarding the inadequate resourcing of the Internal Audit activity.

Audit and Risk Committee

The Audit and Risk Committee monitors the CPSI's compliance with application laws and regulations, governance processes and assess the performance of Internal Audit Activity to determine the level of its effectiveness within the CPSI. The Committee operates within the approved Audit Committee Charter and in accordance with the requirements of the PFMA and Treasury Regulations.

As per MoU signed in April 2015 between CPSI and DPSA in line with Government Notice 34562 specifying the nature and extent of the sharing of services between the two institutions, the parties agreed to share an Audit

and Risk Committee. The appointment of the Audit and Risk Committee members was formally approved by the Minister of Finance in March 2016. However, throughout the financial year the Audit and Risk Committee met twice to monitor the CPSI's compliance with the laws and regulations, governance processes, financial management, supply chain management and performance information. The Committee operates within an approved charter/ terms of reference and in accordance with the requirements of the PFMA and Treasury Regulations.

The Audit and Risk Committee held two (2) ordinary meetings during 2015/16 and the table below discloses relevant information on the Audit and Risk Committee members:

Name	Qualifications	Internal or External	Date appointed	Date resigned	No. of meetings attended
Adv. William Elias Huma	B Proc; LLB; LLM; Graduate Diploma in Corporate Governance Advocate of the High Court of South Africa Fellow of the Institute of Directors	External	10 March 2016	--	2
Mr. Sethopo Michael Mamotheti	B.Com; Post graduate Diploma in Accounting (PDA); MBA; Certified Internal Auditor (CIA)	External	10 March 2016	--	2
Ms. Precious Makhosazane Mvulane	CA and RA (SA), Specialist Diploma in Auditing, BCom Honours in Accounting	External	10 March 2016	--	2
Ms. Pumla Mzizi	CA (SA), BCom Hons in Transport Economics UNISA, BCompt Hons CTA UNISA, BBusSc Hons in Finance UCT	External	10 March 2016	--	1

11.

AUDIT AND RISK COMMITTEE REPORT

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

The Effectiveness of Internal Control

The system of internal control is designed to provide cost-effective assurance that assets are safeguarded and that liabilities are effectively managed. In line with the PFMA requirements, Internal Audit and the Auditor-General of South Africa (AGSA) provide the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved through a quarterly reporting process to both management and the Audit and Risk Committee, as well as the identification of corrective actions and recommendation by means of enhancements to the controls and processes.

The system of internal control was effective during the year under review, as no instances of non-compliance with internal controls were reported by either the Internal Audit or the AGSA.

Internal Audit

The Audit and Risk Committee is concerned with the capacity of the Internal Audit Activity to discharge its duties effectively. This is due to the Memorandum of Understanding signed between the CPSI and the Department of Public Service and Administration to share an Internal Audit Activity which is not well resourced. The Audit and Risk Committee has brought this to the attention of management and will continue to monitor progress on management action plan.

Risk Management

The Audit and Risk Committee is monitoring the implementation of a risk management system within the CPSI (in its first year of operation). The Committee reviewed the Risk Management Framework, Strategy, Implementation Plan and the emerging strategic risks. Risk management reporting is a standing agenda item for the Audit and Risk Committee to ensure effective risk management oversight.

Whilst there is still more to be done, efforts are being made to ensure that the risk management processes comply with the legislative requirements and advance towards the expected levels of efficiency, effectiveness

and transparency. More capacity is, however, needed for risk management to function effectively.

In-Year Management and Monthly /Quarterly Reports

The CPSI has reported quarterly to the National Treasury as required by the PFMA. The Audit and Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer during the year under review. The quality of performance information reports and management's commitment to implementing improvements is notable.

Evaluation of Financial Statements

The Audit and Risk Committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the AGSA and the Accounting Officer;
- reviewed the AGSA's management report and management's response thereto;
- reviewed the CPSI's compliance with legal and regulatory provisions;
- reviewed information on predetermined objectives to be included in the annual report.

Auditor-General's Report

The Audit and Risk Committee has met and discussed with the Auditor-General South Africa their reports, to ensure that there are no unresolved issues.

Conclusion

The Audit and Risk Committee concurs with the conclusions of the AGSA with regards to the audited Financial Statements and the predetermined objectives.

The Audit and Risk Committee would like to thank the AGSA for their continued support and guidance in achieving a clean administration.

The Committee would also like to thank the Accounting Officer and her management team in achieving a clean audit outcome in the CPSI's first year of being audited as a stand-alone entity.



Adv. W.E. Huma
Chairperson of the Audit and Risk Committee
Centre for Public Service Innovation

PART D: HUMAN RESOURCE MANAGEMENT

CONTEXTUAL OVERVIEW

- Introduction of new form of governance: viz. interactive policy-making and citizen engagement;
- Need for broad understanding and appreciation by all stakeholders;
- Accessibility to all sectors of African Society and global community;

Widely communicate the relevance and value of the Charter;

Contents need to find expression in the actions and decisions of public/civil servants and

• Training & learning
• Explicating
• Rewarding

CPSI

CPSI

Southern Sun



1. INTRODUCTION

The status of human resources in the department

As at 31 March 2015, the total number of funded posts in the CPSI was 33 of which 1 was vacant. This included posts funded by voted appropriated funds and posts funded from donor funds (i.e. the General Budget Support Fund). The number of people with disability was 2 (6.45%).

2. OVERVIEW OF HUMAN RESOURCES

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

The CPSI became responsible for the management of its own Human Resource Administration with effect from 1 April 2015. This required the organisation to implement the Personnel and Salary Administration system as prescribed by the National Treasury. It further required the development and implementation of a number of policies and procedures to ensure corporate support for statutory compliance and proper internal control.

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

During the period under review the CPSI empowered its staff in different areas in order to have multi skilled staff. Some of the staff members were trained in areas of Corporate Services (i.e. Supply-Chain Management, Human Resource Management and Financial Administration) in an attempt to supplement to shortage of staff in the organisation. The CPSI appointed three employees on the fixed establishment and a further five employees were appointed additional to the establishment.

Employee performance management

The CPSI has adhered to approved performance management policy of the DPSA. The application thereof in terms of timeframes and structuring of committees has been a challenge. A CPSI specific policy will be developed to cater for the size and the structure of the CPSI as an independently operating government component.

Employee wellness programmes

Although there is no formal Employee Health and Wellness (EH&W) Programme, employees were provided with the opportunity to participate in wellness programmes arranged with the support of GEMS. There is a number of challenges in developing structures and EH&W programmes that are specific to the CPSI in line with the Public Service EH&W Framework. The human capacity deficit in the organisation needs to be addressed over the medium term.

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

The approved CPSI structure made provision for new required posts that were implemented from 1 April 2015. Additional funding for the required posts will be sourced from the MTEF cycle. The organisational structure will cost the organisations R17.816 million, which is R4.448 million more than the current compensation budget. This includes the funding from the General Budget Support fund for contract positions. These posts are however required over a long term to ensure that the CPSI can fulfil its mandate.

The CPSI also does not have the budget to fund an Internal Audit Structure, amongst others. The CPSI is in constant negotiations with the DPSA and National Treasury to get additional funds to be able to establish all the legally required functions, which includes a fully functional Internal Audit and Risk Management Unit.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by Programme for the period 1 April 2015 and 31 March 2016

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Programme 1	14 012	6 165	48	159	44%	411.00
Programme 2	14 991	8 004	37	1 183	53%	727.64
Total	29 003	14 169	85	1 342	49%	544.96

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	407	3%	3	135.67
Skilled (Levels 3-5)	749	5%	4	187.25
Highly skilled production (Levels 6-8)	1 810	13%	8	226.25
Highly skilled supervision (Levels 9-12)	4 152	29%	11	377.45
Senior and Top management (Levels 13-16)	7 051	50%	6	1 175.17
Total	14 169	100%	32	472.30

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 and 31 March 2016

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme1: Administration	4 121	29%	20	0%	67	0%	227	2%
Programme 2: Public Service Innovation	5 096	36%	16	0%	132	1%	221	2%
Total	9 217	65%	36	0%	199	1%	448	3%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical Aid as a % of personnel costs
Skilled (level 1-2)	178	1%	0	0.0%	14	0.1%	40	0.3%
Skilled (level 3-5)	578	4%	7	0.0%	21	0.1%	62	0.4%
Highly skilled production (levels 6-8)	1 242	9%	21	0.1%	85	0.6%	227	1.6%
Highly skilled supervision (levels 9-12)	2 947	21%	8	0.1%	0	0.0%	24	0.2%
Senior management (level 13-16)	4 272	30%	0	0.0%	79	0.6%	95	0.7%
Total	9 217	65%	36	0.3%	199	1.4%	448	3.2%

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	15	15	0%	2
Programme 2: Public Service Innovation	12	11	8%	4
Total	27	26	4%	6

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2016

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	2	2	0%	1
Skilled (Levels 3-5)	3	3	0%	1
Highly skilled production (Levels 6-8)	8	8	0%	-
Highly skilled supervision (Levels 9-12)	7	7	0%	4
Senior and Top management (Levels 13-16)	7	6	14%	-
Total	27	26	4%	6

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Total number of employment and vacancies by critical occupations	None
--	------

3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	-	0%
Salary Level 16	-	-	0%	-	0%
Salary Level 15	-	-	0%	-	0%
Salary Level 14	3	3	100%	-	0%
Salary Level 13	3	2	67%	1	33%
Total	7	6	86%	1	14%

Table 3.3.2 SMS post information as on 30 September 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	-	0%
Salary Level 16	-	-	0%	-	0%
Salary Level 15	-	-	0%	-	0%
Salary Level 14	3	3	100%	-	0%
Salary Level 13	3	2	67%	1	33%
Total	7	6	86%	1	14%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	number of vacancies per level filled in 6 months of becoming vacant	number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	-	-	1
Total	-	-	1

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not advertised within six months

Reprioritization of funding for the post due to higher general cost of living adjustments and notch increases within the organisation resulted in a request to abolish the post and job evaluation for a lower level post

Reasons for vacancies not filled within twelve months

Reprioritization of funding for the post due to higher general cost of living adjustments and notch increases within the organisation resulted in a request to abolish the post and job evaluation for a lower level post

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
No steps taken during this period against any manager
Reasons for vacancies not filled within twelve months
No steps taken during this period against any manager

3.4. Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2015 and 31 March 2016

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	2	-	0%	-	-	-	-
Skilled (Levels 3-5)	3	-	0%	-	-	-	-
Highly Skilled (Levels 6-8)	8	-	0%	-	-	-	-
Highly Skilled supervision (Levels 9-12)	7	-	0%	-	-	-	-
Senior Management Service Band A	3	-	0%	-	-	-	-
Senior Management Service Band B	3	-	0%	-	-	-	-
Senior Management Service Band C	1	-	0%	-	-	-	-
Senior Management Service Band D	-	-	0%	-	-	-	-
Total	27	-	0%	-	-	-	-

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 and 31 March 2016

Total number of employees whose positions were upgraded due to their posts being upgraded	None
---	------

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 and 31 March 2016

Total number of employees whose salaries exceeded the level determined by job evaluation	None
--	------

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 and 31 March 2016

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

3.5. Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 and 31 March 2016

Salary band	Number of employment beginning of period - 1 April 2015	Appointments and transfers into department	Terminations and transfers into the department	Turnover rate
Lower Skilled (Levels 1-2)	2	-	-	0%
Skilled (Levels 3-5)	3	-	-	0%
Highly Skilled (Levels 6-8)	6	2	-	0%
Highly Skilled supervision (Levels 9-12)	5	2	-	0%
Senior Management Service Band A	2	-	-	0%
Senior Management Service Band B	3	-	-	0%
Senior Management Service Band C	1	-	-	0%
Senior Management Service Band D	-	-	-	0%
Contracts additional to the establishment				
Lower Skilled (Levels 1-2)	-	1	-	0%
Skilled (Levels 3-5)	-	1	-	0%
Highly Skilled (Levels 6-8)	-	-	-	0%
Highly Skilled supervision (Levels 9-12)	3	1	-	0%
Senior Management Service Band A	-	-	-	0%
Senior Management Service Band B	-	-	-	0%
Senior Management Service Band C	-	-	-	0%
Senior Management Service Band D	-	-	-	0%
Total	25	7	-	0%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016

Critical occupation	Number of employees at beginning of period - 1 April 2015	Appointments and transfers into the department	terminations and transfers out of the department
None	-	-	-

Table 3.5.3 Reasons why staff left the organisation for the period 1 April 2015 and 31 March 2016

Total number of staff who left the organisation	None
---	------

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 and 31 March 2016

Occupational	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level
None	-	-	-	-

Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 31 March 2016

Total number of Promotions by salary band	None
---	------

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016

Salary band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L13-16 Legislators, senior officials and managers	1	-	-	1	3	-	-	1	6
L9-12 Professionals	4	-	-	-	7	-	-	-	11
L6-8 Technicians and associates professionals	3	-	-	-	5	-	-	-	8
L3-5 Clerks	2	-	-	-	1	-	-	1	4
Senior and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
L2 Elementary occupations	-	-	-	-	3	-	-	-	3
Total	10	-	-	1	19	-	-	2	32
Employees with disabilities	2	-	-	-	-	-	-	-	2

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top Management	-	-	-	-	1	-	-	-	1
L13-14 Senior Management	1	-	-	1	2	-	-	1	5
L9-12 Professionally qualified and experienced specialists and mid-management	4	-	-	-	7	-	-	-	11
L6-8 Skilled technical and academically qualified workers, junior management supervisors foreman and superintendents	3	-	-	-	5	-	-	-	8
L3-5 Semi-skilled and discretionary decision making	2	-	-	-	1	-	-	1	4
L2 Unskilled and defined decision making	-	-	-	-	3	-	-	-	3
Total	10	-	-	1	19	-	-	2	32

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top Management	-	-	-	-	-	-	-	-	-
L13-14 Senior Management	-	-	-	-	-	-	-	-	-
L9-12 Professionally qualified and experienced specialists and mid-management	1	-	-	-	2	-	-	-	3
L6-8 Skilled technical and academically qualified workers, junior management supervisors foreman and superintendents	1	-	-	-	1	-	-	-	2
L3-5 Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	1	1
L2 Unskilled and defined decision making	-	-	-	-	1	-	-	-	1
Total	2	-	-	-	4	-	-	1	7
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

There were no promotions during the period under review.

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

There were no terminations during the period under review.

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warnings	-	-	-	-	2	-	-	-	2

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior official and managers	-	-	-	-	-	-	-	1	1
Professionals	1	-	-	-	-	-	-	-	1
Technicians and associates professionals	2	-	-	-	4	-	-	-	6
Clerks	1	-	-	-	-	-	-	1	2
Senior and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	4	-	-	-	4	-	-	2	10
Employees with disabilities	-	-	-	-	-	-	-	-	-

3.7. Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2015

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % total number of SMS members
Head of Department	1	1	1	100%
Salary Level 16	-	-	-	0%
Salary Level 15	-	-	-	0%
Salary Level 14	3	3	3	100%
Salary Level 13	3	2	2	100%
Total	7	6	6	100%

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2015

Reasons
Not applicable

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2015

Reasons
None

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employees
African					
Male	3	8	38%	63	21
Female	4	15	27%	49	12
Asian					
Male	-	-	0%	-	-
Female	-	-	0%	-	-
Coloured					
Male	-	-	0%	-	-
Female	-	-	0%	-	-
White					
Male	-	1	0%	-	-
Female	1	1	100%	58	58
Total	8	25	32%	171	21

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employees	
Lower Skilled (Levels 1-2)	-	2	0%	-	-	0.00%
Skilled (Levels 3-5)	-	3	0%	-	-	0.00%
Highly Skilled production (Levels 6-8)	3	6	50%	29	10	0.20%
Highly Skilled Supervision (Levels 9-12)	4	8	50%	84	21	0.59%
Total	7	19	37%	113	16	0.79%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employees
None	-	-	-	-	-

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employees	
Band A	1	2	50%	58	58	0.41%
Band B	-	3	0%	-	-	0.00%
Band C	-	1	0%	-	-	0.00%
Band D	-	-	0%	-	-	0.00%
Total	1	6	17%	58	58	0.41%

3.9 Foreign Workers

Table 3.9.1 foreign workers by salary band for the period 1 April 2015 and 31 March 2016

Total number of foreign workers by salary band	None
--	------

Table 3.9.2 foreign workers by major occupation for the period 1 April 2015 and 31 March 2016

Salary band	01-Apr-15		31-Mar-16		Change	
	Number	% of total	Number	% of total	Number	% of total
None						

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total of employees using sick leave	Average days per employees	Estimated Cost (R'000)
Lower Skills (Level 1-2)	38	89%	2	67%	19	11 563.40
Skilled (Levels 3-5)	8	88%	3	75%	3	4 814.25
Highly skilled production (Levels 6-8)	82	93%	6	75%	14	56 514.85
Highly skilled supervision (Level 9-12)	68	87%	7	64%	10	147 172.42
Top and Senior management (Levels 13-16)	13	85%	3	50%	4	51 865.01
Total	209	85%	21	66%	10	271 929.93

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

Disability leave (temporary and permanent)	None
--	------

Table 3.10.3 Annual Leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days taken	Number of Employees using annual leave	Average employee
Lower Skills (Level 1-2)	48	2	24
Skilled (Levels 3-5)	66	4	17
Highly skilled production (Levels 6-8)	184	8	23
Highly skilled supervision (Level 9-12)	189	11	17
Top and Senior management (Levels 13-16)	177	6	30
Total	664	31	21

Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

Capped leave	None
--------------	------

Table 3.10.5 Leave pay-outs for the period 1 April 2015 and 31 March 2016

Leave pay-outs	None
----------------	------

3.11 HIV/AIDS and Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms Annette Snyman, Director: Corporate Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	No dedicated unit but the functions is part of the Corporate Resource Management
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/service of this Programme.	X		To raise awareness in relation to issues of health
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	No employees were identified, the establishment of a committee was not required
5. Has the department reviewed its employment policies to ensure that these do not unfairly discriminates against employees on the basis of their HIV status? If so, list the employments policies/practices so reviewed.	X		New organisation, and caution was taken to this matter during the development of various policies
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of those measures.		X	No employees were identified, the introduction of measures to protect HIV positive employees against discrimination.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Health screening conducted by GEMS
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion Programme? If so, list these measures/indicators.		X	

3.12 Labour Relations

Table 3.12.1 Collective Agreements for the period 1 April 2015 and 31 March 2016

Total number of Collective Agreements	None
---------------------------------------	------

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2015 and 31 March 2016

Outcomes of disciplinary hearings	Numbers	% of total
Correctional counselling	-	0%
Verbal warning	-	0%
Written warning	2	100%
Final written warning	-	0%
Suspended without pay	-	0%
Fine	-	0%
Demotion	-	0%
Dismissal	-	0%
Not guilty	-	0%
Case withdrawn	-	0%
Total	2	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016

Type of misconduct	Number	% of total
None		

Table 3.12.4 Grievances lodged for the period 1 April 2015 and 31 March 2016

Grievances lodged	None
-------------------	------

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2015 and 31 March 2016

Disputes lodged with Councils	None
-------------------------------	------

Table 3.12.6 Strike actions for the period 1 April 2015 and 31 March 2016

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2015 and 31 March 2016

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

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	-	1	-	1
	Male	2	-	-	-	-
Professionals	Female	7	-	-	-	-
	Male	4	-	1	-	1
Technicians and associate professionals	Female	5	-	4	-	4
	Male	3	-	2	-	2
Clerks	Female	2	-	1	-	1
	Male	2	-	1	-	1
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Elementary occupations	Female	3	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	21	-	-	-	-
	Male	11	-	-	-	-
Total		32	-	10	-	10

Table 3.13.2 Training provided for the period 1 April 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training needs identified at the reporting period			
			Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	-	1	-	1
	Male	2	-	-	-	-
Professionals	Female	7	-	-	-	-
	Male	4	-	1	-	1
Technicians and associate professionals	Female	5	-	4	-	4
	Male	3	-	2	-	2
Clerks	Female	2	-	1	-	1
	Male	2	-	1	-	1
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	3	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	21	-	-	-	-
	Male	11	-	-	-	-
Total		32	-	10	-	10

3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2015 and 31 March 2016

Injury on duty	None
----------------	------

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 and 31 March 2016

Projects title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Consultants and professional service			
Audit and Risk Committee member	1	4	64 128.00
Audit and Risk Committee member	1	3	53 440.00
Audit and Risk Committee member	1	3	53 440.00
Audit and Risk Committee member	1	2	34 736.00
Qualification Verification services	1	1	720.00
Qualification Verification services	1	1	60.00
Contractors			
Maintenance for Multi-Media Innovation Centre equipment	1	1	19 380.00
Hire of Audio Visual technicians and equipment during the 2015 CPSI Innovation Conference	1	2	250 800.00
Hire of conference voting gadget	1	1	45 750.00
Hire of Audio Visual technicians and equipment during the 2015 CPSI Innovation Awards ceremony	1	1	219 175.00
Casual Labourers	2	1	347.20
Casual Labourers	4	1	2 430.00
Casual Labourers	1	20	13 888.00
Events Management for Adjudication Workshop and Foresight Workshop	1	1	6 441.00
Facilitation of Public Sector Innovation Workshop 1	1	1	41 040.00
Events Management for the 2015 CPSI Innovation Conference	10	1	55 860.00
Events Management for the 2015 CPSI Innovation Conference	10	1	55 860.00
Events Management for the 2015 CPSI Innovation Awards	10	1	45 058.50
Facilitation of Public Sector Innovation Workshop 2	1	1	41 040.00
Events Management for the Adhoc CPSI events	1	1	12 882.00
Events Management for the 2015 CPSI Innovation Awards	10	1	45 058.50
Facilitation of Public Sector Innovation Workshop 3	1	1	41 040.00
DJ services during the 2015 CPSI Innovation Conference	1	1	19 500.00
Master of Ceremony during the 2015 CPSI Innovation Awards	1	1	39 900.00
DJ services during the 2015 CPSI Innovation Awards ceremony	1	1	25 080.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

Projects title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2015 and 31 March 2016

Projects title	Total number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

Projects title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2015 and 31 March 2016

Granting of employee initiated severance packages	None
---	------

A photograph of two men in a meeting room. The man on the left is wearing a light blue short-sleeved button-down shirt with thin red and white vertical stripes and khaki pants. The man on the right is wearing a white long-sleeved button-down shirt and light-colored trousers. They are both looking down at a large, white, rectangular interactive table. The table's surface is lit up and displays a complex financial dashboard with various charts, graphs, and data points. The man on the right has his right hand resting on the table, pointing at a specific area. The background shows a window with horizontal blinds and a dark wall. The overall lighting is dim, with the primary light source being the table's display.

PART E: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON VOTE No. 47 OF THE CENTRE FOR PUBLIC SERVICE INNOVATION

Report on the financial statements

Introduction

1. I have audited the financial statements of the Centre for Public Service Innovation set out on pages 65 to 90 which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and the cash flow statement 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 (PFMA), in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury and the requirements of the Public Financial Management Act of South Africa, 1999 (Act 1 of 1999) 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 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 Centre for Public Service Innovation as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the MSC and the requirements of the PFMA.

Additional matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

8. The supplementary information set out on page 91 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

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

legislation and 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

10. I 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 Government Component for the year ended 31 March 2016.

- Programme 2: Public Sector Innovation, which is on pages 28 to 38 of this report.

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

12. 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 (FMPPi).

13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes and objectives:

- Programme 2: Public Sector Innovation

15. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes and objectives:

- Programme 2: Public Sector Innovation

Achievement of planned targets

16. Refer to the annual performance report on pages 23 to 38 for information on the achievement of the planned targets for the year.

Compliance with legislation

17. I performed procedures to obtain evidence that the Centre for Public Service Innovation had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
29 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

2. ANNUAL FINANCIAL STATEMENTS

TABLE OF CONTENTS

Appropriation Statement.....	66
Notes to the Appropriation Statement.....	74
Statement of Financial Performance	76
Statement of Financial Position.....	77
Statement of Changes in Net Assets	78
Cash Flow Statement.....	79
Notes to the Annual Financial Statements (including Accounting policies).....	80
Annexures.....	91



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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Voted Funds Programme									
1. ADMINISTRATION	14 012	-	-	14 012	13 344	668	95.2%	-	-
2. PUBLIC SECTOR INNOVATION	14 991	-	-	14 991	14 711	280	98.1%	-	-
TOTAL	29 003	-	-	29 003	28 055	948	96.7%	-	-
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				2					
Aid assistance				2 400					
Actual amounts per Statement of Financial Performance (Total Revenue)				31 405					
Add: Aid assistance					1 941				
Actual amounts per Statement of Financial Performance Expenditure					29 996				

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Appropriation per economic classification									
Current payments	28 910	(688)	-	28 222	27 300	922	96.7%	-	-
Compensation of employees	14 954	(504)	-	14 450	14 169	281	98.1%	-	-
Salaries and wages	13 236	(450)	-	12 786	12 509	277	97.8%	-	-
Social contributions	1 718	(54)	-	1 664	1 660	4	99.8%	-	-
Goods and services	13 956	(184)	-	13 772	13 131	641	95.3%	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Appropriation per economic classification									
Administrative fees	216	(117)	-	99	96	3	97.0%	-	-
Advertising	261	796	-	1 057	1 053	4	99.6%	-	-
Minor assets	211	(68)	-	143	140	3	97.9%	-	-
Audit costs: External	522	218	-	740	740	-	100.0%	-	-
Catering: Departmental activities	280	(202)	-	78	76	2	97.4%	-	-
Communication (G&S)	302	29	-	331	327	4	98.8%	-	-
Computer services	958	(277)	-	681	670	11	98.4%	-	-
Consultants: Business and advisory services	637	(494)	-	143	142	1	99.3%	-	-
Legal services	143	(143)	-	-	-	-	-	-	-
Contractors	918	284	-	1 202	1 200	2	99.8%	-	-
Agency and support / outsourced services	175	(175)	-	-	-	-	-	-	-
Consumable supplies	102	217	-	319	301	18	94.4%	-	-
Consumable: Stationery, printing and office supplies	218	39	-	257	243	14	94.6%	-	-
Operating leases	3 888	(1 119)	-	2 769	2 277	492	82.2%	-	-
Property payments	119	152	-	271	269	2	99.3%	-	-
Travel and subsistence	2 860	(267)	-	2 593	2 516	77	97.0%	-	-
Training and development	205	(117)	-	88	85	3	96.6%	-	-
Operating payments	823	154	-	977	973	4	99.6%	-	-
Venues and facilities	1 118	906	-	2 024	2 023	1	100.0%	-	-
Transfers and subsidies	24	-	-	24	-	24	-	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Appropriation per economic classification									
Departmental agencies and accounts	24	-	-	24	-	24	-	-	-
Departmental agencies (non-business entities)	24	-	-	24	-	24	-	-	-
Payments for capital assets	69	688	-	757	755	2	99.7%	-	-
Machinery and equipment	69	439	-	508	506	2	99.6%	-	-
Other machinery and equipment	69	439	-	508	506	2	99.6%	-	-
Software and other intangible assets	-	249	-	249	249	-	100.0%	-	-
Total	29 003	-	-	29 003	28 055	948	96.7%	-	-

Programme 1: ADMINISTRATION

Sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. STRATEGIC MANAGEMENT	3 704	644	-	4 348	4 335	13	99.7%	-	-
2. CORPORATE RESOURCE MANAGEMENT	7 726	(1 155)	-	6 571	5 949	622	90.5%	-	-
3. OFFICE OF THE CHIEF FINANCIAL OFFICER	2 582	511	-	3 093	3 060	33	98.9%	-	-
Total	14 012	-	-	14 012	13 344	668	95.2%	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	13 919	(650)	-	13 269	12 627	642	95.2%	-	-
Compensation of employees	6 252	-	-	6 252	6 165	87	98.6%	-	-
Salaries and wages	5 447	57	-	5 504	5 420	84	98.5%	-	-
Social contributions	805	(57)	-	748	745	3	99.6%	-	-
Goods and services	7 667	(650)	-	7 017	6 462	555	92.1%	-	-
Administrative fees	30	(5)	-	25	23	2	92.0%	-	-
Advertising	11	470	-	481	478	3	99.4%	-	-
Minor assets	179	(37)	-	142	140	2	98.6%	-	-
Audit costs: External	522	218	-	740	740	-	100.0%	-	-
Catering: Departmental activities	97	(79)	-	18	17	1	94.4%	-	-
Communication (G&S)	157	119	-	276	272	4	98.6%	-	-
Computer services	931	(338)	-	593	584	9	98.5%	-	-
Consultants: Business and advisory services	137	6	-	143	142	1	99.3%	-	-
Legal services	143	(143)	-	-	-	-	-	-	-
Contractors	-	17	-	17	17	-	100.0%	-	-
Agency and support / outsourced services	175	(175)	-	-	-	-	-	-	-
Consumable supplies	96	(9)	-	87	75	12	86.2%	-	-
Consumable: Stationery, printing and office supplies	216	(22)	-	194	182	12	93.8%	-	-
Operating leases	3 888	(1 119)	-	2 769	2 277	492	82.2%	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	119	(38)	-	81	80	1	98.8%	-	-
Travel and subsistence	550	283	-	833	824	9	98.9%	-	-
Training and development	95	(44)	-	51	48	3	94.1%	-	-
Operating payments	211	191	-	402	398	4	99.0%	-	-
Venues and facilities	110	55	-	165	165	-	100.0%	-	-
Transfers and subsidies	24	-	-	24	-	24	-	-	-
Departmental agencies and accounts	24	-	-	24	-	24	-	-	-
Departmental agencies (non-business entities)	24	-	-	24	-	24	-	-	-
Payments for capital assets	69	650	-	719	717	2	99.7%	-	-
Machinery and equipment	69	401	-	470	468	2	99.6%	-	-
Other machinery and equipment	69	401	-	470	468	2	99.6%	-	-
Software and other intangible assets	-	249	-	249	249	-	100.0%	-	-
Total	14 012	-	-	14 012	13 344	668	95.2%	-	-

Subprogramme: 1.1: STRATEGIC MANAGEMENT

Current payments	3 704	644	-	4 348	4 335	13	99.7%	-	-
Compensation of employees	2 406	337	-	2 743	2 743	-	100.0%	-	-
Goods and services	1 298	307	-	1 605	1 592	13	99.2%	-	-
Total	3 704	644	-	4 348	4 335	13	99.7%	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

Subprogramme: 1.2: CORPORATE RESOURCE MANAGEMENT									
	7 633	(1 805)	5 828	5 232	596	89.8%			
Current payments									
Compensation of employees	2 430	(720)	1 710	1 635	75	95.6%			
Goods and services	5 203	(1 085)	4 118	3 597	521	87.3%			
Transfers and subsidies	24	-	24	-	24	-			
Departmental agencies and accounts	24	-	24	-	24	-			
Payments for capital assets	69	650	719	717	2	99.7%			
Machinery and equipment	69	401	470	468	2	99.6%			
Software and other intangible assets	-	249	249	249	-	100.0%			
Total	7 726	(1 155)	6 571	5 949	622	90.5%			

Subprogramme: 1.3: OFFICE OF THE CHIEF FINANCIAL OFFICER									
	2 582	511	3 093	3 060	33	98.9%			
Current payments									
Compensation of employees	1 416	383	1 799	1 787	12	99.3%			
Goods and services	1 166	128	1 294	1 273	21	98.4%			
Total	2 582	511	3 093	3 060	33	98.9%			

Programme 2: PUBLIC SECTOR INNOVATION									
Sub programme									
1. RESEARCH AND DEVELOPMENT	3 605	(744)	2 861	2 644	217	92.4%			
2. SOLUTION SUPPORT AND INCUBATION	4 123	(281)	3 842	3 809	33	99.1%			
3. ENABLING ENVIRONMENT	7 263	1 025	8 288	8 258	30	99.6%			
Total	14 991	-	14 991	14 711	280	98.1%			

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

Programme 2: PUBLIC SECTOR INNOVATION									
Economic classification									
Current payments	14 991	(38)	-	14 953	14 673	280	98.1%	-	-
Compensation of employees	8 702	(504)	-	8 198	8 004	194	97.6%	-	-
Salaries and wages	7 789	(507)	-	7 282	7 089	193	97.3%	-	-
Social contributions	913	3	-	916	915	1	99.9%	-	-
Goods and services	6 289	466	-	6 755	6 669	86	98.7%	-	-
Administrative fees	186	(112)	-	74	73	1	98.6%	-	-
Advertising	250	326	-	576	575	1	99.8%	-	-
Minor assets	32	(31)	-	1	-	1	-	-	-
Catering: Departmental activities	183	(123)	-	60	59	1	98.3%	-	-
Communication (G&S)	145	(90)	-	55	55	-	100.0%	-	-
Computer services	27	61	-	88	86	2	97.7%	-	-
Consultants: Business and advisory services	500	(500)	-	-	-	-	-	-	-
Contractors	918	267	-	1 185	1 183	2	99.8%	-	-
Consumable supplies	6	226	-	232	226	6	97.4%	-	-
Consumable: Stationery, printing and office supplies	2	61	-	63	61	2	96.8%	-	-
Property payments	-	190	-	190	189	1	99.5%	-	-
Travel and subsistence	2 310	(550)	-	1 760	1 692	68	96.1%	-	-
Training and development	110	(73)	-	37	37	-	100.0%	-	-
Operating payments	612	(37)	-	575	575	-	100.0%	-	-
Venues and facilities	1 008	851	-	1 859	1 858	1	99.9%	-	-
Payments for capital assets	-	38	-	38	38	-	100.0%	-	-
Machinery and equipment	-	38	-	38	38	-	100.0%	-	-
Other machinery and equipment	-	38	-	38	38	-	100.0%	-	-
Total	14 991	-	-	14 991	14 711	280	98.1%	-	-

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

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme: 2.1: RESEARCH AND DEVELOPMENT									
Current payments	3 605	(744)	-	2 861	2 644	217	92.4%	-	-
Compensation of employees	2 813	(640)	-	2 173	1 986	187	91.4%	-	-
Goods and services	792	(104)	-	688	658	30	95.6%	-	-
Total	3 605	(744)	-	2 861	2 644	217	92.4%	-	-
Subprogramme: 2.2: SOLUTION SUPPORT AND INCUBATION									
Current payments	4 123	(293)	-	3 830	3 797	33	99.1%	-	-
Compensation of employees	3 008	98	-	3 106	3 104	2	99.9%	-	-
Goods and services	1 115	(391)	-	724	693	31	95.7%	-	-
Payments for capital assets	-	12	-	12	12	-	100.0%	-	-
Total	4 123	(281)	-	3 842	3 809	33	99.1%	-	-
Subprogramme: 2.3: ENABLING ENVIRONMENT									
Current payments	7 263	999	-	8 262	8 232	30	99.6%	-	-
Compensation of employees	2 881	38	-	2 919	2 914	5	99.8%	-	-
Goods and services	4 382	961	-	5 343	5 318	25	99.5%	-	-
Payments for capital assets	-	26	-	26	26	-	100.0%	-	-
Total	7 263	1 025	-	8 288	8 258	30	99.6%	-	-

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016**

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

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

2 Detail of specifically and exclusively appropriated amounts Voted:

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

3 Detail on payments for financial assets

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

4 Explanations of material variances from amounts Voted:

4.1

Programme:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
ADMINISTRATION	14 012	13 344	668	5%

During the 2014/15 financial year, the Centre for Public Service Innovation applied for additional accommodation through the Department of Public Works. This application was not finalized in the 2015/16 as anticipated. This mainly resulted in the underspending in the Programme from the payment of the lease for the additional accommodation.

Programme:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
PUBLIC SECTOR INNOVATION	14 991	14 711	280	2%

Funding allocated for the filling of one SMS post required reprioritization of funding for the post due to higher general cost of living adjustments and notch increases within the organisation resulted in a request to abolish the post and job evaluation for a lower level.

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

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016**

4.2 Programme:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current expenditure				
Compensation of employees	14 450	14 169	281	2%
Goods and services	13 772	13 131	641	5%
Transfers and subsidies				
Departmental agencies and accounts	24	-	24	100%
Payments for capital assets				
Machinery and equipment	508	506	2	0%
Software and other intangible assets	249	249	-	0%

The under spending under compensation of employees is mainly due to the reprioritization of funding to cover the higher cost of living adjustments and notch increases.

The delay in the finalization of the lease agreement for additional accommodation resulted in the under spending under goods and services.

The funding allocated to Transfers: Departmental agencies and account was intended for the payment of licence fees for the TVs, and DSTVs used in the organization. The standard chart of account allocations was adjusted, which resulted in the payment for these services to be allocated to Goods and Services.

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

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	29 003	-
Departmental revenue	2	2	-
Aid assistance	3	2 400	-
TOTAL REVENUE		31 405	-
EXPENDITURE			
Current expenditure			
Compensation of employees	4	14 169	-
Goods and services	5	13 131	-
Aid assistance	3	1 941	-
Total current expenditure		29 241	-
Expenditure for capital assets			
Tangible assets	6	506	-
Intangible assets	6	249	-
Total expenditure for capital assets		755	-
TOTAL EXPENDITURE		29 996	-
SURPLUS FOR THE YEAR		1 409	-
Reconciliation of Net Surplus for the year			
Voted Funds		948	-
Annual appropriation		948	-
Departmental revenue and NRF Receipts	9	2	-
Aid assistance	3	459	-
SURPLUS FOR THE YEAR		1 409	-

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

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	1 447	-
TOTAL ASSETS		1 447	-
LIABILITIES			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	8	948	-
Payables	10	40	-
Aid assistance unutilised	3	459	-
TOTAL LIABILITIES		1 447	-
NET ASSETS		-	-
TOTAL		-	-

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

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
NET ASSETS			
Capitalisation Reserves			
Closing balance		-	-
Recoverable revenue			
Closing balance		-	-
Retained funds			
Closing balance		-	-
Revaluation Reserves			
Closing balance		-	-
TOTAL		-	-

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

**CASH FLOW STATEMENT
for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		31 405	-
Annual appropriated funds received	1.1	29 003	-
Departmental revenue received	2	2	-
Aid assistance received	3	2 400	-
Net decrease in working capital		40	-
Surrendered to Revenue Fund		(2)	-
Current payments		(29 241)	-
Net cash flow available from operating activities	11	2 202	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	6	(755)	-
Net cash flows from investing activities		(755)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		1 447	-
Cash and cash equivalents at end of period	12	1 447	-

GOVERNMENT COMPONENT: CENTRE FOR PUBLIC SERVICE INNOVATION VOTE 47

ACCOUNTING POLICIES for the year ended 31 March 2016

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

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

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

- 1 Basis of preparation**
The financial statements have been prepared in accordance with the Modified Cash Standard.
- 2 Going concern**
The financial statements have been prepared on a going concern basis.
- 3 Presentation currency**
Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
- 4 Rounding**
Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
- 5 Comparative information**
 - 5.1 Prior period comparative information**
The comparative information is included in the Annual Financial Statements of Vote 10: Department of Public Service and Administration.
 - 5.2 Current year comparison with budget**
A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
- 6 Revenue**
 - 6.1 Appropriated funds**
Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).
Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.
The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
 - 6.2 Departmental revenue**
Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.
Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
- 7 Expenditure**
 - 7.1 Compensation of employees**
 - 7.1.1 Salaries and wages**
Salaries and wages are recognised in the statement of financial performance on the date of payment.
 - 7.1.2 Social contributions**
Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.
Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

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

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

7.2 Other expenditure

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

7.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.

Accrued expenditure payable is measured at cost.

7.4 Leases

7.4.1 Operating leases

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

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

7.4.2 Finance leases

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

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

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

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

8 Aid Assistance

8.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

8.2 Aid assistance paid

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

9 Cash and cash equivalents

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

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

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

10 Payables

Loans and payables are recognised in the statement of financial position at cost.

11 Capital Assets

11.1 Movable capital assets

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

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

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

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

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

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

11.2 Intangible assets

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

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

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

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

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

12 Provisions and Contingents

12.1 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

13 Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information. The department has complied with the Standard except it had departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	2015/16			2014/15	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000
1 1.1 Annual Appropriation					
Programmes					
1. Administration	14 012	14 012	-	-	-
2. Public Sector Innovation	14 991	14 991	-	-	-
Total	29 003	29 003	-	-	-
			Note	2015/16 R'000	2014/15 R'000
2 Departmental Revenue					
Sales of goods and services other than capital assets			2.1	2	-
Total revenue collected				2	-
Departmental revenue collected				2	-
2.1 Sales of goods and services other than capital assets			2		
Sales of goods and services produced by the department				2	-
Other sales				2	-
Total				2	-
3 Aid Assistance					
Transferred from statement of financial performance				459	-
Closing Balance				459	-
3.1 Analysis of balance by source			3		
Aid assistance from RDP			Annexure B	459	-
Closing balance				459	-
4 Compensation of Employees					
4.1 Salaries and wages					
Basic salary				9 217	-
Performance award				170	-
Service Based				9	-
Compensative/circumstantial				36	-
Other non-pensionable allowances				3 077	-
Total				12 509	-

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
4 Compensation of Employees			
4.2 Social Contributions			
Pension		1 210	-
Medical		448	-
Bargaining council		2	-
Total		1 660	-
Total compensation of employees		14 169	-
Average number of employees		30	-
5 Goods and services			
Administrative fees		96	-
Advertising		1 053	-
Minor assets	5.1	140	-
Catering		76	-
Communication		327	-
Computer services	5.2	670	-
Consultants: Business and advisory services		142	-
Contractors		1 200	-
Audit cost – external	5.3	740	-
Consumables	5.4	544	-
Operating leases		2 277	-
Property payments	5.5	269	-
Travel and subsistence	5.6	2 516	-
Venues and facilities		2 023	-
Training and development		85	-
Other operating expenditure	5.7	973	-
Total		13 131	-
5.1 Minor assets			
Tangible assets		67	-
Machinery and equipment		67	-
Intangible assets		73	-
Software		73	-
Total		140	-
5.2 Computer services	5		
SITA computer services		482	-
External computer service providers		188	-
Total		670	-
5.3 Audit cost – external	5		
Regularity audits		740	-
Total		740	-

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000	
5.4 Consumables	5			
Consumable supplies		300	-	
Household supplies		43	-	
IT consumables		27	-	
Other consumables		230	-	
Stationery, printing and office supplies		244	-	
Total		544	-	
5.5 Property payments	5			
Municipal services		73	-	
Property management fees		1	-	
Other		195	-	
Total		269	-	
5.6 Travel and subsistence	5			
Local		1 544	-	
Foreign		972	-	
Total		2 516	-	
5.7 Other operating expenditure	5			
Professional bodies, membership and subscription fees		6	-	
Resettlement costs		31	-	
Other		936	-	
Total		973	-	
6 Expenditure for capital assets				
Tangible assets		506	-	
Machinery and equipment	18	506	-	
Intangible assets	19	249	-	
Software		249	-	
Total		755	-	
6.1 Analysis of funds utilised to acquire capital assets - 2015/16				
		Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets		506	-	506
Machinery and equipment		506	-	506
Intangible assets		249	-	249
Software		249	-	249
Total		755	-	755
		Note	2015/16 R'000	2014/15 R'000
6.2 Finance lease expenditure included in Expenditure for capital assets				
Tangible assets				
Machinery and equipment			45	-
Total			45	-

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000
7 Cash and Cash Equivalents			
Consolidated Paymaster General Account		1 442	-
Cash on hand		5	-
Total		1 447	1 447
8 Voted Funds to be Surrendered to the Revenue Fund			
Transfer from statement of financial performance (as restated)		948	-
Closing balance		948	-
9 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Transfer from Statement of Financial Performance (as restated)		2	-
Paid during the year		(2)	-
Closing balance		-	-
10 Payables - current			
Clearing accounts	10.1	40	-
Total		40	-
10.1 Clearing accounts	10.1		
Salaries: Income Tax		39	-
Pension Funds		1	-
Total		40	-
11 Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		1 409	-
Add back non cash/cash movements not deemed operating activities		793	-
Increase in payables – current		40	-
Expenditure on capital assets		755	-
Surrenders to Revenue Fund		(2)	-
Net cash flow generated by operating activities		2 202	-
12 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		1 442	-
Cash on hand		5	-
Total		1 447	-

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	Note	2015/16 R'000	2014/15 R'000		
13 Commitments					
Current expenditure					
Approved and contracted		1 649	-		
Capital Expenditure					
Approved and contracted		44	-		
Total Commitments		1 693	-		
<i>Indicate whether a commitment is for longer than a year</i>					
Accommodation Options for events management - contract ending 2017/08/09					
62 Water for provision of household water - contract ending 2017/07/31					
Sita for mainframe and CAP services - contract ending 2018/03/31					
14 Accruals and payables not recognised					
14.1 Accruals					
Listed by economic classification					
	30 days	30+ days	Total		
Goods and services	203	-	203		
Capital assets	-	-	-		
Total	203	-	203		
	Note	2015/16 R'000	2014/15 R'000		
Listed by programme level					
Programme 1: Administration		179	-		
Programme 2: Public Sector Innovation		24	-		
Total		203	-		
15 Employee benefits					
Leave entitlement		659	-		
Service bonus (Thirteenth cheque)		445	-		
Performance awards		213	-		
Capped leave commitments		58	-		
Total		1 375	-		
16 Lease commitments					
16.1 Operating leases expenditure					
2015/16	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	2 685	-	2 685
Later than 1 year and not later than 5 years	-	-	2 927	-	2 927
Total lease commitments	-	-	5 612	-	5 612
<i>Department of Public Works - Lease agreement for Office accommodation Current agreement ends on 31 March 2018</i>					

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

16.2 Finance leases expenditure

2015/16	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	15	15
Later than 1 year and not later than 5 years	-	-	-	10	10
Total lease commitments	-	-	-	25	25

*One cellular phone contract ending December 2017 and two 3G contracts ending July 2016
Hiring of one water cooler contract ending July 2017*

	Note	2015/16 R'000	2014/15 R'000
17 Key management personnel			
Officials:	<i>Individuals</i>		
Level 15 to 16	1	1 821	-
Level 14 (incl CFO at a lower level)	4	4 273	-
Total		6 094	-

18 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery & equipment	-	-	5 644	-	-
Computer equipment	-	-	1 366	-	1 366
Furniture and office equipment	-	-	2 602	-	2 602
Other machinery and equipment	-	-	1 876	-	1 876
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	-	-	5 844	-	5 844

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Additions

18.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
MACHINERY AND EQUIPMENT	463	5 336	45	-	5 844
Computer equipment	277	1 089	-	-	1 366
Furniture and office equipment	45	2 557	-	-	2 602
Other machinery and equipment	141	1 690	45	-	1 876
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	463	5 336	45	-	5 844

18.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	-	-
Additions	-	-	906	-	906
TOTAL MINOR ASSETS	-	-	906	-	906
	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-
Number of minor assets at cost	-	-	493	-	493
TOTAL NUMBER OF MINOR ASSETS	-	-	493	-	493

19 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
	-	-	308	-	308
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	308	-	308

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

19.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Development work-in- progress current costs)	Received current, not paid (Paid current year, received prior year R'000	Total R'000
SOFTWARE	248	60	-	-	308
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	248	60	-	-	308

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

**ANNEXURE 1A
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
		R'000	R'000
Received in kind			
African Association Administration and Management (AAPAM)	Sponsorship towards travelling expenses as juror for the AAPAM Innovation Management Awards	33	-
City of Johannesburg	Sponsorship towards the hosting of the 6th Annual SADC UNPAN Workshop	36	-
MTN Foundation	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	200	-
United Nations Development Programme	Sponsorship towards the hosting of the 6th Annual SADC UNPAN Workshop	178	-
Vox Telecom	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	6	-
Mustek	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Conference	50	-
Mustek	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	70	-
TOTAL		573	-

**ANNEXURE 1B
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
The Kingdom of the Belgium Government	Tirelo Bosha Public Service Improvement Programme	-	200	24	176
European Union	Unlocking Public Service Innovation	-	2 200	1 917	283
TOTAL		-	2 400	1 941	459



A large blue square is positioned on the left side of the page, and a blue vertical bar is on the right side. The central area is filled with horizontal lines, resembling a ruled page for writing.



A series of horizontal lines for text entry, consisting of 25 lines.







PHYSICAL ADDRESS: Corporate 66 Office Park
Corner Von Willigh and Lenchen Street
Centurion
Pretoria
South Africa

POSTAL ADDRESS: Postnet Highveld Suite 404
Private Bag X111
Centurion
0001



+27 12 683 2800 / +27 860000 CPSI (2774)



+27 12 643 0943



info@cpsi.co.za



www.cpsi.co.za



CPSI_SA



CPSINNOV8



Centre For Public Service Innovation

GPS COORDINATES: 25°51'11.19"S
28°11'44.52"E

RP: 171-2015
ISBN: 978-0621-43708-9