

**2020/21**  
**ANNUAL REPORT**  
**VOTE NO. 10**



**the cpsi**

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

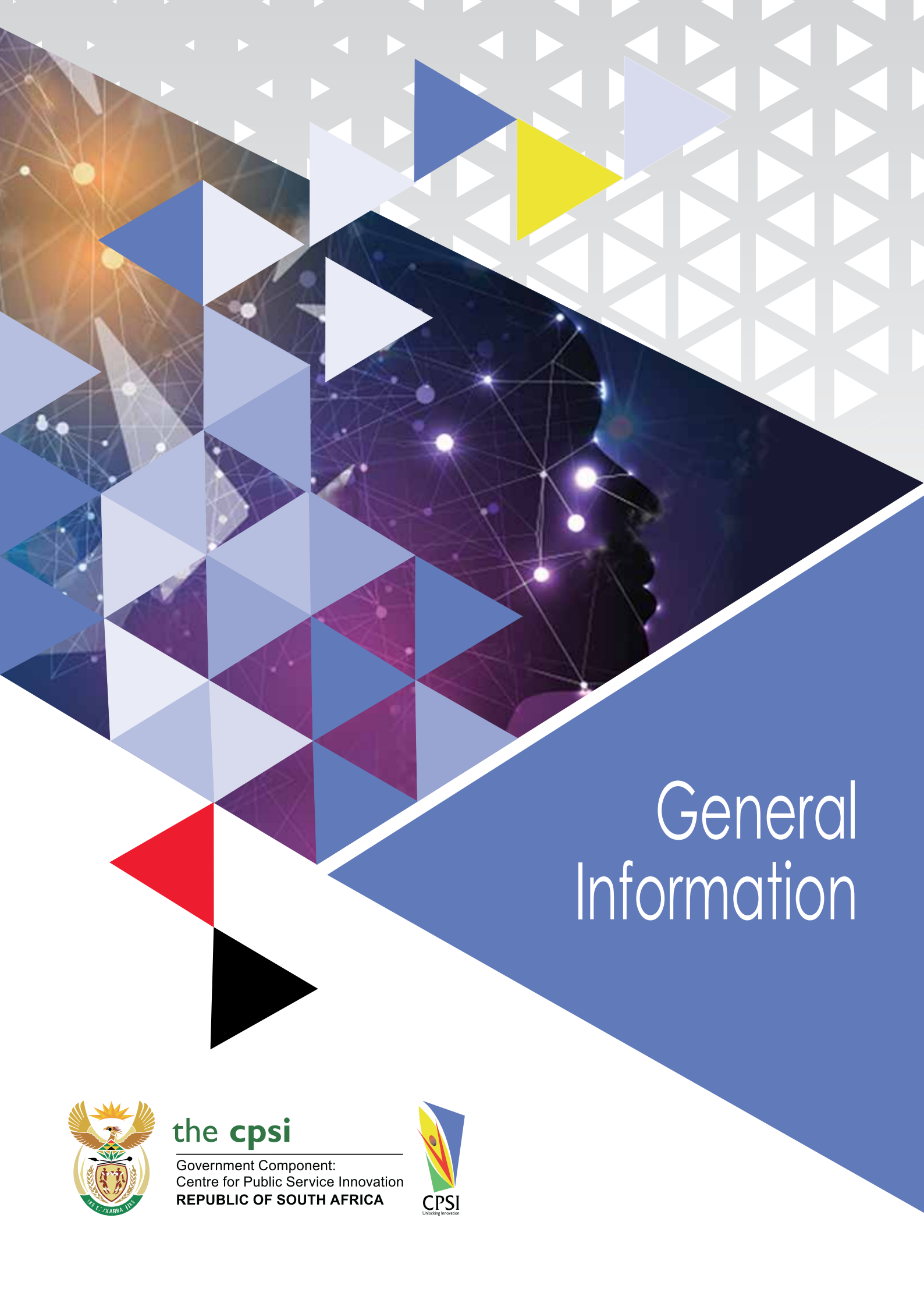






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# General Information



**the cpsi**

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





## 1. DEPARTMENT GENERAL INFORMATION

**Physical Address:** Batho Pele House  
546 Edmond Street  
Arcadia, Pretoria  
South Africa

**Postal Address:** Postnet Suite 410  
Private Bag X 15  
Menlo Park  
0102

**Telephone Number/s:** +27 12 683 2800

**Fax Number:** 27 12 643 0943

**Email Address:** [info@cpsi.co.za](mailto:info@cpsi.co.za)

**Website Address:** [www.cpsi.co.za](http://www.cpsi.co.za)



## 2. LIST OF ABBREVIATIONS AND ACRONYMS

<b>4IR</b>	4 <sup>th</sup> Industrial Revolution
<b>AAPAM</b>	African Association for Public Administration and Management
<b>AGSA</b>	Auditor General of South Africa
<b>APP</b>	Annual Performance Plan
<b>ARC</b>	Audit and Risk Committee of the CPSI
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>CPSI</b>	Centre for Public Service Innovation
<b>DCS</b>	Department of Correctional Services
<b>CFO</b>	Chief Financial Officer
<b>CIO</b>	Chief Information Officer
<b>DDM</b>	District Development Model
<b>DHA</b>	Department of Home Affairs
<b>DPME</b>	Department of Planning, Monitoring, and Evaluation
<b>DPSA</b>	Department of Public Service and Administration
<b>ED</b>	Executive Director
<b>EXCO</b>	Executive Committee of CPSI
<b>HR</b>	Human Resources
<b>ICT</b>	Information Communication Technology
<b>KZN</b>	KwaZulu-Natal
<b>MEC</b>	Member of Executive Council
<b>MoU/A</b>	Memorandum of Understanding/Agreement
<b>MPSA</b>	Minister for Public Service and Administration
<b>MST</b>	Mathematics, Sciences, and Technology
<b>NACS</b>	National Anti-Corruption Strategy
<b>NGO</b>	Non-Governmental Organisation

<b>NDP</b>	National Development Plan
<b>NSG</b>	National School of Government
<b>NSI</b>	National System of Innovation
<b>OAG</b>	Office of the Accountant General
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OPSI</b>	Observatory of Public Sector Innovation
<b>GCIO</b>	Government Chief Information Officer
<b>OPSC</b>	Office of the Public Service Commission
<b>PFMA</b>	Public Finance Management Act
<b>PILIR</b>	Policy and Procedure on Incapacity Leave and Ill-Health Retirement
<b>PSCBC</b>	Public Service Co-ordinating Bargaining Council
<b>SADC</b>	Southern African Development Community
<b>SALGA</b>	South African Local Government Association
<b>SDGs</b>	Sustainable Development Goals
<b>SITA</b>	State Information Technology Agency
<b>SMME</b>	Small, Medium, and Micro Enterprises
<b>SMS</b>	Senior Management Services
<b>SONA</b>	State of the Nation Address
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNCAC</b>	United Nations Convention against Corruption
<b>UNDP</b>	United Nations Development Programme
<b>UNISA</b>	University of South Africa





**Ms Ayanda Dlodlo, MP**  
Minister for the  
Public Service and  
Administration

### 3. FOREWORD BY THE MINISTER

South Africa undertook to adopt and follow the model of a developmental state in order to spearhead the growth and development of our maturing democracy, all while ensuring inclusive growth and development for our people. A capable developmental state is a state that is people-centred, a state that is distinguishable by its familiarity with the socio-economic status of its people, and is inherently capacitated and readily poised to intervene and respond timeously with relevant services to improve their livelihood.

The National Development Plan (NDP) defines the key characteristics of such a state as being “able to intervene to correct our historical inequalities and to provide strong leadership throughout society, working together to solve our problems.” Its distinguishing hallmarks should be agility, flexibility, and responsiveness, which are integral to the provision of vital services to citizens.

But equally important, it should be a kind of state that totally denounces and abhors corruption which can insidiously eat away at the core of our hard-fought democracy and what it stands for.

As President Ramaphosa indicated in his 2021 State of the Nation Address (SONA), “*Corruption is one of the greatest impediments to the country’s growth and development.*” For that reason, it should be obligatory that we, as government, should collectively strain the last atom of our sinews in waging a relentless war against this perilous pandemic. Not only does corruption rob a country of the necessary resources for development, but it further violates the constitutional rights of all citizens of the country – leaving them with little to no resources for a better life. Corruption has decimating consequences for the poor and those who are historically marginalised.

Central to this should be the commitment to strengthen law enforcement agencies, particularly those that have shown to be compromised and weakened. These should be capacitated through investigation, speedy arrest and prosecution, and ultimate conviction. In turn, this will send an unequivocally strong warning against those who flagrantly contravene the rules and regulations of our country for their own selfish reasons. Our work in this regard is showing progress in that there is already improved cooperation and sharing of resources between the respective law enforcement agencies, thus enabling a more integrated approach to investigations and prosecutions.

South Africa has ratified the United Nations Convention against Corruption (UNCAC) in 2004. This was a bold step on our part, which fundamentally signalled our agreement to be bound by the provisions thereof and that we have decisively concluded that our domestic laws and policies concerning corruption will align with international standards, whilst also aligning with our Constitution. As a developing country, it is of critical importance that we ensure that our domestic legislation and policies are aligned with international instruments in order to be a competitive player within the global village.

So far, UNCAC is the only legally binding universal anti-corruption instrument, and it has a far-reaching approach whilst covering different forms of corruption. The Convention covers 5 main areas, namely:

- preventative measures
- criminalisation and law enforcement
- international co-operation
- asset recovery
- technical assistance and information exchange

In line with the National Development Plan 2030 (NDP), South Africa is making inroads in achieving the goal of a South Africa that is free from corruption and a government that is accountable to the citizens.

Chief amongst these is the approval by Cabinet of the National Anti-Corruption Strategy (NACS) aimed at supporting and enabling the country in the fight against corruption by providing a nationwide intervention framework. The compilation of the NACS was a joint effort by a multi-sectorial NACS reference group comprising academia, civil society, and business and government representatives. This reinforces the fact that the fight against corruption will require concerted efforts of not only government, but also private sector, civil society, and the citizens at large.

This Anti-Corruption Strategy talks about capacitating government institutions and strengthening resource provision. This refers to the need to commit to rebuilding front-line state institutions which are at the core of service delivery. It entails reconfiguring and re-engineering these institutions to enable them to sustain good governance.

Lastly, and also borrowing from the NACS, is a commitment to prioritise the professionalisation of the public service as the main service delivery machinery of the state. Essentially, this is about empowering and capacitating public servants with appropriate skills to ensure competitive performance, inculcation and encouragement of ethical behaviour, accountability, and self-discipline. Ethical conduct and organisational integrity are key to eradicating fraud and corruption in public service and administration. The goal and what we are tirelessly striving towards is a Government that always puts the needs of the citizens first, as well as public servants who dutifully serve the public.

As we operationalise the NACS, we should be innovative in our implementation, leverage innovations from the Public Sector Innovation Awards Programme and develop new solutions where current instruments fall short. Many solutions unearthed over the past years, such as the Pharmacy PDUs and biometric verification, can contribute immensely to reduce opportunities for corruption and improve accountability by verifying processes from end-to-end.

This transformative work of professionalising the public service is spearheaded by the National School of Government which offers training programmes on a variety of fields on the growth and development of the public service, including innovation, anti-corruption, and ethical leadership, amongst others. This is to ensure that public servants are re-acquainted with the constitutional values and principles, personify them, ensure that they conduct themselves ethically in their official duties and continuously improve in the manner we serve citizens.

As we work towards building an effective and efficient public service through the above mentioned interventions, we fully acknowledge the need to harness and embrace innovation to accelerate our transformation, growth, and development. We need to consistently revisit our policy and regulatory frameworks to discard the ineffective and outdated, whilst revising the remaining to ensure flexibility and ongoing relevance for our present-day reality and for generations to come.

This dire need was particularly highlighted by the emergence of the COVID-19 Pandemic earlier in 2020 which completely shook the very foundations of our existence as a society – the labour market, our economy, and the public sector at large. The Pandemic exposed our fragility and many weaknesses, exacerbated by social ills such as corruption and inequality. Like many governments in the world, Government found itself under immense pressure to respond to the unprecedented and overwhelming challenges of COVID-19.

However, amidst the many challenges that the pandemic has imposed upon us, it has, on the contrary, highlighted the importance of innovation as a bedrock and catalyst for continued resilience and survival against all odds. Through our cross-sectorial collaborations with the private sector and civil society, we



worked hard to maximise our pursuit of innovative solutions and programmes to service the citizens while observing basic COVID-19 protocols. In response to the new normal that COVID-19 has unexpectedly foisted upon us, we found ourselves making strides to embrace the 4th Industrial Revolution (4IR) in our pursuit of solutions that would ensure uninterrupted provision of services to the citizens, while promoting inclusive growth and development.

We are now well aware that global crises such as COVID-19 can emerge at any moment and that we should not label these simply as 'unforeseen'. Therefore, we must inculcate foresight, resilience, and agility in our planning and policy making to lessen the impact of crises to come.

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

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**Ms Ayanda Dlodlo, MP**  
**Minister for the Public Service and Administration**



**Dr Chana Pilane-  
Majake, MP**  
 Deputy Minister for  
 the Public Service and  
 Administration

## 4. DEPUTY MINISTER'S STATEMENT

South Africa has undoubtedly made phenomenal strides in improving the lives of its citizens since its transition to democracy in 1994. There is overwhelming evidence from Statistics South Africa, our government's official statistics agency, that shows critical areas where we have made phenomenal impact in improving the lives of our citizens through the provision of vital, life-changing services, such as education, proper healthcare, housing, hygienic drinking water, and sanitation, to name but a few.

These exceptional gains originate from our sincere commitment to the social compact between us, as a developmental state and citizens which binds us to always be readily prepared to provide them with the much-needed services with the requisite agility, flexibility, and responsiveness. It is this social compact that guides us to fix fundamentals and target critical areas of growth.

However, our reality is that of a nation still experiencing inequalities when it comes to citizen access to vital services. Most of these inequalities are historical in nature and the task of levelling the playing fields and removing these inequalities remain a daunting challenge after all these years. There are many complex reasons that not only mirror the gaps in the distribution of services to citizens but also, importantly, dictate our decisions regarding strategies and policies that we can implement in mitigating that.

### Service delivery and population dynamics

According to the mid-year (2020) population estimates from Statistics South Africa, our population is estimated at 59,6 million people, 30,5 million (51%) of which are female. Also worth noting is that more than half of the entire population of South Africa lives in rural areas and informal settlements. This demographic picture, which shows a population which has more females, is youthful, and mostly rural based, is characteristically similar to the picture denoting the accessibility of vital services by citizens of our country. It is a picture where women, the youth, and mostly rural people are comparably disadvantaged in many areas, including access to vital social services and the labour market – that is, employment.

Similarly, on the economic front, as data from the World Bank indicates, South Africa remains a dual economy with one of the highest, persistent inequality rates in the world. This is mainly because of a legacy of exclusion and the nature of economic growth which is not pro-poor and does not generate sufficient jobs. Inequality in terms of wealth distribution remains even higher with no prospects for change anytime soon as disparities cascade down from generation to generation. This has major implications on the kinds of strategies that we introduce to alleviate poverty amongst our people.

### The socio-economic impact of the COVID-19 Pandemic

When the COVID-19 Virus made landfall in South Africa in early 2020, it had a tight, unrelenting, and perilous grip on our society's way of life, how we socialise and relate with each other, and how we conduct business, schooling, healthcare, etc. Those factors that we highlighted earlier about our population such as spatial and age distribution, gender, education and economic status became more prominent in determining access to services in essence aggravating the Inequality and impartiality that already existed in our country.



Like in many countries across the globe, the South African economy was badly affected, contracting by 7% according to World Bank estimates, as the pandemic weighed heavily on both external demand and domestic activity as the government implemented containment measures.

As Mr António Guterres, the United Nations Secretary General said in the 2020 Nelson Mandela lecture: *"COVID-19 has managed to widen the socio-economic gap between world nations and pushing developing nations into even deeper poverty. In addition, what this pandemic has also managed to do is to summarily erode in a few short months many of the gains that these nations had realised in achieving national plans and the United Nations Sustainable Goals."*

## The role of government

Government is critical in ensuring the wellbeing of its citizens. This is the kind of responsibility, one of colossal proportion, that we as government have fully acknowledged and cannot or dare not abdicate to anyone under any circumstance.

For that reason, I refer to the 2019 State of the Nation Address in which President Ramaphosa emphatically spoke about the need for extraordinary measures to ensure our realisation of Vision 2030. He called for the public service to make unpopular choices and priorities and focus on actions that will have the greatest impact and catalyse faster movement forward, both in the short term and over the next 10 years. In my view, this means opting for radical and disruptive methods and doing things unusually with a view of ensuring that we achieve the envisaged targets of Vision 2030 of the National Development Plan, namely to defeat poverty, unemployment, and inequality.

It is worth noting that as a government we are indeed moving in the right direction. As a country we have adopted a developmental approach to ensure delivery of services to the citizenry with agility, flexibility, and responsiveness. The President's imperative is echoed by the likes of the economist Mariana Mazzucato, advocating for dynamic state capabilities and mission-oriented innovation and resilience-driven development plans.

In 2019, President Ramaphosa introduced the District Development Model (DDM) to target service delivery improvement at municipality level by enhancing the performance capacity of government at this crucial level. One of the objectives of the DDM is to deal with the 'silo' approach that is endemic in the public sector to ensure a coordinated response to service delivery. It seeks to promote solid partnerships between the three spheres of government, the private sector, and civil society in building the economy and ensuring inclusive growth and development. It is only through collaboration that we can ensure proper planning and execution in government, fixing the fundamentals, and pursuing critical areas of growth.

As a district-based development model, the DDM exposes developmental issues at local level, such as the fight against the COVID-19 Pandemic and Gender-based Violence and Femicide, as well as bringing attention to ways of combatting poverty, unemployment, and increasing the economic activities of the area.

It is our responsibility to ensure our plans and actions are innovative and resilience-driven, because only then can we change the state of our municipalities and the quality of life of our citizens. The DDM advocates for "One District, One Plan, and One Budget" that should be reflected in all our municipalities to improve the quality of all citizens and free the potential of each.

## The role of innovation in service delivery

The COVID-19 Pandemic has catapulted the Fourth Industrial Revolution to the fore, creating the urgent need to fast track digital migration to support public sector organisations. It has further revealed the expedient need for innovative solutions that will allow for responsive solutions to improve service delivery. At issue here are the kind of solutions that will target the spatial and socio-economic realities that are responsible for the many inequalities and impartialities that define our service delivery terrain. This will serve as a catalyst in our collective efforts towards sustainable economic growth.

It is our collective responsibility to leverage innovation to address service delivery challenges. One of the ways to address the fault lines exposed by the Pandemic is to massively increase our investment in e-Government solutions and innovation in general in order to better enable us to respond to challenges. In this regard, we should delineate the respective roles of our state institutions and where the CPSI should fit in. e-Government and digitisation is not innovation per se, it is what we innovatively do with the strategic opportunities presented by digitalisation and frontier technologies to improve the lives of citizens and to make the public service an employer of choice.

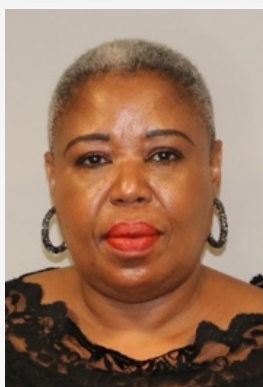
To achieve societal wellbeing further requires us to engage widely, share and exchange ideas on how we can optimally explore innovation to transform our public service and capacitate it to respond accordingly. We need to tap the creative energy of our youth, as has been prioritised by the CPSI during the year under review.

The CPSI bears a strategic mandate to provide thought-leadership to the public service on how it can leverage innovation to improve its performance and productivity. Innovation can enable the public service, government institutions and officials to function effectively and efficiently, smartly and flexibly, and with agility to enhance citizen access to services in defiance of the demographic, and socio-economic and spatial factors defining our society.



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**Dr Chana Pilane-Majake, MP**  
**Deputy Minister for the Public Service and Administration**



**Ms Lydia Sebokedi**  
Executive Director  
(acting)

## 5. REPORT OF THE ACCOUNTING OFFICER

### Overview of the operations of the department

This Annual Report provides a comprehensive account of the work of the Centre for Public Service Innovation (CPSI) for the Financial Year 2020/2021. This is the first year of the five-year Strategic Plan of the CPSI.

The CPSI is a National Government Component located within the Public Service and Administration Portfolio. Our multi-year Strategic Plan cascades from and supports the portfolio in fulfilling its mandate to contribute towards the building of an *efficient, effective, and development oriented public service* by inculcating the culture and practice of innovation. This is in line with our vision of a solution-focussed, effective and efficient public service through innovation.

Globally, the year under review will go down as one of the most challenging years in modern history. This is mainly because of the COVID-19 Pandemic and its lasting unforeseen consequences that destabilised our livelihoods and the economy at large. For government, it was business unusual, with departments having to make numerous major compliance adjustments in accordance with the pandemic, such as budgetary adjustments, and new working arrangements, amongst others, whilst simultaneously leading the response to COVID-19. The CPSI was not spared, as we navigated the difficult prevailing conditions brought about by the pandemic.

The impact of the pandemic is undoubtedly comparable to none. Whether on our socio-economic development, or our ability to deal with poverty, unemployment, and crime. The Pandemic has become a developmental challenge of our times. Besides eroding some of the invaluable gains that we have made overtime, it has poked holes in our service delivery strategies and exposed our weaknesses and vulnerabilities, thus creating an even greater urgency to innovate for survival. As such, the crisis cemented the importance, advocated by the CPSI since 2015, of Strategic Foresight as a tool to build resilience and to stress-test policies and interventions. As we build back better, the CPSI will continue to advocate anticipatory innovation as one approach to mitigate the impacts for approaching crises.

In addition to these external challenges, the hovering uncertainty of the future of the CPSI, had a major negative impact on staff morale with increased levels of uncertainty and fear of the future and what it holds, as well as their ability to perform competitively. However, due to hard work and resilience, also spurred on by the Clean Audit Opinion that we received from the Auditor-General for the 2019/2020 Financial Year, we were able to dispatch our responsibilities in accordance with our mandate with success as best as we could.

The CPSI delivered on its mandate through a number of critical programmes. These programmes are meant to inculcate the culture and practice of innovation in the public sector through innovation knowledge platforms and products. This is aimed at unleashing talent, ingenuity, and creativity of public servants to spur modernisation of our government and accelerate the achievement of Vision 2030.

Vision 2030 of the NDP highlights the need for an enabling public sector environment that is ideal for collaborative innovation across state, business, and social sectors aimed at improving its performance to achieve the developmental agenda. Central to this is strengthening of inter-governmental relations for integrated, collaborative, and seamless service delivery at all levels.

Through our vantage point, as a cross-cutting facility of government, we continue to work with multi-sectorial partners including private sector, academia, and civil society to find innovative solutions to our pressing service delivery challenges. Furthermore, the CPSI facilitates the development and piloting of innovative solutions to demonstrate the value of public sector innovation.

During the year under review, the CPSI delivered on a number of key programmes, which will be substantially expanded upon in this report. Our highlights for the year under review include the following:

## Research and Development Initiatives

- **Rapid Assessment of Public Sector Innovation:** The CPSI partnered with the National Advisory Council for Innovation of the Department of Science and Innovation to conduct a rapid assessment of public sector innovation. This is a precursor of a more comprehensive in-depth study that will explore public sector innovation at individual, organisational, and system levels. We hope this study will shed more light on the status of public sector innovation in the country and guide the strategy.
- **Engagements with Developers:** The CPSI has continued to partner with youth organisations to promote the participation of youth in the development of service delivery innovations. CPSI is currently playing a mentoring role during virtual hackathons and other engagements with youth that are developing solutions for the public sector through the youth-based organisation Geekulcha.
- **In-house Electronic Solutions:** CPSI has developed a number of in-house solutions to enable online work. These include the online COVID-19 screening form and bid evaluation and adjudication process flows for online committee meetings.
- **Case Study Report:** The CPSI developed and published a Case Study Report which features a number of case studies of innovative projects that the CPSI supported over the years. These include, amongst others, the Memeza House Alarm that was piloted in Diepsloot in partnership with the CPSI.

## Replication Programme

The CPSI successfully replicated the Sunward Park School E-Learning Solution in Katlehong and Reiger Park High Schools. This solution was officially handed over by the Deputy Minister for the Public Service and Administration in March 2021.

## Innovation Knowledge Platforms and Products

- **The Annual Public Sector Innovation Conference:** The 14<sup>th</sup> Conference was held in a form of two webinars in September 2020. The theme of the conference was *“Strengthening the Public Sector through Public Sector Innovation: Lessons from the COVID-19 Pandemic. This conference provides a platform to share innovation approaches and solutions in the public sector innovation space.*

### As an organisation we also continued to make our presence felt internationally:

- The CPSI participated in an international public sector innovation programme on 07 May 2020 under the theme, Public Sector innovation and COVID-19: Practitioner Perspective Webinar. This webinar was organised by the OECD's Observatory of Public Sector Innovation and provided an opportunity to provide and share South African and continental perspectives.
- The CPSI further facilitated the participation of the Deputy Minister in a roundtable session during the Government After Shock Global Conference on 18 November 2020, also hosted by the OECD.





- Ideas that Work – The South African Innovation Journal:** We have successfully uploaded one edition of the journal. The online journal provides another valuable innovation knowledge platform to capture innovation practices.  
 This journal is an important compendium for information and knowledge on innovation aimed at encouraging learning and sharing of expertise in the public service.
- Sector-specific Innovation Workshops:** Four online Innovation Workshops focussing on Design Thinking and Public Sector Innovation were held during the period under review. An additional physical innovation workshop was held for the 2020 Public Sector Innovation Awards Finalists.
- Public Sector Innovation Award Programme:** The Annual Public Sector Innovation Awards Programme was officially launched virtually in August 2020, ending with the Awards Ceremony which was also held as a hybrid event in February 2021. This programme is one of the deliverables that seeks to unearth and showcase the wealth of innovation in the public sector in the form of innovation projects that have improved the lives of citizens.

As an institution that is tasked with infusing innovation into the culture and work ethic of the public service, we held forth against all with our strategic mandate. Through our efforts we saw some highly impressive innovations emerge from the public service which not only pointed to the capacity to innovate within the public service, but also, more importantly, cemented the potential in innovation to play a catalytic role in service delivery.

As the CPSI, we are committed to continue providing fit-for-purpose solutions that respond to identified and clearly articulated service delivery challenges and their root causes while nurturing and sustaining a public service innovation and learning culture.

## Overview of the financial results of the department:

### Departmental receipts

Departmental receipts	2019/2020			2020/2021		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	5	5	-	5	-	5
Interest, dividends, and rent on land	-	1	(1)	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	3	(3)
<b>Total</b>	<b>5</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>8</b>

Departmental receipts for the 2020/21 Financial Year were generated from the commission on insurances and the recovery of the previous year's expenditure. Due to the nature of the activities undertaken by the Organisation, the core function of the CPSI is not to collect revenue.

## Programme Expenditure

Programme Name	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1 Administration	20 986	14 779	6 207	18 944	13 821	5 123
2 Public Sector Innovation	17 451	15 077	2 374	15 890	13 710	2 180
<b>Total</b>	<b>38 437</b>	<b>29 856</b>	<b>8 581</b>	<b>34 834</b>	<b>27 531</b>	<b>7 303</b>

## Virements

During the period under review, no virements were required between programmes after the Adjusted Estimates.

## Fund shift per economic classification

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

Appropriation per programme	2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
1 Administration	18 944	-	-	18 944
2 Public Sector Innovation	15 890	-	-	15 890
<b>Total</b>	<b>34 834</b>	<b>-</b>	<b>-</b>	<b>34 834</b>

Appropriation per economic classification	2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>	<b>34 680</b>	<b>(84)</b>	<b>-</b>	<b>34 596</b>
Compensation of employees	22 335	-	-	22 335
Goods and services	12 345	(84)	-	12 261
<b>Transfers and subsidies</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
Departmental agencies and accounts (non - business entities)	1	-	-	1
Households	-	-	-	-
<b>Payments for capital assets</b>	<b>153</b>	<b>84</b>	<b>-</b>	<b>237</b>
Machinery and equipment	153	84	-	237
Software and other intangible assets	-	-	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>34 834</b>	<b>-</b>	<b>-</b>	<b>34 834</b>



- R84 000 was shifted from Goods and Services to accommodate procurement of Capital Equipment.
- **Roll-overs**  
No additional funding was received from roll-over funding during the year under review.
- **Unauthorised, Fruitless, and Wasteful Expenditure**  
During the 2020/21 financial year, the CPSI had no incidents of unauthorised, fruitless, and wasteful expenditure.
- **Irregular Expenditure**  
No irregular expenditure transactions were identified.
- **Public Private Partnerships**  
The CPSI did not participate in any Public-Private Partnerships during the 2020/21 financial year.
- **Discontinued key activities/ activities to be discontinued**  
No activities will be discontinued in the 2020/21 financial year.
- **New or proposed key activities**  
The CPSI's Strategic Plan for 2020-2025 and the Annual Performance Plan provide detail of the projects and activities of the organisation for the 2021/22 financial year.
- **Supply chain management**  
The Supply Chain Management systems and processes are fully implemented and supported by an approved policy regulating and guiding procurement initiatives and asset management in the CPSI.
- Bid Committee structures, namely the Bid Specification Committee, Bid Evaluation Committee, and the Bid Adjudication Committee, are fully functional in line with the National Treasury Guidelines on Supply Chain Management. These committees fulfil the role of compliance monitoring of the procurement process in terms of National 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 conflicts of interest.
- The CPSI implemented an online platform for the functional evaluation and adjudication of procurement initiatives during the year under review.
- **Gifts and Donations received in kind from non-related parties**  
During the 2020/2021 financial year, the following in-kind sponsorships were received:
  - R55 000 was received towards the GEMS Health Award category in the Annual Public Sector Innovation Awards Programme from the Government Employees Medical Scheme (GEMS).
- Exemptions and deviations received from the National Treasury
- No exemptions from the PFMA or Treasury Regulations or deviations from the financial reporting requirements were requested for the current and/or prior financial year.
- **Events after the reporting date**  
No favourable and unfavourable event occurred after the reporting date and the date of approval of the Annual Financial Statements.

- **Other**

The report addresses no other material fact or circumstances that may affect the understanding of the financial state of affairs.

## Acknowledgement/s or Appreciation

I would like to thank the former Minister for the Public Service, Mr Senzo Mchunu and the former Deputy Minister for the Public Service and Administration, Ms Sindisiwe Chikunga for their political leadership in ensuring that the CPSI pursues its mandate during a very difficult financial year. The responsibility that was entrusted to me as the Acting Executive Director, has indeed enhanced my leadership skills.

Thanks to the AGSA, Audit and Risk Committee, and the DPSA internal Audit team for providing the much-needed oversight in our work.

Gratitude goes to our sister departments within this Ministry for your support.

To the CPSI EXCO and staff: One cannot reflect on the year under review without acknowledgement of the personal pain experienced by staff members having suffered the loss of loved ones due to the COVID-19 pandemic. We have mourned together, but we have also endured. I would not have been able to lead the CPSI were it not for your unwavering support, commitment, and many personal sacrifices. Thank you.

I present the 2020/21 Annual Report.



**Ms Lydia Sebokedi**  
**Accounting Officer**  
**Centre for Public Service Innovation**



## 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 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 external auditors are 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 department for the financial year ended 31 March 2021.

Yours faithfully

**Accounting Officer**  
**Ms Lydia Sebokedi**  
**Date: 31/07/2021**

## 7. STRATEGIC OVERVIEW

### 7.1. Vision

A solution-focussed public sector through innovation.

### 7.2. Mission

To entrench an innovative culture and practice in the public sector.

### 7.3. Values

The following values guide the CPSI's strategic direction:

- **Innovative:** The CPSI enables public-sector innovation by using new methods or ideas to improve the quality of life. The CPSI further acknowledges and honours this fundamental value to encourage public-sector institutions in their efforts to innovate, from unearthing innovative initiatives to replication and mainstreaming.
- **Committed:** The CPSI is fully committed to finding and developing new solutions for the developmental challenges faced by South Africans, in particular, to contribute to the reduction of unemployment, inequality, and poverty.
- **Need-driven:** The CPSI endeavours to respond to the needs of the citizens by addressing the root causes of service-delivery failures in an empathetic manner.
- **Ethical:** The CPSI is committed to the highest standards of ethical conduct that reflect openness, transparency, honesty, trustworthiness, integrity, responsibility, accountability, and discipline.
- **Collaborative:** The CPSI values collaborative partnerships with other public-sector entities, the private and non-governmental organisation (NGO) sectors, the South African NSI, and key global role players within the space of public-sector innovation.

## 8. LEGISLATIVE AND OTHER MANDATES

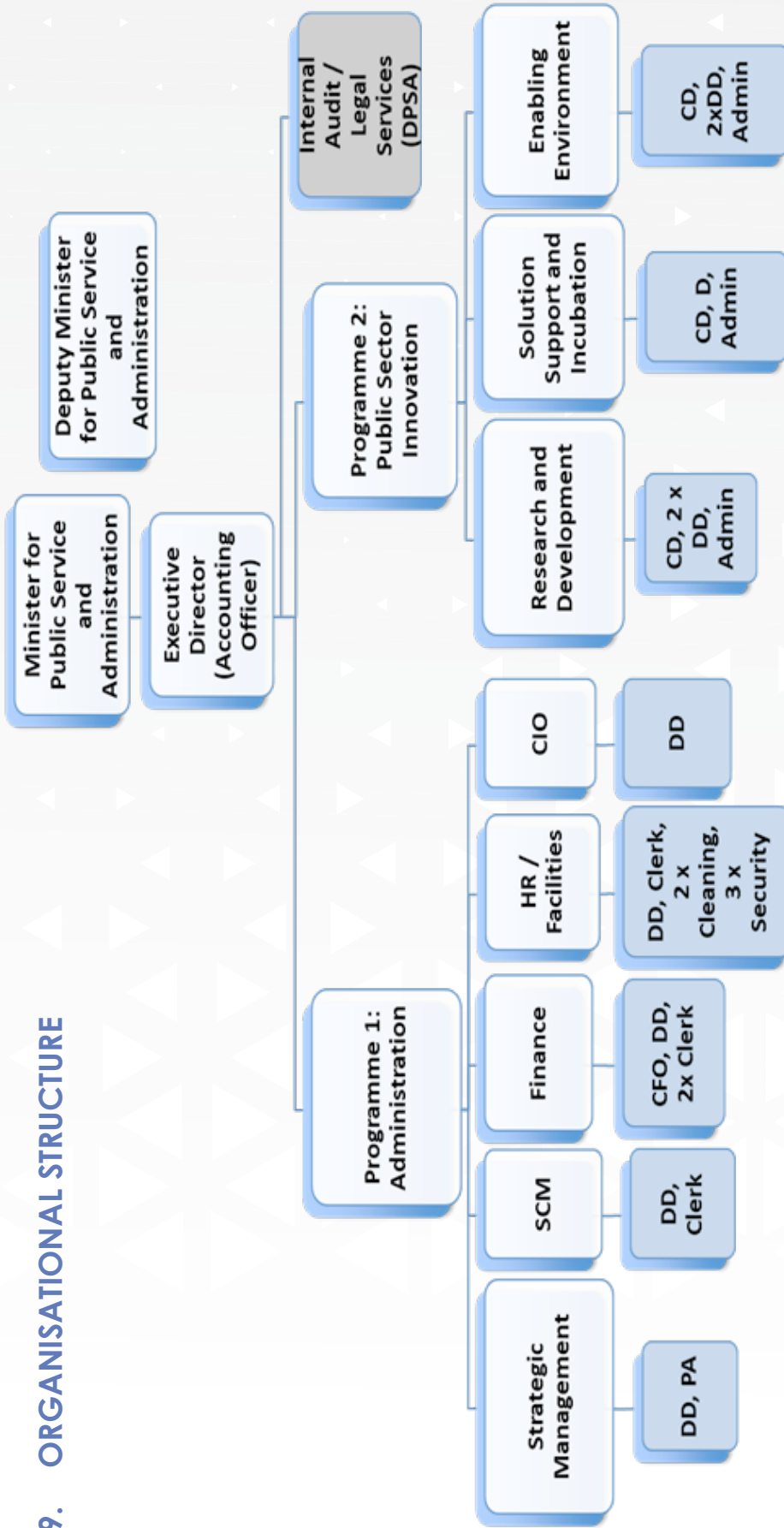
The responsibility for public-sector innovation is vested in the Minister who, in terms of section 3(1) (i) of the Public Service Act of 1994, as amended, is responsible for establishing norms and standards relating to transformation, reform, innovation, and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public. This role is further expanded on in Government Notice 700 of 2 September 2011.

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

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



# 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MINISTER

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

- The DPSA,
- The NSG, and
- GEMS.

The CPSI has no oversight role over any entity reporting to the MPSA. The CPSI has a related party relationship with these entities. During the period under review, all transactions entered into with these entities were at arm's length. All relevant officials of the CPSI disclosed no related party transactions with any of the entities reporting to the Minister.

The organisation received its annual appropriation by means of a transfer from the DPSA. The DPSA and CPSI signed a Memorandum of Understanding (MoU) in relation to services, including those that the DPSA provides to the CPSI at no cost. These are set out in the Related Party Note to the Annual Financial Statements.





# Performance Information



**the cpsi**

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



## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 75 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The 2020/2021 financial year started under the National State of Disaster due to the COVID-19 Pandemic. Therefore, focus temporarily shifted internally to mitigate the impact of the Pandemic on the organisation. The organisation needed to quickly adapt to new ways of working, amongst which was the adoption of remote working arrangements, as will be discussed below. The same was experienced in other departments, thus leading to a delay in the start of some projects done in partnership with departments.

To ensure work continues during the national lockdown, engagements, project meetings, and innovation knowledge platforms were moved online.

Although the CPSI does not render direct services to citizens, it needed access to service delivery sites which was not possible during most of the lockdown period. Due to the immediate pressures on the health sector, work done in that sector came to a standstill. This led to delays in the commencement of some projects.

The broader socio-economic environment was also negatively impacted by the Pandemic with proxy indicators such as GDP growth and employment rates in the red. Government's revenue collection also declined, and combined with the need of a number of State-Owned Entities (SOEs) for 'bailouts' resulted in most departments experiencing compulsory budget cuts imposed by National Treasury to enhance the fight against the Pandemic. Both the Pandemic and the resultant budget cut forced public sector institutions to become more innovative, especially to explore frugal innovation.

The Pandemic further spurred a global conversation on readiness for similar crises, and specifically to deal with the bigger climate crisis. As such, the discourse on topics such as 'build back better', 'Post-Pandemic Recovery', and 'Foresight and Futures Literacy' were elevated at local level and on global platforms such as the UN, AU, and OECD. Innovation and the role of government featured in all these conversations and thus provided strategic opportunities to further entrench public sector innovation.

The legislative environment remains unchanged and therefore the risk aversion remains an inhibiting factor in the quest to create an enabling environment for innovation in the public sector.

In order to better understand the service delivery environment and the state of innovation within this environment, the CPSI in partnership with the National Advisory Council on Innovation (NACI) conducted a rapid assessment. Key issues that emerged at individual, organisational, and systems levels include:

- At individual level, less than 50% of employees are committed to find new ways of addressing internal (40%) or service delivery challenges (48%).
- At organisational level, 17% of organisations have systems in place to support the development of solutions, 38% partially support and 46% has no system in place.



- 54% of respondents believed that their organisation has allocated resources to support innovation and 42% indicated that there are no mechanisms to deal with failure when experimenting with new solutions.
- At a systems level, respondents highlighted funding and resource constraints (54%), procurement limitations (48%) and working in silos (40%) as the primary inhibitors of innovation.

The CPSI will, in partnership with NACI, embark on a more comprehensive survey in the new financial year to inform the strategic direction of the CPSI.

## 2.2 Service Delivery Improvement Plan

The organisation has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Support solution development	Recipient departments/ institutions Innovators	2 solutions per annum under development with departments/ institutions  6 support engagements with innovators per annum	2 projects per annum 6	4 projects  12 engagements held, excluding follow-up engagements.
Replication of innovative solutions	Recipient departments/ institutions	2 projects facilitated per annum	2	1 Solution Replicated

### Batho Pele arrangements with beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation with recipient departments/ institutions	Consult with recipient departments as part of solution development and replication	Recipient departments consulted as part of solution development and replication (Department of Home Affairs, Gauteng Department of Education, KZN Department of Education)
<b>Value for money</b>	Use Testing and Piloting to determine ROI of solutions Implementation or Replication of solutions to optimise value for money	ROI determined for the Department of Home Affairs for Service Delivery Monitoring Tool Replication of the low-cost School LMS solution at two schools in Gauteng Digitised a number of internal processes (Covid-scanning, Procurement) to improve efficiency and save money (e.g. printing cost)
<b>Service Standards</b>	Use Testing and Piloting to determine the impact of new innovations on improving service standards	Piloted a tool that measure performance at Home Affairs front-offices against approved service standards

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Use of knowledge platforms and products to disseminate innovation-related information	Online Journal Awards Programme Annual conference Innovation workshops	1 Online journal published 1 Awards programme held Annual conference held 5 innovation workshops held

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Use info@cpsi.co.za to lodge external complaints	Use info@cpsi.co.za to lodge external complaints	E-mails received are forwarded to the relevant EXCO member for redress
Internally the grievance procedure is used	Use of Internal grievance procedure	A grievance co-ordinator has been appointed to handle or all grievance and forwards to the Labour relations unit
Where SLAs or MoUs are concluded related to specific services and projects, the department/institution/private sector entity will follow the stipulated procedure	Use of the stipulated procedure	No complaint was reported

## 2.3 Organisational environment

The COVID-19 Pandemic had a significant impact on internal processes and work arrangements. On the positive side, the Pandemic provided the opportunity to revise processes to allow for virtual and remote work. As such, the R&D unit within the CPSI developed several digital solutions and process flows to ensure accountability during remote work, including enabling online bid evaluations and adjudication, electronic COVID screening, and online attendance registers and declarations of interest.

The majority of CPSI staff members were able to work from home through virtual connectivity. Remote work was encouraged as much as possible to minimise congestion in the office and the CPSI ensured that staff received data allowances, and, where needed, other tools of trade too.

Essential critical components, like Corporate Management, continued to work in a staggered manner at the office with all Health protocols observed. Employees were expected to report to work at least twice a week (depending on the National Lockdown Levels proclaimed and when needed). Measures for staggered return to work remain in place, Heads of units, in consultation with employees, developed a work schedule for each unit to ensure social distancing in the workplace. Employees with co-morbidities, who were unable to report to work as required, were required to submit to HR a medical certificate confirming their co-morbidity (without detailing the condition).

Health and Wellness Services for the whole Batho Pele Building for purposes of screening and monitoring all staff and visitors were procured. An online screening questionnaire was developed for use at the entrance to reduce congestion. This is a shared service with DPISA. The appropriate PPEs were provided to staff to ensure adherence to all regulations.



All official meetings were held via Microsoft Teams, with physical meetings only held on approval of the Unit Head or Executive Director and in adherence to strict protocols. Employees were informed that no visitors were allowed in the office, without prior approval of the Executive Director, except for deliveries of goods and services procured by the CPSI.

During the period under review, the CPSI functioned with a skeletal staff component (vis-à-vis normal post provisioning) with a limited resource, which does limit the scale at which the organisation can work as well as the size of specific projects. As such, integrated and collaborative work arrangements were encouraged.

The Minister further used the period to review the CPSI's organisational structure and specifically to strengthen the Research and Development capacity of the organisation. Therefore, the filling of the Executive Director's post has been postponed until the finalisation of the process, with a new organisational structure to be implemented from 1 April 2022.

## 2.4 Key policy developments and legislative changes

The response to the COVID-19 pandemic required regulations to be gazetted in terms of Section 27(2) of the Disaster Management Act of 2002. These regulations determined the work arrangements and operational environment of the CPSI during the period under review. The restrictions imposed by the regulations further negatively impacted on the ability of the CPSI to manage projects at service sites.

There were no other major policy developments and legislative changes during the period under review impacting on the work of the CPSI.

## 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

**IMPACT STATEMENT:** Improved effectiveness and efficiency of the public service and its service delivery to the public through innovation.

### OUTCOMES

**Effective corporate governance:** The achievement of this outcome will ensure, amongst others, accountability for the efficient, effective, and economic use of allocated resources towards fulfilling the mandate of the organisation.

**Innovative culture and practice in the public sector entrenched:** This outcome contributes directly to the achievement of the mandate of the CPSI and the implementation of the NDP. It is also a cross-cutting outcome that impacts on the seven priorities of government as identified by the Sixth Administration.

Solution development is a critical step in infusing innovation in the public sector; these solutions are mostly brought forth by innovators, within and outside of government.

Through active engagements with youth on challenges, new ideas and concepts can be explored, which in turn encourages youth to contribute to the economy of the country whilst solving service-delivery challenges. The CPSI thus supports hackathons and similar initiatives and collaboration with partner institutions such as The Innovation Hub to develop solutions.

The creation of a culture and practice of innovation in the public sector is critical in ensuring that the public sector remains innovative. Public sector innovation thrives on vibrant knowledge platforms and products to encourage sharing and learning. These platforms are used to avoid reinventing the wheel.

The platforms also serve as a source of innovative solutions for the Replication Programme. International knowledge platforms provide the global context to ensure that South Africa remains relevant and is kept abreast of new developments in the innovation space.

Enabling Environment (EE) uses innovative knowledge platforms and products to nurture and sustain an enabling environment, which is critical in entrenching a culture and practice of innovation in the public sector. Many solutions that are unearthed through the Awards Programme and/or through collaboration with the broader NSI have the potential for broader impact. As such, there is a demand for the replication and scaling of these. The Public Sector Innovation (PSI) programme thus also annually selects potentially scalable innovations for replication.

Outcome	Outcome Indicator	Priority 1	Baseline	Five-year target	Progress made towards the achievement of the five year targets in relation to the outcome indicators
Effective Corporate Governance	Number of unqualified audit opinions	A Capable, Ethical and Developmental State	1 p/a	5	1
Innovative culture and practice in the Public Sector entrenched	Number of innovation initiatives enabled		15 p/a	75	14

## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 4.1 Programme 1: Administration

**Purpose:** 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 to coordinate, implement, monitor, and report on the organisation's overall performance.
- **Corporate Resource 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.

**Outcome:** Effective corporate governance



**Outcomes, outputs, output indicators, targets, and actual achievements**

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
<b>Effective corporate governance</b>	Unqualified audit opinion on financial and non-financial information	Type of audit opinion on financial and non-financial information	-	-	Unqualified audit opinion on financial and non-financial information for 2019/20 financial year	<b>Achieved</b> Unqualified audit opinion on financial and non-financial information for 2019/20 financial year	<b>None</b>	<b>None</b>

**Linking performance with budgets  
Sub-programme expenditure**

Sub- Programme Name	2019/2020		2020/2021	
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Actual Expenditure R'000
Strategic Management	4 130	3 140	990	2 262
Corporate Resource Management	10 542	5 504	5 038	6 263
Office of the Chief Financial Officer	6 314	6 135	179	5 296
<b>Total</b>	<b>20 986</b>	<b>14 779</b>	<b>6 207</b>	<b>13 821</b>
				<b>5 123</b>

## 4.2 PROGRAMME 2: PUBLIC SECTOR INNOVATION

**Purpose:** This programme drives service-delivery innovation in the public sector in line with government priorities. There are three sub-programmes under Programme 2.

- **Sub-Programme:** Research and Development provides research capacity in support of the selection and development of potential innovative solutions and the testing and piloting of these solutions.
- **Sub-Programme: Solution Support and Incubation** facilitates the replication and mainstreaming of innovative solutions for the public sector.
- **Sub-Programme: Enabling Environment** nurtures and sustains an enabling environment for innovation in the public sector through knowledge-sharing platforms and products.

**OUTCOME:** Innovative culture and practice in the public sector entrenched

- **Innovation research and development initiatives undertaken**
  - **Public Sector Innovation Rapid Assessment**  
During the period under review, Research and Development (R&D) unit conducted a Rapid Assessment of Public Sector Innovation in collaboration with the National Advisory Council on Innovation (NACI) of the Department of Science and Innovation.
  - **In-depth Case Study Report**  
The CPSI produced a case study report featuring four innovation projects that were developed and piloted with the CPSI, including the MEMEZA community alarm initiative, a solution and is currently being rolled out nationally. The case study also covers the replication of this solution in the education sector to safeguard ICT equipment, the establishment of the Bertha Gxowa Hospital-based Innovation Hub, and the Inland Waterways Safety Project.
  - **Other research initiatives**  
The unit further compiled a compendium of COVID-19-related innovations, thus showcasing local and global COVID-inspired innovations.  
It also continued working with the Eastern Cape on improving planning processes through Foresight in order to build better agility and resilience. This work is contributing towards their review of the Annual Performance Plans and Strategic Plans of departments.  
Inputs were made into a UNDP study on COVID-19 impact on the social and governance sectors and recommendations for post-Pandemic governance.
- **Development Initiatives**
  - **Anton Lembede MST Academy (School of Innovation)**  
The CPSI supported the KZN Department of Education in the establishment of an Innovation School. CPSI provided advisory services, contributed to the curriculum development process, and coordinated a learning session for officials with innovators in the education sector to further inform the establishment. The school was officially opened in January 2021 when the first cohort of students was admitted.





- **In-house electronic solutions developed**

The unit, working closely with the CIO, developed a number of in-house solutions to enable online work in response to the challenges presented by the COVID-19 pandemic. These include the online COVID-19 screening form, bid evaluation, and adjudication process flows for online committee meetings.

- **Engagements with youth developers**

The unit continued to partner with youth organisations to promote the participation of youth in the development of service delivery innovations. In the period under review, the CPSI played a mentoring role during virtual hackathons and other engagements with youth that are developing solutions for the public sector. Working closely with the youth-based organisation, Geekulcha, the CPSI provided oversight and supported the implementation of the national youth digital skills development initiative, Phumelela.

- **Department of Home Affairs Real-time Monitoring**

This project is a long-term development initiative that is implemented in phases spanning across more than one financial year.

Phase 2, a nine-month testing and piloting of the solution was completed during the period under review. The solution was successfully deployed and implemented in two front offices (Bronkhorstspuit and Pretoria CBD) and the head office. Monitoring and reporting were initiated and data generated during the first part of the new financial year will inform the further refinement and scaling of the solution. If successful, the initiative has application for real-time monitoring of most frontline services.

### **Knowledge platforms sustained to nurture an enabling environment for innovation in the public sector**

- **Public Sector Innovation Conference**

The 14th Annual Public Sector Innovation Conference was held during this reporting period. The theme for the 2020 Public Sector Innovation Conference was: Strengthening the Public Sector through Innovation: Lessons from the COVID-19 Pandemic. Due to COVID-19 restrictions, the conference was held virtually in a form of two webinars which were hosted on the 17th and 18th of September 2020. The webinars provided a platform to share innovative approaches and solutions that improve service delivery.

- **Public Sector Innovation Award Programme**

The 18th Public Sector Innovation Awards Programme was officially launched virtually on the 3rd of August 2020 by the Deputy Minister for the Public Service and Administration. The year-long programme culminated in an Awards Ceremony that was held in February 2021, wherein the Deputy Minister officiated.

A total of 10 projects were recognised in 3 Categories and winners are indicated below:

- **Replication and Adaptation of Innovative Solutions**

Winner - Randfontein High School, Gauteng Province

- **Citizen-focus Innovation Harnessing non-ICT Innovations**

Winner - Pre-Operative Physiotherapy for Patients-Lower Limb Fracture – Chris Hani Baragwanath Hospital, Gauteng Province

- **Innovations Harnessing Technology (ICT)**

Winner – Bizportal - Companies and Intellectual Property Commission (CIPC)

The winner for Public Sector Innovator of the Year was Bizportal from CIPC for their improvement of company registrations from a cumbersome system to a virtual one-stop shop, paperless integrated electronic registration system which allowed for the following:

- Company registration
- B-BBEE Application
- SARS Registration
- UIF and Compensation Fund
- Business Bank Account
- Essential Service Certificates

This solution greatly assisted in mitigating against COVID-19 pandemic as it was available through any device for 24/7.

o **Ideas That Work Journal**

A number of articles were uploaded online the Innovation Journal in July 2020. A full journal publication was posted online in March 2021 to encourage learning and sharing of innovative solutions, approaches, and insights.

o **Innovation Workshops**

During the period under review, four online Innovation Workshops focussing on Design Thinking and Public Sector Innovation were held in October 2020 and March 2021.

Furthermore, the CPSI also organised a physical Design Thinking and Innovation Workshop for the 2020 Public Sector Innovation Awards Finalists in March 2021.

o **International Public Sector Innovation Programme**

The CPSI participated in one international public sector innovation programme in May 2020 under the theme, 'Public Sector innovation and COVID-19: Practitioner Perspective Webinar'. This webinar was organised by the OECD's Observatory of Public Sector Innovation (OPSI) and provided an opportunity for a South African and continental perspectives.

The CPSI continued to participate as the National Contact Point for the OECD's OPSI and the OECD National Foresight Practitioners' Network. These partnerships enabled the CPSI to incorporate learning from global innovative practices into our webinars.

The CPSI further facilitated the participation of the Deputy Minister in a roundtable session during the Government After Shock Global Conference in November 2020, which was also hosted by the OECD.

**Innovative solutions replicated in the public sector**

o **Sunward Park School E-Learning Solution**

During the period under review, the CPSI facilitated the replication of this solution in two Gauteng province schools namely Katlehong and Reiger Park High Schools. It must be noted that the replication was only in 2 (two) schools out of the 15 schools identified. This was due to limited financial resources at the CPSI.

The School LMS solution introduces cost-saving to ICT in Education through Innovative integration of Tools, Content, and Users by making learning and teaching materials available for learners electronically and online. The solution is an integration platform for the distribution of eBooks and interactive content, as well as functionality that facilitates the submission of digital handwritten lessons and assessments – homework, classwork, assignments, tests, and exams.

The Deputy Minister for the Public Service and Administration officially handed over this e-Learning Solution to the two schools in March 2021.



**Outcomes, outputs, output indicators, targets, and actual achievements**

Programme / Sub-programme: PROGRAMME 2								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Innovative culture and practice in the public sector entrenched	Innovation and research and development initiatives undertaken	Number of innovation research and development initiatives undertaken	Piloting of two innovative solutions initiated. Project planning and scoping concluded	Consultation on innovative solutions to be developed held	4	<b>Achieved</b> 6	Two (2) additional initiatives were undertaken	The COVID-19 Pandemic had a significant impact on internal processes and work arrangements. As such, the unit provided additional support not planned for in the APP by developing several digital solutions and process flows to ensure remote and virtual work, including enabling online bid evaluations, electronic COVID screening and online attendance registers. The second phase of a multi-year initiative, culminating in the development of a Real-time monitoring solution for DHA, was also undertaken as a continuation of the previous year's work.



Programme / Sub-programme: PROGRAMME 2								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Innovative culture and practice in the public sector entrenched	Knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	Number of knowledge platforms sustained to nurture an enabling environment for innovation in the public sector	Six (6) knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector, <b>Namely:</b> <ul style="list-style-type: none"> <li>• Annual Public Sector Innovation Conference</li> <li>• Public Sector Innovation Awards</li> <li>• Four (4) Sector Specific workshops on Leading Innovation in the Public Service</li> </ul>	Six (6) knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector, <b>Namely:</b> <ul style="list-style-type: none"> <li>• Annual Public Sector Innovation Conference</li> <li>• Public Sector Innovation Awards</li> <li>• Four (4) Sector Specific workshops on Leading Innovation in the Public Service</li> </ul>	9	<b>Achieved</b> 10 <b>Namely:</b> <ul style="list-style-type: none"> <li>• (5) Design Thinking and Public Sector Innovation Workshops held</li> <li>• Annual Public Sector Innovation Conference</li> <li>• Public Sector Innovation Awards</li> <li>• Online Innovation Journal</li> <li>• 2 Regional/ International programmes</li> </ul>	One (1) additional Innovation Workshop was held	The additional workshop was specifically targeted at capacitating the 2020 Public Sector Innovation Awards Finalists.



Programme / Sub-programme: PROGRAMME 2								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Innovative culture and practice in the public sector entrenched	Innovative solutions replicated in the public sector	Number of innovative solutions replicated in the public sector	Two (2) innovative projects facilitated for Replication • <b>Vulamanzi</b>	One (1) Innovative solution facilitated for replication (Maternity Filing Project-Bertha Gxowa Hospital)	2	<b>Not achieved</b> 1	Only 1 (one) innovative solution was replicated namely the Sunward Park e-learning Project, replicated in Katlehong and Reiger Park High Schools	The second project, an electronic leave management system that was developed and implemented in the Eastern Cape was identified as replication project for 2020/21. Due to the outbreak of COVID-19, the Eastern Cape Provincial Treasury that developed the system, could not be visited and could also not assist with the implementation and further developing of the system for CPSI. As such, the CPSI was required to appoint a developer. The appointment could not be concluded in time to ensure the implementation of the project.

### **Strategy to overcome areas of under-performance**

Replication of the project will be earmarked for implementation in the 4<sup>th</sup> quarter of 2021/22 financial year.

SITA has been engaged to assist in allocating IT interns to the CPSI for 2021/22. In addition, the CPSI intends increasing internal capacity by employing system developers through contract posts.

### **Reporting on the Institutional Response to the COVID-19 Pandemic**

The COVID-19 Pandemic had a significant impact on internal processes and work arrangements. Therefore, the unit provided additional support not planned for in the APP by developing several digital solutions and process flows to ensure remote and virtual work, including enabling online bid evaluations, electronic COVID screening and online attendance registers.

### **Linking performance with budgets**

#### **Sub-programme expenditure**

Sub- Programme Name	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Research and Development	4 544	4 244	300	5 425	4 613	812
2. Solution Support and Incubation	4 196	3 439	757	4 136	3 558	578
3. Enabling Environment	8 711	7 394	1 317	6 329	5 539	790
<b>Total</b>	<b>17 451</b>	<b>15 077</b>	<b>2 374</b>	<b>15 890</b>	<b>13 710</b>	<b>2 180</b>

## **5. TRANSFER PAYMENTS**

### **5.1 Transfer payments to public entities**

The CPSI made no transfer payments to public entities during the period under review.

### **5.2 Transfer payments to all organisations other than public entities**

The CPSI made no transfer payments to any other organisation during the period under review.



## **6. CONDITIONAL GRANTS**

### **6.1 Conditional grants and earmarked funds paid**

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

### **6.2 Conditional grants and earmarked funds received**

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

## **7. DONOR FUNDS**

### **7.1 Donor Funds Received**

The CPSI did not receive any donor funds during the period under review.

## **8. CAPITAL INVESTMENT**

Not applicable.



# Governance



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







## 1. INTRODUCTION

The Centre for Public Service Innovation is committed to consistently maintaining good governance practices. These practices are fundamental in the management of public finances and resources, and to ensure this the organisation has appointed a functional Audit and Risk Committee. The committee ensures that governance principles are always adhered to and it oversees the work and functioning of other governance structures. The Internal Audit Function, which is provided for by the Department of Public Service and Administration, provides management with independent assurance on the effectiveness of the governance processes and functioning of the governance structures within the organisation.

## 2. RISK MANAGEMENT

During the period under review, the 2020/2021 Risk Management Implementation Plan was developed and approved by the Accounting Officer outlining key activities for the implementation of Enterprise Risk Management for the financial year. The activities included in the Risk Management Implementation Plan were determined taking into account the current risk management maturity level of CPSI. In terms of this Plan, risk management governance documents (policies) were revised and a series of risk assessment workshops, both at strategic and operational levels, were conducted. The objective of the risk assessments is to assist management with the identification and management of risks, both at strategic and operational level, that could impact on the achievement of objectives as pronounced in the Strategic Plan and Annual Performance Plan.

The Audit and Risk Committee advises management on the overall system of risk management, reviews, and monitors risk management progress reports on a quarterly basis. The culture of risk management through the organisation has played a significant role in the improvement of the organisational performance as a whole.

## 3. FRAUD AND CORRUPTION

The management of the CPSI is committed to ensuring that fraud risks across the organisation are identified and managed on an on-going basis, and that best practice governance requirements are consistently complied with.

During the period under review, the CPSI revised its Fraud and Corruption Strategy as well as the Fraud and Corruption Policy to articulate the organisation's philosophy and policy direction on fraud prevention. These documents do not guarantee that the CPSI will not be negatively impacted by incidents of fraud and corruption. The strategy and policy documents serve as additional measures to assist in the prevention, management, and mitigation of fraud and corruption risks with a particular focus on educating and creating awareness, advocacy, enforcement, and promoting ethical business conduct. The aim is to record the CPSI's commitment to effective fraud risk management and to provide direction and assistance to employees who have to deal with suspected cases of fraud and corruption.

Furthermore, the CPSI conducted a Fraud Risk Assessment Workshop where fraud risks were identified and risk mitigations were identified for implementation to ensure that the risks are adequately managed to be within the acceptable tolerance levels. The main objective of a fraud risk assessment was to identify, prevent, detect, and respond to fraud. This assessment was intended to help management and staff to have a targeted approach to preventing and tackling potential fraud in their organisation.

The CPSI supports the National Anti-Corruption Hotline by encouraging all its employees to report any suspected activities of fraud and corruption. The organisation has developed a whistle blowing policy that

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

#### **4. MINIMISING CONFLICT OF INTEREST**

The CPSI adheres to the conflict of interest codes as contained in Chapter 2, Part 2(2) of the Public Service Regulations of 2016.

E-Disclosure by SMS and designated employees is used to monitor possible conflict of interest. Furthermore, prior to bid committee meetings, members are required to declare any possible conflicts of interest.

The declaration includes acknowledgement of possible disciplinary action being instituted should it be discovered that there was misinformation.

#### **5. CODE OF CONDUCT**

The CPSI adheres to the Code of Conduct as contained in Chapter 2, Part 1 (13) of the Public Service Regulations, 2016 and all CPSI employees are required to sign the code of conduct. In managing labour relations within the CPSI by the shared service agreement on internal labour relation services, the CPSI follows the processes as prescribed by the Public Service Co-Ordinating Bargaining Council (PSCBC) Resolutions for Managing of Grievances (PSCBC Resolution 14 of 2002), as well as the managing of disciplinary processes (informal and formal) as contained in PSCBC Resolution 1 of 2003.

The Code of Conduct acts as a guideline to employees regarding their conduct from an ethical point of view, both in their individual and professional capacity. It provides guidelines for their relationship with the legislature, political and executive office bearers, other employees, and members of the public. It also spells out the spirit in which employees should perform their duties and what should be done to avoid conflict of interest. Compliance with the Code of Conduct enhances professionalism and helps to ensure confidence in the public service.

The Corporate Resource Management unit within the CPSI assists in the management of financial disclosures, the vetting and security clearance of employees, and the ethical aspect of the Code of Conduct.

#### **6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

As a sub-tenant of the DPSA, CPSI participates in all Health and Safety programmes of the DPSA.



## 7. PORTFOLIO COMMITTEES

Date of the meeting	Matters raised by the Portfolio Committee	How the matters were addressed
12 May 2020	Briefing by the CPSI 2019/2024 Strategic Plan and Annual Performance Plan for 2020/2021 financial year.	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.
26 June 2020	Briefing by the CPSI on the fourth quarter performance of 2019/20 financial year.	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.
08 July 2020	Briefing by the CPSI on the revised 2019/2024 Strategic Plan and Annual Performance Plan for 2020/2021 financial year.	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.
18 November 2020	Briefing to the <b>Portfolio Committee</b> by the CPSI on the progress report with regard to the implementation of the recommendations contained in the budget report (Vote 10) 2018/19 financial year and on the Annual Report for 2019/20 financial year.	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.
3 February 2021	Briefing by the CPSI on the first and second quarter performance of 2020/21 financial year.	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.
10 March 2021	Briefing to the <b>Select Committee</b> by the CPSI on the annual report for 2019/20 financial year.	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI.

## 8. SCOPA RESOLUTIONS

There were no SCOPA resolutions adopted in the 2020/2021 financial year.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the previous financial year 2019/2020, the CPSI obtained a clean audit opinion with no emphasis of matters as discussed in a detailed audit report. The CPSI had the following findings that were noted as important in the prior-year management report.

Nature of qualification, disclaimer, adverse opinion, and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/ resolving the matter
Vacant post not advertised within 6 months and vacant post not filled within 12 months.	2019/20	Post remains vacant on the instruction of the Executive Authority.
Inaccuracies identified on the Finance lease commitment disclosure.	2019/20	Matter was resolved prior to finalisation of the management report.

## 10. INTERNAL CONTROL UNIT

The Centre for Public Service Innovation has established a system of internal control through policies and procedures in the areas of financial, supply chain, human resource management, and others to ensure a 360-degree compliance. The organisation does not have a dedicated internal control unit due to its size, however; the Internal Audit Function provides assurance on the adequacy and effectiveness of the systems of internal control. Management has continuously implemented the recommendations of the Internal Audit Function from various audit reports issued during the year. The Executive Committee and the Audit and the Risk Committee monitor the control environment on a quarterly basis. Based on the overall assessment, management is confident that the CPSI's internal control environment is adequate.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### Internal Audit

The CPSI's internal audit services are provided by the Department of Public and Administration through a signed Memorandum of Understanding. The Internal Audit Function provides management with independent assurance and insight on the effectiveness of, among others: governance; the internal control; and risk management and financial management systems in order to assist the organisation in achieving its objectives. The Audit and Risk Committee oversees the work of the Internal Audit Function and has approved its risk-based internal audit plan that was executed during the year. Audit reports were presented to both management and the Audit and Risk Committee.

The following is a summary of work performed by internal audit during the year:

- Annual and quarterly financial statements;
- Supply chain management;
- Asset management; and
- Human Resource, with special emphasis to leave and management of employee performance.

### Audit and Risk Committee

The Audit and Risk Committee managed to successfully discharge its responsibilities as per the Public Finance Management Act and the Treasury Regulation. The Audit and Risk Committee adopted a formal Terms of Reference as its Charter to regulate and govern its affairs.

The table below discloses relevant information on the Audit and Risk Committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms Pumla Mzizi	CA (SA) BCom Honours in Transport Economics BCompt Honours in BBusSc Honours in Finance	External	N/A	10 March 2016	--	5



Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms Precious Mvulane	CA and RA (SA) Specialist Diploma in Auditing BCom Honours in Accounting	External	N/A	10 March 2016	--	5
Mr Ameen Amod	Master of Business Administration B. Com in Accounting and Economics Chartered Director Certified Internal Auditor (CIA) Certified Government Auditing Certification in Risk Management Assurance	External	N/A	01 October 2019	-	5
Dr Pritish Dala	Doctorate Information Technology(PhD)- Information Security: Privacy Domain Masters (Information Technology); Honours (Bachelor of Science): Computer Science Bachelor of Information Technology Certified Information Systems Auditor (CISA)	External	N/A	01 October 2019	-	5

## Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members

The Audit and Risk Committee held five (5) meetings during the 2020/2021 financial year, as indicated in the tables below:

Meeting date	Ms Pumla Mzizi (Chairperson)	Ms Precious Mvulane	Mr Ameen Amod	Dr Pritish Dala
27 July 2020	Present	Present	Present	Present
30 September 2020	Present	Present	Present	Present
21 October 2020	Present	Present	Present	Present
5 February 2021	Present	Present	Present	Present
18 February 2021	Present	Present	Present	Present

## 12. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

### Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities in accordance with Section 38 (1) (a) of the Public Finance Management Act and Treasury Regulation 3.1.

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

### 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. As per the PFMA requirements, internal audit primarily and the Auditor-General South Africa (AGSA) evaluate the internal controls of an organisation for adequacy and effectiveness. This is achieved by assessing the effectiveness of risk management and identifying corrective actions and enhancements to governance, controls, and internal processes. Based on these evaluations, the Audit Committee considers the internal control environment as adequate and effective.

### Internal audit

The Audit Committee reviewed and approved the annual internal audit plan for 2020/21 and has monitored the performance of the internal audit function against that plan on a quarterly basis. The Audit Committee has noted that the internal audit plan was completed. The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks specific to the CPSI in conducting the reviews.

The following internal audit assignments were completed during the year under review and the Audit Committee will continue to monitor the progress made against the corrective action plans implemented by management:

- Review of the 2020/21 Quarter 1, 2, 3, 4 Performance Report;
- Review of the Draft Annual Performance Report for 2020/21;
- Review of Supply Chain Management processes;
- Review of the Leave Management processes;
- Review of the Performance Management processes;
- Review of the 2020/21 Annual Financial Statements;
- Review of the 2019/20 Annual Financial Statements;
- Review of the 2020/21 Quarter 1, 2, 3 Interim Financial Statements;
- Compliance Audit (Covid 19 Regulations);
- Human Resource Management review; and
- Assets Management.



## Risk management

Management is responsible for the establishment and maintenance of an effective system of governance and risk management, as well as the prevention and detection of fraud and internal controls. Internal Audit was guided by the consolidated risk profile, provided by the Management, the critical audit areas, and managements' inputs in the formulation of its three-year strategic and annual plans. CPSI has held regular meetings to consider and review the risk management policies and to provide oversight on the effectiveness of risk management within CPSI. A risk register is updated annually to ensure that all major risks, including emerging risks, facing the organisation are effectively managed. The Audit Committee also monitors management's implementation of the risk management mitigation plans on a quarterly basis.

## Compliance with laws and regulations

The Audit Committee has reviewed the in-year management and quarterly reports submitted in terms of the Public Finance Management Act and is satisfied that no material deviations were noted. The Audit Committee also noted the policies and procedures to ensure compliance with applicable laws and regulations.

## Evaluation of Financial Statements

The Audit Committee submits that it has:

- Reviewed the 2020/21 unaudited and audited Annual Financial Statements prepared by the organisation.
- Reviewed the 2020/21 draft and final Annual Performance report.

## Auditor-General's Report

The Audit Committee has met with the Auditor-General South Africa to discuss their audit report, to ensure that there are no unresolved issues. We have also reviewed Management responses to the audit issues raised in the AGSA management report and continuous oversight will be exercised to ensure that unresolved findings are adequately addressed.

We have reviewed the organisation's implementation plan for audit issues raised in the previous year and we are satisfied that the matters raised were resolved.

The Audit Committee concurs with and accepts the conclusions of the Auditor-General South Africa on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General South Africa.

## Appreciation

The Audit Committee expresses its sincere appreciation to the Executive Authority, Accounting Officer, AGSA, Management, and Internal Audit for their support and co-operation.

*Pumla Mzizi CA(SA)*

**Pumla Mzizi CA(SA)**

**Chairperson of the Audit Committee**

**31 July 2021**

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department/ Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to the CPSI
Developing and implementing a preferential procurement policy?	Yes	Included in the Supply Chain and Management Policy
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to the CPSI
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to the CPSI
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Not applicable to the CPSI





# Human Resource Management



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



## 1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES (MPSA)

### Status of human resources in the department

In the year under review, the CPSI had a staff turnover employee of 3.4 percent, which represent one transfer out of the department. The CPSI had four other vacant posts that were to be filled, but the Minister for the Public Service and Administration placed a moratorium on the filling of any vacant posts in the CPSI until the re-positioning of the CPSI process is concluded. The organisation had a filled establishment of 26 posts on the approved establishment and two employees additional to the establishment.

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

During the 2020/21 financial year, the vacancy rate increased to 16.7 percent compared to 13.5 percent in the 2019/20 financial year. This is the result of five vacant posts at the end of the reporting period, compared to four vacant posts at the end of the 2019/20 financial year. The MPSA put a moratorium on filling of positions in the CPSI until the re-positioning of the CPSI process is concluded. This resulted in five funded vacant posts not being filled during the period under review.

The moratorium also resulted in no interns being absorbed into permanent positions during the last financial year.

The employment equity statistics at the end of the financial year remained at 7.1% in respect of persons with disabilities and 60% in respect of women at SMS level, and 11% of youth which is consistent with the previous financial year.

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

The CPSI has an approved human resources plan for 2017/2021 which expires in October 2021. All vacant funded positions in the CPSI were advertised in the DPSA vacancy circulars, in the 2019/20 financial year, to encourage transparency and fair competition. These posts were, however, not filled when the moratorium on the filling of positions was introduced during the second half of the 2019/20 reporting period.

The Executive Director's post has been vacant since 1 October 2018. The responsibilities of the post were assigned to internal capacity during the periods 1 April 2020 to 31 March 2021.

### Employee performance management

The CPSI has an approved performance management and development policy for all salary levels. 100% of SMS members entered into performance agreements for the period under review. The performance evaluations for 2019/20 were concluded, and the outcome of the assessments was communicated to staff in the third and fourth quarter of the financial year.



## Employee wellness programmes

The CPSI facilitated COVID-19 awareness and training to all employees to promote employee wellness.

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

Capacity remains a challenge, however, this will be addressed through the repositioning of the CPSI which is expected to be concluded in the 2021/22 reporting year.

## Future human resource plans

Future human resource plans include the improvement of compliance with the legislative framework and improved efficiency in HR processes and decision-making.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances, and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
1 Administration	13 821	7 966	69	875	58%	531
2 Public Sector Innovation	13 710	10 192	0	1 256	74%	849
<b>Total</b>	<b>27 531</b>	<b>18 158</b>	<b>69</b>	<b>2 131</b>	<b>66%</b>	<b>673</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

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)	381	2.1%	2	190.50
Skilled (level 3-5)	836	4.6%	3	278.67
Highly-skilled production (levels 6-8)	3 231	17.8%	9	359.00
Highly-skilled supervision (levels 9-12)	6 825	37.6%	8	853.13
Senior and Top management (levels 13-16)	6 885	37.9%	5	1 377.00
<b>Total</b>	<b>18 158</b>		<b>27</b>	<b>672.52</b>

Table 3.1.3 Salaries, Overtime, Home Owners Allowance, and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

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
1 Administration	5 325	66.8%	0	0.0%	139	1.7%	339	4.3%
2 Public Sector Innovation	6 565	64.4%	0	0.0%	166	1.6%	283	2.8%
<b>Total</b>	<b>11 890</b>	<b>65.5%</b>	<b>0</b>	<b>0.0%</b>	<b>305</b>	<b>1.7%</b>	<b>622</b>	<b>3.4%</b>

Table 3.1.4 Salaries, Overtime, Home Owners Allowance, and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

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
Lower-skilled (level 1-2)	241	63.3%	0	0%	35	9.2%	49	12.9%
Skilled (level 3-5)	602	72.0%	0	0%	52	6.2%	109	13.0%
Highly-skilled production (levels 6-8)	1 642	50.8%	0	0%	121	3.7%	332	10.3%
Highly-skilled supervision (levels 9-12)	3 887	57.0%	0	0%	18	0.3%	37	0.5%
Senior management (level 13-16)	5 518	80.1%	0	0%	79	1.1%	95	1.4%
<b>Total</b>	<b>11 890</b>	<b>65.5%</b>	<b>0</b>	<b>0%</b>	<b>305</b>	<b>1.7%</b>	<b>622</b>	<b>3.4%</b>

### 3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

The vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1 Administration	18	13	27.8%	2
2 Public Sector Innovation	12	12	0.0%	-
<b>Total</b>	<b>30</b>	<b>25</b>	<b>16.7%</b>	<b>2</b>

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower-skilled ( 1-2)	2	2	0.0%	-
Skilled(3-5)	3	3	0.0%	-
Highly-skilled production (6-8)	10	8	20.0%	1
Highly-skilled supervision (9-12)	9	7	22.2%	1
Senior management (13-16)	6	5	16.7%	-
<b>Total</b>	<b>30</b>	<b>25</b>	<b>16.7%</b>	<b>2</b>

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Employment and vacancies by critical occupations	None
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### 3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. They also provide information on advertising and filling of SMS posts, as well as reasons for not complying with prescribed timeframes.

Table 3.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	-	0.0%	1	100.0%
Salary Level 16	-	-	0.0%	-	0.0%
Salary Level 15	-	-	0.0%	-	0.0%
Salary Level 14	3	3	100.0%	-	0.0%
Salary Level 13	2	2	100.0%	-	0.0%
<b>Total</b>	<b>6</b>	<b>5</b>	<b>83.0%</b>	<b>1</b>	<b>17.0%</b>



Table 3.3.2 SMS post information as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	-	0.0%	1	100.0%
Salary Level 16	-	-	0.0%	-	0.0%
Salary Level 15	-	-	0.0%	-	0.0%
Salary Level 14	3	3	100.0%	-	0.0%
Salary Level 13	2	2	100.0%	-	0.0%
<b>Total</b>	<b>6</b>	<b>5</b>	<b>83.0%</b>	<b>1</b>	<b>17.0%</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

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
Director-General/ Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	-	-	-
<b>Total</b>	-	-	-

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 2020 and 31 March 2021

Reasons for vacancies not advertised and filled within six months
The Executive Authority decided to wait for the outcome of the Macro Organisation restructuring report. Secondments and internal capacity performed the duties of the post during the period under review.

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 2020 and 31 March 2021

Reasons for vacancies not advertised or filled within six months
No disciplinary steps were taken during this period

### 3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2020 and 31 March 2021

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	-	0.0%	-	0.0%	-	0.0%
Skilled (Levels 3-5)	3	-	0.0%	-	0.0%	-	0.0%
Highly-skilled production (Levels 6-8)	10	-	0.0%	-	0.0%	-	0.0%
Highly-skilled supervision (Levels 9-12)	9	-	0.0%	-	0.0%	-	0.0%
Senior Management Service Band A	2	-	0.0%	-	0.0%	-	0.0%
Senior Management Service Band B	3	-	0.0%	-	0.0%	-	0.0%
Senior Management Service Band C	1	-	0.0%	-	0.0%	-	0.0%
Senior Management Service Band D	-	-	0.0%	-	0.0%	-	0.0%
<b>Total</b>	<b>30</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

Total number of employees whose positions were upgraded due to their posts being upgraded	None
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 and 31 March 2021

Total number of employees with salary levels higher than those determined by job evaluation	None
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The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

Total number of employees whose salary levels exceeded the grades determined by job evaluation	None
--	------

### 3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower-skilled (Levels 1-2)	2	-	-	-
Skilled (Levels 3-5)	3	-	-	-
Highly-skilled production (Levels 6-8)	9	-	-	-
Highly-skilled supervision (Levels 9-12)	7	-	1	3.4%
Senior Management Service Bands A	2	-	-	-
Senior Management Service Bands B	3	-	-	-
Senior Management Service Bands C	-	-	-	-
Senior Management Service Bands D	-	-	-	-
Contracts	2	-	-	-
<b>Total</b>	<b>28</b>	<b>-</b>	<b>1</b>	<b>3.4%</b>

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None	-	-	-	-

Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 and 31 March 2021

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	-	-
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	-	-
Transfer to other Public Service Departments	1	100%
Other	-	-
<b>Total</b>	<b>1</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>		<b>3.4%</b>

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
None	-	-	-	-	-

Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower-skilled (Levels 1-2)	-	-	0.0%	-	0.0%
Skilled (Levels 3-5)	-	-	0.0%	-	0.0%
Highly-skilled production (Levels 6-8)	-	-	0.0%	-	0.0%
Highly-skilled supervision (Levels 9-12)	-	-	0.0%	-	0.0%
Senior Management (Level 13-16)	-	-	0.0%	-	0.0%
<b>Total</b>	-	-	<b>0.0%</b>	-	<b>0.0%</b>



### 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 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	1	-	-	1	2	-	-	1	5
Professionals	4	-	-	-	4	-	-	-	8
Technicians and associate professionals	2	-	-	-	6	-	-	1	9
Clerks	2	-	-	-	1	-	-	-	3
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	2	-	-	-	2
<b>Total</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>27</b>
<b>Employees with disabilities</b>	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 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	1	2	-	-	1	5
Professionally qualified and experienced specialists and mid-management	4	-	-	-	4	-	-	-	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	-	-	-	6	-	-	1	9
Semi-skilled and discretionary decision making	2	-	-	-	1	-	-	-	3
Unskilled and defined decision making	-	-	-	-	2	-	-	-	2
<b>Total</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>27</b>

Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Employees with disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	1	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>1</b>	-	-	-	-
<b>Employees with Disabilities</b>	-	-	-	-	-	-	-	-	-

Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None	-	-	-	-	-	-	-	-	-

Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	1			1	2				4
Professionals	4				4				8
Technicians and associate professionals	1				6				7
Clerks	3				2				5
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations					2				2
<b>Total</b>	<b>9</b>			<b>1</b>	<b>16</b>				<b>26</b>
<b>Employees with disabilities</b>	2								2

### 3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes, and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2020

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	-	-	-	-
Salary Level 14	3	3	3	100%
Salary Level 13	2	2	2	100%
<b>Total</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>100%</b>

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
Not applicable

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
Not applicable

### 3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands, and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender, and disability for the period 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	1	10	10.0%	19	19
Female	7	17	41.2%	127	18
<b>Asian</b>					
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Coloured</b>					
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>White</b>					
Male	-	1	0.0%	-	-
Female	-	2	0.0%	-	-
<b>Total</b>	<b>8</b>	<b>30</b>	<b>26.7%</b>	<b>146</b>	<b>18</b>



Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021

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 employee	
Lower-skilled (Levels 1-2)	1	2	50.0%	4	4	0.0%
Skilled (level 3-5)		3	0.0%	-	-	0.0%
Highly-skilled production (level 6-8)	3	11	27.3%	23	8	0.1%
Highly-skilled supervision (level 9-12)	4	10	40.0%	119	30	0.7%
<b>Total</b>	<b>8</b>	<b>26</b>	<b>30.8%</b>	<b>146</b>	<b>18</b>	<b>0.8%</b>

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 to 31 March 2021

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

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 employee	
Band A	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	3	0.0%	-	-	-
Band D	-	2	0.0%	-	-	-
<b>Total</b>	<b>-</b>	<b>5</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower-skilled	-	0.0%	-	0.0%	-	0.0%
Highly-skilled production (Level 6-8)	-	0.0%	-	0.0%	-	0.0%
Highly-skilled supervision (Level 9-12)	-	0.0%	-	0.0%	-	0.0%
Contract (Level 9-12)	-	0.0%	-	0.0%	-	0.0%
Contract (Level 13-16)	-	0.0%	-	0.0%	-	0.0%
<b>Total</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 and 31 March 2021

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
None	-	0.0%	-	0.0%	-	0.0%

### 3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick-leave within the public service. The following tables provide an indication of the use of sick-leave and disability-leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick-leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower-skilled (Level 1-2)	16	87.5%	2	7.1%	8	9
Skilled (levels 3-5)	25	96.0%	3	10.7%	8	24
Highly-skilled production (levels 6-8)	85	84.7%	9	32.1%	9	105
Highly-skilled supervision (levels 9-12)	12	91.7%	9	32.1%	1	36
Top and Senior management (levels 13-16)	33	90.9%	5	17.9%	7	169
<b>Total</b>	<b>171</b>	<b>88.3%</b>	<b>28</b>	<b>100.0%</b>	<b>6</b>	<b>343</b>

Table 3.10.2 Disability-leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower-skilled (Levels 1-2)	-	0.0%	-	0.0%	-	-
Skilled (Levels 3-5)	-	0.0%	-	0.0%	-	-
Highly-skilled production (Levels 6-8)	-	0.0%	-	0.0%	-	-
Highly-skilled supervision (Levels 9-12)	-	0.0%	-	0.0%	-	-
Senior management (Levels 13-16)	-	0.0%	-	0.0%	-	-
<b>Total</b>	-	<b>0.0%</b>	-	<b>0.0%</b>	-	-

Table 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower-skilled (Levels 1-2)	32	2	16
Skilled Levels 3-5)	57	3	19
Highly-skilled production (Levels 6-8)	224	9	25
Highly-skilled supervision (Levels 9-12)	166	9	18
Senior management (Levels 13-16)	136	5	27
<b>Total</b>	<b>615</b>	<b>28</b>	<b>22</b>

Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower-skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly-skilled production (Levels 6-8)	-	-	-	-
Highly-skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
<b>Total</b>	-	-	-	-

Table 3.10.5 Leave pay-outs for the period 1 April 2020 and 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2019/20 due to non-utilisation of leave for the previous cycle	43	1	43
Capped leave pay-outs on termination of service for 2019/20	-	-	-
Current leave pay-out on termination of service for 2019/20	-	-	-
<b>Total</b>	<b>43</b>	<b>1</b>	<b>43</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

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		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 are 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/services of this Programme.	X		To raise awareness in relation to issues of health and promoting a healthy lifestyle.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	No employees were identified; the establishment of a committee is not required.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		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 these measures.		X	No employees were identified, the introduction of a measure to protect HIV positive employees against discrimination was not needed.
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 was conducted by GEMS.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

### 3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2020 and 31 March 2021

Total number of Collective agreements	None
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Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 and 31 March 2021

Total number of Disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021

Type of misconduct	Number	% of total
None	-	0.0%

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of Total
Number of grievances resolved	-	0.0%
Number of grievances not resolved	-	0.0%
<b>Total number of grievances lodged</b>	-	<b>0.0%</b>

Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 and 31 March 2021

Disputes	Number	% of Total
Number of disputes upheld	-	0.0%
Number of disputes dismissed	-	0.0%
<b>Total number of disputes lodged</b>	-	<b>0.0%</b>

Table 3.12.6 Strike actions for the period 1 April 2020 and 31 March 2021

<b>Total number of persons working days lost</b>	None
<b>Total costs working days lost</b>	None
<b>Amount recovered as a result of no work no pay (R'000)</b>	-

Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

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

### 3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	3	-	24	-	24
	Male	2	-	15	-	15
Professionals	Female	5	-	33	-	33
	Male	4	-	24	-	24
Technicians and associate professionals	Female	7	-	43	-	43
	Male	2	-	20	-	20
Clerks	Female	1	-	5	-	5
	Male	2	-	10	-	10
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	2	-	14	-	14
	Male		-		-	-
<b>Sub Total</b>	<b>Female</b>	<b>18</b>	<b>-</b>	<b>119</b>	<b>-</b>	<b>119</b>
	<b>Male</b>	<b>10</b>	<b>-</b>	<b>69</b>	<b>-</b>	<b>69</b>
<b>Total</b>		<b>28</b>	<b>-</b>	<b>188</b>	<b>-</b>	<b>188</b>

Table 3.13.2 Training provided for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	3	-	3	-	6
	Male	2	-	2	-	4
Professionals	Female	4	-	4	-	9
	Male	4	-	4	-	8
Technicians and associate professionals	Female	7	-	4	-	5
	Male	2	-	-	-	-
Clerks	Female	1	-	2	-	2
	Male	2	-	4	-	4
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	2	-	4	-	4
	Male	-	-	-	-	-
<b>Sub Total</b>	<b>Female</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>17</b>
	<b>Male</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>
<b>Total</b>		<b>27</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>27</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021

Nature of injury on duty	Number	% of total
<b>Required basic medical attention only</b>	-	0.0%
<b>Temporary Total Disablement</b>	-	0.0%
<b>Permanent Disablement</b>	-	0.0%
<b>Fatal</b>	-	0.0%
<b>Total</b>	-	<b>0.0%</b>

### 3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
PILIR, monthly HRM fees April 2020 based on 27 heads at a unit price of R10.86	1	1	293.22
PILIR, monthly HRM fees May 2020 based on 27 heads at a unit price of R10.86	1	1	293.22
Appointment of a B-BBEE accredited company	1	22	28 750.00
PILIR, monthly HRM fees June 2020 based on 27 heads at a unit price of R10.86	1	1	293.22
PILIR, monthly HRM fees July 2020 based on 27 heads at a unit price of R10.86	1	1	293.22
PILIR, monthly HRM fees August 2020 based on 27 heads at a unit price of R10.86	1	1	293.22
Audit and Risk Committee Member for CPSI	3	1	59 261.00
Temperature screening and COVID 19- symptom assessment access control (June- August 2020)	2	40	11 376.55
PILIR, monthly HRM fees September 2020 based on 26 heads at a unit price of R10.86	1	1	282.36
Contractor to open cabinet	1	1	750.00
Temperature screening and COVID 19- symptom assessment access control (September 2020)	2	22	3 908.27
Audit and Risk Committee Member for CPSI	3	1	65 499.00
The development of real-time monitoring of service delivery at Home Affairs service points	1	1	402 500.00
Facilitation of the Public Service Innovation Workshop 1	1	2	43 000.00
Temperature screening and COVID 19- symptom assessment access control (October 2020)	2	21	3 908.27
Temperature screening and COVID 19- symptom assessment access control (November 2020)	2	23	3 908.27
Audit and Risk Committee Member for CPSI	1	1	6 238.00
The development of real-time monitoring of service delivery at Home Affairs service points	1	1	402 500.00
Facilitation of the Public Service Innovation Workshop 1	1	2	43 000.00
Development risk management strategy, registers, and reports	2	90	242 136.00
PILIR, monthly HRM fees October 2020 based on 26 heads at a unit price of R10.86	1	1	282.36
Temperature screening and COVID 19- symptom assessment access control (November 2020)	2	21	3 908.27
Temperature screening and COVID 19- symptom assessment access control (December 2020)	2	21	2 791.92
PILIR, monthly HRM fees November 2020 based on 26 heads at a unit price of R10.86	1	1	282.36
PILIR, monthly HRM fees December 2020 based on 26 heads at a unit price of R10.86	1	1	282.36





Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
PILIR, monthly HRM fees January 2021 based on 26 heads at a unit price of R10.86	1	1	282.36
Sunward Park High School eLearning Solution replication project	17	7	1 60 000.00
Development risk management strategy, registers, and reports	2	90	242 136.00
PILIR, monthly HRM fees February 2021 based on 26 heads at a unit price of R10.86	1	1	282.36
PILIR, monthly HRM fees March 2021 based on 26 heads at a unit price of R10.86	1	1	282.36
Audit and Risk Committee Member for CPSI	3	1	62 380.00
Audit and Risk Committee Member for CPSI	2	1	37 428.00
Audit and Risk Committee Member for CPSI	1	7	127 870.80
Sunward Park High School eLearning Solution replication project	17	7	90 000.00
Hire of Audio Visual technician and equipment during the 2020 CPSI Awards Ceremony	12	2	231 406.68
PILIR, monthly HRM fees April 2020 based on 27 heads at a unit price of R10.86	1	1	293.22
PILIR, monthly HRM fees May 2020 based on based on 27 heads at a unit price of R10.86	1	1	293.22

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
35	93	396	2 278 099.65

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a B-BBEE accredited company	100%	100%	1
Contractor to open cabinet	100%	100%	1
The development of real-time monitoring of service delivery at Home Affairs service points	100%	100%	1
Facilitation of the Public Service Innovation Workshop 1	100%	100%	1
Facilitation of the Public Service Innovation Workshop 1	100%	100%	1
Sunward Park High School eLearning Solution replication project	100%	100%	17
Development risk management strategy, registers, and reports	100%	100%	2
Sunward Park High School eLearning Solution replication project	100%	100%	17
Hire of Audio Visual technician and equipment during the 2020 CPSI Awards Ceremony	100%	100%	12

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2021

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
<b>None</b>	-	-	-

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
<b>None</b>	-	-	-

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
<b>None</b>	-	0.0%	-



### 3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2020 and 31 March 2021

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



# Financial Information



**the cpsi**

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





## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 10: CENTRE FOR PUBLIC SERVICE INNOVATION

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of the Centre for Public Service Innovation set out on pages 80 to 110, which comprise the appropriation statement, statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

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 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for opinion

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

I am independent of the government component in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

#### Other matter

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

#### *Unaudited supplementary schedules*

The supplementary information set out in pages 121 to 123 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

#### Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the government component's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going-concern basis of accounting unless the appropriate governance structure either intends to liquidate the government component or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

My procedures address the usefulness and reliability of the reported performance information, which must be based on the government component's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the government component enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the government component's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – Public Sector Innovation	33 – 35

I performed procedures to determine whether the reported performance information was properly presented, and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate, and complete.

I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

Programme 2 – Public Sector Innovation

I draw attention to the matter below.

## Other matter

### ***Achievement of planned targets***

Refer to the annual performance report on pages 28 to 36 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

## Report on the audit of compliance with legislation

### **Introduction and scope**

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the government component's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### **Other information**

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report, and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion on it.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I concluded that there is a material misstatement in the other information, I am required to report that fact and I have nothing to report in this regard.

## Internal control deficiencies

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

*Auditor-General*

Pretoria  
31 July 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



**the cpsi**

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



**ANNUAL FINANCIAL STATEMENTS FOR GOVERNMENT COMPONENT:  
CENTRE FOR PUBLIC SERVICE INNOVATION**

for the year ended 31 March 2021

Date authorised for issue: **31/05/2021**

Authorised by: 





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## Appropriation Statement for the year ended 31 March 2021

Appropriation per programme		2020/21						2019/20	
Programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration	18 944	-	-	18 944	13 821	5 123	73.0%	20 986	14 779
2. Public Sector Innovation	15 890	-	-	15 890	13 710	2 180	86.3%	17 451	15 077
<b>Total</b>	<b>34 834</b>	<b>-</b>	<b>-</b>	<b>34 834</b>	<b>27 531</b>	<b>7 303</b>	<b>79.0%</b>	<b>38 437</b>	<b>29 856</b>
Departmental receipts				8					6
Aid assistance				-					-
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				34 842				38 443	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>27 531</b>				<b>29 856</b>



## Appropriation Statement for the year ended 31 March 2021

Appropriation per economic classification									
Programme	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	<b>34 680</b>	<b>(84)</b>	-	<b>34 596</b>	<b>27 297</b>	<b>7 299</b>	<b>78.9%</b>	<b>37 543</b>	<b>29 262</b>
<b>Compensation of employees</b>	<b>22 335</b>	-	-	<b>22 335</b>	<b>18 158</b>	<b>4 177</b>	<b>81.3%</b>	<b>20 902</b>	<b>19 949</b>
Salaries and wages	19 961	(40)	-	19 921	16 097	3 824	80.8%	18 507	17 726
Social contributions	2 374	40	-	2 414	2 061	353	85.4%	2 395	2 223
<b>Goods and services</b>	<b>12 345</b>	<b>(84)</b>	-	<b>12 261</b>	<b>9 139</b>	<b>3 122</b>	<b>74.5%</b>	<b>16 641</b>	<b>9 313</b>
Administrative fees	100	(41)	-	59	34	25	57.6%	210	91
Advertising	222	109	-	331	229	102	69.2%	423	269
Minor assets	91	3	-	94	34	60	36.2%	128	102
Audit costs: External	1 524	(178)	-	1 346	1 345	1	99.9%	1 630	1 629
Catering: Departmental activities	84	2	-	86	77	9	89.5%	381	350
Communication (G&S)	445	(68)	-	377	353	24	93.6%	329	285
Computer services	4 086	(2 076)	-	2 010	1 136	874	56.5%	1 888	951
Consultants: Business and advisory services	840	1 295	-	2 135	2 131	4	99.8%	857	391
Contractors	254	296	-	550	497	53	90.4%	926	870
Consumable supplies	1 385	(475)	-	910	808	102	88.8%	504	465
Consumable: Stationery, printing and office supplies	296	45	-	341	180	161	52.8%	311	180
Operating leases	344	1 419	-	1 763	1 277	486	72.4%	4 126	-
Property payments	341	-	-	341	6	335	1.8%	322	50
Travel and subsistence	587	(130)	-	457	154	303	33.7%	2 588	1 912
Training and development	235	(15)	-	220	69	151	31.4%	511	492



## Appropriation Statement for the year ended 31 March 2021

Appropriation per economic classification										
Programme	2020/21						2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Operating payments	782	127	-	909	601	308	66.1%	471	281	
Venues and facilities	729	(397)	-	332	208	124	62.7%	1 036	995	
<b>Transfers and subsidies</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0.0%</b>	<b>112</b>	<b>109</b>	
<b>Departmental agencies and accounts</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0.0%</b>	<b>1</b>	<b>-</b>	
Departmental agencies (non - business entities)	1	-	-	1	-	1	0.0%	1	-	
<b>Households</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>109</b>	
Social benefits	-	-	-	-	-	-	-	70	69	
Other transfers to households	-	-	-	-	-	-	-	41	40	
<b>Payments for capital assets</b>	<b>153</b>	<b>84</b>	<b>-</b>	<b>237</b>	<b>234</b>	<b>3</b>	<b>98.7%</b>	<b>776</b>	<b>479</b>	
<b>Machinery and equipment</b>	<b>153</b>	<b>84</b>	<b>-</b>	<b>237</b>	<b>234</b>	<b>3</b>	<b>98.7%</b>	<b>463</b>	<b>460</b>	
Other machinery and equipment	153	84	-	237	234	3	98.7%	463	460	
<b>Software and other intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>313</b>	<b>19</b>	
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>	
<b>Total</b>	<b>34 834</b>	<b>-</b>	<b>-</b>	<b>34 834</b>	<b>27 531</b>	<b>7 303</b>	<b>79.0%</b>	<b>38 437</b>	<b>29 856</b>	



## Appropriation Statement

for the year ended 31 March 2021

PROGRAMME 1: ADMINISTRATION	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. STRATEGIC MANAGEMENT</b>	3 524	446	-	3 970	2 262	1 708	57.0%	4 130	3 140
<b>2. CORPORATE RESOURCE MANAGEMENT</b>	9 059	(309)	-	8 750	6 263	2 487	71.6%	10 542	5 504
<b>3. OFFICE OF THE CHIEF FINANCIAL OFFICER</b>	6 361	(137)	-	6 224	5 296	928	85.1%	6 314	6 135
<b>Total</b>	<b>18 944</b>	<b>-</b>	<b>-</b>	<b>18 944</b>	<b>13 821</b>	<b>5 123</b>	<b>73.0%</b>	<b>20 986</b>	<b>14 779</b>
	2020/21							2019/20	
Economic classification	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
<b>Current payments</b>	<b>18 790</b>	<b>(49)</b>	<b>-</b>	<b>18 741</b>	<b>13 621</b>	<b>5 120</b>	<b>72.7%</b>	<b>20 375</b>	<b>14 465</b>
<b>Compensation of employees</b>	<b>11 286</b>	<b>-</b>	<b>-</b>	<b>11 286</b>	<b>7 966</b>	<b>3 320</b>	<b>70.6%</b>	<b>10 659</b>	<b>9 757</b>
Salaries and wages	10 008	-	-	10 008	7 037	2 971	70.3%	9 398	8 659
Social contributions	1 278	-	-	1 278	929	349	72.7%	1 261	1 098
<b>Goods and services</b>	<b>7 504</b>	<b>(49)</b>	<b>-</b>	<b>7 455</b>	<b>5 655</b>	<b>1 800</b>	<b>75.9%</b>	<b>9 716</b>	<b>4 708</b>
Administrative fees	23	4	-	27	26	1	96.3%	40	37
Advertising	12	(11)	-	1	1	-	100.0%	-	-
Minor assets	75	(1)	-	74	30	44	40.5%	98	95
Audit costs: External	1 524	(178)	-	1 346	1 345	1	99.9%	1 630	1 629
Catering: Departmental activities	49	(47)	-	2	-	2	0.0%	34	29
Communication (G&S)	273	(25)	-	248	246	2	99.2%	184	177
Computer services	2 560	(1 009)	-	1 551	983	568	63.4%	1 222	950
Consultants: Business and advisory services	421	457	-	878	875	3	99.7%	260	191
Contractors	-	84	-	84	35	49	41.7%	60	59

## Appropriation Statement

for the year ended 31 March 2021

Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Consumable supplies	1 129	(809)	-	320	245	75	76.6%	219	201
Consumable: Stationery, printing, and office supplies	216	45	-	261	180	81	69.0%	193	129
Operating leases	344	1 419	-	1 763	1 277	486	72.4%	4 126	-
Property payments	341	-	-	341	6	335	1.8%	322	50
Travel and subsistence	196	(127)	-	69	48	21	69.6%	847	740
Training and development	150	(5)	-	145	69	76	47.6%	216	211
Operating payments	191	116	-	307	251	56	81.8%	180	157
Venues and facilities	-	38	-	38	38	-	100.0%	85	53
<b>Transfers and subsidies</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0.0%</b>	<b>46</b>	<b>43</b>
<b>Departmental agencies and accounts</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0.0%</b>	<b>1</b>	<b>-</b>
Departmental agencies (non-business entities)	1	-	-	1	-	1	0.0%	1	-
<b>Households</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>43</b>
Social benefits	-	-	-	-	-	-	-	4	3
Other transfers to households	-	-	-	-	-	-	-	41	40
<b>Payments for capital assets</b>	<b>153</b>	<b>49</b>	<b>-</b>	<b>202</b>	<b>200</b>	<b>2</b>	<b>99.0%</b>	<b>565</b>	<b>271</b>
<b>Machinery and equipment</b>	<b>153</b>	<b>49</b>	<b>-</b>	<b>202</b>	<b>200</b>	<b>2</b>	<b>99.0%</b>	<b>272</b>	<b>271</b>
Other machinery and equipment	153	49	-	202	200	2	99.0%	272	271
<b>Software and other intangible assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>293</b>	<b>-</b>
<b>Total</b>	<b>18 944</b>	<b>-</b>	<b>-</b>	<b>18 944</b>	<b>13 821</b>	<b>5 123</b>	<b>73.0%</b>	<b>20 986</b>	<b>14 779</b>



## Appropriation Statement

for the year ended 31 March 2021

SUB-PROGRAMME: 1.1: STRATEGIC MANAGEMENT	2020/21							2019/20	
	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
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 524</b>	<b>446</b>	-	<b>3 970</b>	<b>2 262</b>	<b>1 708</b>	<b>57.0%</b>	<b>4 040</b>	<b>3 050</b>
Compensation of employees	3 117	-	-	3 117	1 427	1 690	45.8%	3 240	2 430
Goods and services	407	446	-	853	835	18	97.9%	800	620
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>90</b>	<b>90</b>
Machinery and equipment	-	-	-	-	-	-	-	90	90
<b>Total</b>	<b>3 524</b>	<b>446</b>	-	<b>3 970</b>	<b>2 262</b>	<b>1 708</b>	<b>57.0%</b>	<b>4 130</b>	<b>3 140</b>



## Appropriation Statement for the year ended 31 March 2021

SUB-PROGRAMME: 1.2: CORPORATE RESOURCE MANAGEMENT	2020/21							2019/20	
	Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000
<b>Current payments</b>	<b>8 905</b>	<b>(358)</b>	<b>-</b>	<b>8 547</b>	<b>6 063</b>	<b>2 484</b>	<b>70.9%</b>	<b>10 098</b>	<b>5 356</b>
Compensation of employees	4 162	-	-	4 162	3 409	753	81.9%	3 610	3 606
Goods and services	4 743	(358)	-	4 385	2 654	1 731	60.5%	6 488	1 750
<b>Transfers and subsidies</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0.0%</b>	<b>5</b>	<b>3</b>
Departmental agencies and accounts	1	-	-	1	-	1	0.0%	1	-
Households	-	-	-	-	-	-	-	4	3
<b>Payments for capital assets</b>	<b>153</b>	<b>49</b>	<b>-</b>	<b>202</b>	<b>200</b>	<b>2</b>	<b>99.0%</b>	<b>439</b>	<b>145</b>
Machinery and equipment	153	49	-	202	200	2	99.0%	146	145
Software and other intangible assets	-	-	-	-	-	-	-	293	-
<b>Total</b>	<b>9 059</b>	<b>(309)</b>	<b>-</b>	<b>8 750</b>	<b>6 263</b>	<b>2 487</b>	<b>71.6%</b>	<b>10 542</b>	<b>5 504</b>



## Appropriation Statement

for the year ended 31 March 2021

Sub-programme	2020/21						2019/20		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>1. RESEARCH AND DEVELOPMENT</b>	5 425	-	-	5 425	4 613	812	85.0%	4 544	4 244
<b>2. SOLUTION SUPPORT AND INCUBATION</b>	4 136	-	-	4 136	3 558	578	86.0%	4 196	3 439
<b>3. ENABLING ENVIRONMENT</b>	6 329	-	-	6 329	5 539	790	87.5%	8 711	7 394
<b>Total</b>	<b>15 890</b>	<b>-</b>	<b>-</b>	<b>15 890</b>	<b>13 710</b>	<b>2 180</b>	<b>86.3%</b>	<b>17 451</b>	<b>15 077</b>

Economic classification	2020/21						2019/20		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	<b>15 890</b>	<b>(35)</b>	<b>-</b>	<b>15 855</b>	<b>13 676</b>	<b>2 179</b>	<b>86.3%</b>	<b>17 168</b>	<b>14 797</b>
<b>Compensation of employees</b>	<b>11 049</b>	<b>-</b>	<b>-</b>	<b>11 049</b>	<b>10 192</b>	<b>857</b>	<b>92.2%</b>	<b>10 243</b>	<b>10 192</b>
Salaries and wages	9 953	(40)	-	9 913	9 060	853	91.4%	9 109	9 067
Social contributions	1 096	40	-	1 136	1 132	4	99.6%	1 134	1 125
<b>Goods and services</b>	<b>4 841</b>	<b>(35)</b>	<b>-</b>	<b>4 806</b>	<b>3 484</b>	<b>1 322</b>	<b>72.5%</b>	<b>6 925</b>	<b>4 605</b>
Administrative fees	77	(45)	-	32	8	24	25.0%	170	54
Advertising	210	120	-	330	228	102	69.1%	423	269
Minor assets	16	4	-	20	4	16	20.0%	30	7
Catering: Departmental activities	35	49	-	84	77	7	91.7%	347	321
Communication (G&S)	172	(43)	-	129	107	22	82.9%	145	108
Computer services	1 526	(1 067)	-	459	153	306	33.3%	666	1
Consultants: Business and advisory services	419	838	-	1 257	1 256	1	99.9%	597	200
Contractors	254	212	-	466	462	4	99.1%	866	811



## Appropriation Statement for the year ended 31 March 2021

Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Consumable supplies	256	334	-	590	563	27	95.4%	285	264
Consumable: Stationery, printing, and office supplies	80	-	-	80	-	80	0.0%	118	51
Travel and subsistence	391	(3)	-	388	106	282	27.3%	1 741	1 172
Training and development	85	(10)	-	75	-	75	0.0%	295	281
Operating payments	591	11	-	602	350	252	58.1%	291	124
Venues and facilities	729	(435)	-	294	170	124	57.8%	951	942
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>66</b>	<b>66</b>
<b>Households</b>	-	-	-	-	-	-	-	<b>66</b>	<b>66</b>
Social benefits	-	-	-	-	-	-	-	66	66
<b>Payments for capital assets</b>	-	<b>35</b>	-	<b>35</b>	<b>34</b>	<b>1</b>	<b>97.1%</b>	<b>211</b>	<b>208</b>
<b>Machinery and equipment</b>	-	<b>35</b>	-	<b>35</b>	<b>34</b>	<b>1</b>	<b>97.1%</b>	<b>191</b>	<b>189</b>
Other machinery and equipment	-	35	-	35	34	1	97.1%	191	189
<b>Software and other intangible assets</b>	-	-	-	-	-	-	-	<b>20</b>	<b>19</b>
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	<b>6</b>	<b>6</b>
<b>Total</b>	<b>15 890</b>	-	-	<b>15 890</b>	<b>13 710</b>	<b>2 180</b>	<b>86.3%</b>	<b>17 451</b>	<b>15 077</b>



## Appropriation Statement

for the year ended 31 March 2021

SUB-PROGRAMME: 2.1: RESEARCH AND DEVELOPMENT	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 425</b>	-	-	<b>5 425</b>	<b>4 613</b>	<b>812</b>	<b>85.0%</b>	<b>4 472</b>	<b>4 173</b>
Compensation of employees	3 640	-	-	3 640	3 340	300	91.8%	3 348	3 319
Goods and services	1 785	-	-	1 785	1 273	512	71.3%	1 124	854
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>66</b>	<b>65</b>
Machinery and equipment	-	-	-	-	-	-	-	66	65
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	<b>6</b>	<b>6</b>
<b>Total</b>	<b>5 425</b>	-	-	<b>5 425</b>	<b>4 613</b>	<b>812</b>	<b>85.0%</b>	<b>4 544</b>	<b>4 244</b>



## Appropriation Statement for the year ended 31 March 2021

SUB-PROGRAMME: 2.2: SOLUTION SUPPORT AND INCUBATION	2020/21							2019/20		
	Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	<b>4 136</b>	-	-	-	<b>4 136</b>	<b>3 558</b>	<b>578</b>	<b>86.0%</b>	<b>4 142</b>	<b>3 385</b>
Compensation of employees	3 323	-	-	-	3 323	3 023	300	91.0%	3 053	3 051
Goods and services	813	-	-	-	813	535	278	65.8%	1 089	334
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	<b>14</b>	<b>14</b>
Households	-	-	-	-	-	-	-	-	14	14
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	<b>40</b>	<b>40</b>
Machinery and equipment	-	-	-	-	-	-	-	-	40	40
<b>Total</b>	<b>4 136</b>	-	-	-	<b>4 136</b>	<b>3 558</b>	<b>578</b>	<b>86.0%</b>	<b>4 196</b>	<b>3 439</b>



## Appropriation Statement

for the year ended 31 March 2021

Economic classification	2020/21							2019/20	
	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
<b>Current payments</b>	<b>6 329</b>	<b>(35)</b>	-	<b>6 294</b>	<b>5 505</b>	<b>789</b>	<b>87.5%</b>	<b>8 554</b>	<b>7 239</b>
Compensation of employees	4 086	-	-	4 086	3 829	257	93.7%	3 842	3 822
Goods and services	2 243	(35)	-	2 208	1 676	532	75.9%	4 712	3 417
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>52</b>	<b>52</b>
Households	-	-	-	-	-	-	-	52	52
<b>Payments for capital assets</b>	-	<b>35</b>	-	<b>35</b>	<b>34</b>	<b>1</b>	<b>97.1%</b>	<b>105</b>	<b>103</b>
Machinery and equipment	-	35	-	35	34	1	97.1%	85	84
Software and other intangible assets	-	-	-	-	-	-	-	20	19
<b>Total</b>	<b>6 329</b>	-	-	<b>6 329</b>	<b>5 539</b>	<b>790</b>	<b>87.5%</b>	<b>8 711</b>	<b>7 394</b>

## NOTES TO THE APPROPRIATION STATEMENT

### 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, disclosure notes, and Annexure 1 (A) to the Annual Financial Statements.

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

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

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

Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	18 944	13 821	5 123	27.0%
Public Sector Innovation	15 890	13 710	2 180	13.7%

Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	22 335	18 158	4 177	18.7%
Goods and services	12 261	9 139	3 122	25.5%
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	1	-	1	100.0%
<b>Payments for capital assets</b>				
Machinery and equipment	237	234	3	1.3%

The expenditure from 01 April to 31 March 2021 amounted to R27.530 million, or 79.03 percent of R34.834 million's adjusted appropriation for the year. The expenditure can be explained as follows:

#### **Compensation of Employees**

An amount of R18.157 million was spent up to 31 March 2021 (81.29 percent of the compensation budget): The spending is R4.178 million (81.29% of Compensation of Employees Budget) lower than anticipated due to the vacant Executive Director's post. These functions are performed by internal capacity since February 2020.



The CPSI has four other vacant posts that were to be filled, but the Minister for the Public Service and Administration placed a moratorium on the filling of any vacant posts in the CPSI until the re-positioning of the CPSI process is concluded. Officials currently occupy two of these posts appointed additional to the establishment on lower than projected notches. The vacancies resulted in savings from differences in notch levels. The non-implementation of the annual cost of living adjustments also contributed to the lower than anticipated spending on Compensation of Employees budget.

### **Goods and Services**

A amount of R9.134 million was spent on Goods and Services for the same period; (74.54 percent of the Goods & Services budget). The lower expenditure can be explained as follows:

Computer Services (R301 000): Payment for the completion of the second phase for the development of an innovative, real-time monitoring of service delivery solution for the Department of Home Affairs was anticipated to start in the first six months of the financial year. The higher than anticipated completion cost required an amendment of the service level agreement (SLA) with The Innovation Hub. The SLA was concluded in September 2020. Although the solution has been successfully implemented in two sites, the final evaluation report on the efficacy of the solution, based on the data from the Department of Home Affairs, will only be received in the beginning of the new financial year. This was due to delays in obtaining access to service delivery sites as a result of the COVID-19 Pandemic. It is anticipated that final payments will be done by the end of the 1st quarter of 2021/22.

Computer Services (R95 000): The development of a new CPSI website was not concluded during the first six months as anticipated due to procurement delays. The supplier was only contracted in October 2020. The development of the website was partially completed and paid for in March 2021. It is anticipated that the work will be completed during the 1st and 2nd quarter of the 2021/22 financial year, which forms part of the maintenance and support part of the agreement.

Computer Services (IT) R560 000: The procurement of planned information technology services was not incurred. This expenditure will not be incurred, pending the organisational review of the CPSI.

Replication project (R90 000): The Service Level Agreement with the service provider of the Sunward Park High School eLearning Solution was not concluded in the first six months as anticipated. The solution introduces cost-saving to ICT in Education through Innovative integration of tools, content, users, and rewards. The School LMS is an eLearning solution that provides a standardised learner and learning management system. There were delays with signing the SLA which was only signed in December 2020, leaving only 3 months until the financial year's end. All the work that had to be done in about 4 to 6 months was done in 3 months. This included working after hours, including on weekends. As a result, only two payments were done during the 2020/2021 financial year, which were R160 000 and R90 000 respectively.

Expenditure relating to venues (R117 000), travel and subsistence (R310 000), and consumables such as stationery, printing paper, cartridges, catering, etc. (R333 000) was lower than initially projected, mainly due to the impact of the COVID-19 Pandemic on CPSI events and travel. The amount budgeted for employees' training (R151 000) remained unspent, as employees were unable to attend training as anticipated.



Planned marketing (R100 000) could not be done due to the COVID-19 lockdown levels that were promulgated through the period under review. There was limited need for marketing as CPSI events were moved online and there were no opportunities for exhibitions. An estimated amount of R244 000 projected for printing the CPSI journal was not incurred due to the journal being published online.

Lease and property payments (R821 000): The budgeted amount for April 2020 to July 2020 remained unspent at year-end as DPSA and DPWI only concluded a lease agreement in August 2020, where it was agreed that the CPSI is liable for lease payments with effect from August 2020.

#### **Transfers and Subsidies**

No expenditure was incurred for transfers and subsidies during the period under review 2020/21.

#### **Purchases for Capital Assets**

An amount of R234 000 was spent on the Purchases for Capital Assets. A minimal amount of R3 000 remained unspent at year-end.





## Statement of Financial Performance

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>REVENUE</b>			
Annual appropriation	1	34 834	38 437
Departmental revenue	2	8	6
<b>TOTAL REVENUE</b>		<b>34 842</b>	<b>38 443</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	18 158	19 949
Goods and services	5	9 139	9 313
<b>Total current expenditure</b>		<b>27 297</b>	<b>29 262</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	-	109
<b>Total transfers and subsidies</b>		<b>-</b>	<b>109</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	234	460
Intangible assets	8	-	19
<b>Total expenditure for capital assets</b>		<b>234</b>	<b>479</b>
<b>Payments for financial assets</b>	6	-	6
<b>TOTAL EXPENDITURE</b>		<b>27 531</b>	<b>29 856</b>
<b>SURPLUS FOR THE YEAR</b>		<b>7 311</b>	<b>8 587</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds		7 303	8 581
Annual appropriation		7 303	8 581
Departmental revenue and NRF Receipts	13	8	6
<b>SURPLUS FOR THE YEAR</b>		<b>7 311</b>	<b>8 587</b>

## Statement of Financial Position

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	7 263	8 457
Receivables	11	93	167
<b>TOTAL ASSETS</b>		<b>7 356</b>	<b>8 624</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	12	7 303	8 581
Payables	14	53	43
<b>TOTAL LIABILITIES</b>		<b>7 356</b>	<b>8 624</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL</b>		<b>-</b>	<b>-</b>



## Statement of Changes In Net Assets

for the year ended 31 March 2021

NET ASSETS	<i>Note</i>	2020/21 R'000	2019/20 R'000
<b>Capitalisation Reserves</b>			
Opening balance		-	-
<b>Closing balance</b>		<u>-</u>	<u>-</u>
<b>Recoverable revenue</b>			
Opening balance		-	-
<b>Closing balance</b>		<u>-</u>	<u>-</u>
<b>Retained funds</b>			
Opening balance		-	-
<b>Closing balance</b>		<u>-</u>	<u>-</u>
<b>Revaluation Reserves</b>			
Opening balance		-	-
<b>Closing balance</b>		<u>-</u>	<u>-</u>
<b>TOTAL</b>		<u><u>-</u></u>	<u><u>-</u></u>

## Cash Flow Statement

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>34 842</b>	<b>38 443</b>
Annual appropriated funds received	1	34 834	38 437
Departmental revenue received	2.1&2.3	8	5
Interest received	2.2	-	1
Net decrease in working capital		84	73
Surrendered to Revenue Fund		(8 589)	(2 314)
Surrendered to RDP Fund/Donor		-	(872)
Current payments		(27 297)	(29 262)
Payments for financial assets		-	(6)
Transfers and subsidies paid		-	(109)
<b>Net cash flow available from operating activities</b>	15	<b>(960)</b>	<b>5 953</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(234)	(479)
<b>Net cash flows from investing activities</b>		<b>(234)</b>	<b>(479)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
Net increase/ (decrease) in cash and cash equivalents		(1 194)	5 474
Cash and cash equivalents at beginning of period		8 457	2 983
<b>Cash and cash equivalents at end of period</b>	16	<b>7 263</b>	<b>8 457</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### Summary of significant accounting policies

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

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

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

<b>1.</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2.</b>	<b>Going-concern</b> The financial statements have been prepared on a going-concern basis.
<b>3.</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
<b>4.</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5.</b>	<b>Comparative information</b>
<b>5.1</b>	<b>Prior period comparative information</b> Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
<b>5.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget, and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>6.</b>	<b>Revenue</b>
<b>6.1</b>	<b>Appropriated funds</b> Appropriated funds comprise 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.



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

<b>6.2</b>	<b>Departmental revenue</b> 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.
<b>7.</b>	<b>Expenditure</b>
<b>7.1</b>	<b>Compensation of employees</b>
<b>7.1.1</b>	<b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.
<b>7.1.2</b>	<b>Social contributions</b> 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.
<b>7.2</b>	<b>Other expenditure</b> 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.
<b>7.3</b>	<b>Accruals and payables not recognised</b> Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
<b>7.4</b>	<b>Leases</b>
<b>7.4.1</b>	<b>Operating leases</b> 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.
<b>7.4.2</b>	<b>Finance leases</b> 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:  <ul style="list-style-type: none"> <li>· cost, being the fair value of the asset; or</li> <li>· the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

<b>8.</b>	<b>Aid Assistance</b>
<b>8.1</b>	<p><b>Aid assistance received</b></p> <p>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.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor is recognised as a payable in the statement of financial position.</p> <p>All donations including donations in-kind are disclosed in the notes to the financial statements under aid assistance. This disclosure includes donations received in-kind in terms of Treasury Regulation 21.2.</p>
<b>8.2</b>	<p><b>Aid assistance paid</b></p> <p>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.</p>
<b>9.</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
<b>10.</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments (not expensed) to non-governmental entities are made in advance due to a contractual obligation and are expensed on receipt of appropriated funds from the relevant Aid Assistant, where applicable. Prepayments (expensed) to suppliers are made from budgeted funds and recognised from the first day of the next month of which the payments were processed for the duration of the prepaid good or services. The expenditure related to the prepayments is expensed at the end of each quarter of the financial year.</p>
<b>11.</b>	<b>Financial assets</b>
<b>11.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

<b>12.</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>13.</b>	<b>Capital Assets</b>
<b>13.1</b>	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.  Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.  Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
<b>13.2</b>	<b>Movable capital assets</b> Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction are 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.  Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
<b>13.3</b>	<b>Intangible assets</b> Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.  Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.  Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value, and where fair value cannot be determined, the intangible assets are measured at R1.  All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.  Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.  Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
<b>14.</b>	<b>Provisions and Contingents</b>
<b>14.1</b>	<b>Capital commitments</b> Capital commitments are recorded at cost in the notes to the financial statements.





## Notes to the Annual Financial Statements

for the year ended 31 March 2021

<b>15.</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written-off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>16.</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>17.</b>	<p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases, the department shall restate the opening balances of assets, liabilities, and net assets for the earliest period for which retrospective restatement is practicable.</p>
<b>18.</b>	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the department. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
<b>19.</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised, and provisions) is disclosed in the Employee benefits note.</p>
<b>20.</b>	<p><b>BROAD-BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE</b></p> <p>Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.</p>
<b>21.</b>	<p><b>COVID-19 Expenditure</b></p> <p>COVID-19 expenditure are an extraction of expenditure reported as Goods and Service that relates to the COVID-19 pandemic. The amount disclosed in the COVID-19 response expenditure note includes all COVID-19 response expenditure. Examples of COVID-19 response expenditure include payments to contractors specifically appointed to address COVID-19 matters, as well as sanitizers bought by the department for use by individuals on its premises.</p>

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### 1. Annual Appropriation

Programmes	2020/21			2019/20		
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000	Funds not requested/ not received R'000
Administration	18 944	18 944	-	20 986	20 986	-
Public Sector Innovation	15 890	15 890	-	17 451	17 451	-
<b>Total</b>	<b>34 834</b>	<b>34 834</b>	<b>-</b>	<b>38 437</b>	<b>38 437</b>	<b>-</b>

Note	2020/21 R'000	2019/20 R'000
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### 2. Departmental revenue

Sales of goods and services other than capital assets	2.1	5	5
Interest, dividends and rent on land	2.2	-	1
Transactions in financial assets and liabilities	2.3	3	-
<b>Departmental revenue collected</b>		<b>8</b>	<b>6</b>

#### 2.1. Sales of goods and services other than capital assets

Sales of goods and services produced by the department	2	5	5
Other sales		5	5
<b>Total</b>		<b>5</b>	<b>5</b>

#### 2.2 Interest, dividends and rent on land

Interest	2	-	1
<b>Total</b>		<b>-</b>	<b>1</b>

#### 2.3. Transactions in financial assets and liabilities

Other Receipts including Recoverable Revenue	2	3	-
<b>Total</b>		<b>3</b>	<b>-</b>

Departmental receipts were generated from the commission on insurances. Due to the nature of the activities undertaken by the Organisation, the core function of the CPSI is not to collect revenue.



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>3. Aid assistance</b>			
Opening Balance		-	872
Paid during the year		-	(872)
<b>Closing Balance</b>		<b>-</b>	<b>-</b>
<b>3.1 Donations received in kind (not included in the main note) (Treasury Regulation 21.2.4)</b>			
<i>List in kind donations received</i>	Annexure 1B		
African Association for Public Administration and Management (AAPAM)		-	29
Government Employees Medical Scheme		55	50
GovTech - Sita		-	8
Huawei		-	6
Ikasi Solutions		-	10
<b>Total</b>		<b>55</b>	<b>103</b>
<b>4. Compensation of employees</b>			
<b>4.1 Salaries and Wages</b>			
Basic salary		11 891	13 042
Performance award		146	252
Service Based		43	-
Compensative/circumstantial		112	109
Other non-pensionable allowances		3 905	4 323
<b>Total</b>		<b>16 097</b>	<b>17 726</b>
<b>4.2 Social Contributions</b>			
<b>Employers Contributions</b>			
Pension		1 436	1 587
Medical		622	633
Bargaining council		3	3
<b>Total</b>		<b>2 061</b>	<b>2 223</b>
<b>Total compensation of employees</b>		<b>18 158</b>	<b>19 949</b>
Average number of employees		<b>27</b>	<b>28</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>5. Goods and services</b>			
Administrative fees		34	91
Advertising		229	269
Minor assets	5.1	34	102
Catering		77	350
Communication		353	285
Computer services	5.2	1 136	951
Consultants: Business and advisory services		2 131	391
Contractors		497	870
Audit cost – external	5.3	1 345	1 629
Consumables	5.4	988	645
Operating leases		1 277	-
Property payments	5.5	6	50
Travel and subsistence	5.6	154	1 912
Venues and facilities		208	995
Training and development		69	492
Other operating expenditure	5.7	601	281
<b>Total</b>		<b>9 139</b>	<b>9 313</b>
<b>5.1 Minor assets</b>	5		
<b>Tangible assets</b>		<b>34</b>	<b>102</b>
Machinery and equipment		34	102
<b>Total</b>		<b>34</b>	<b>102</b>
<b>5.2 Computer services</b>	5		
SITA computer services		377	513
External computer service providers		759	438
<b>Total</b>		<b>1 136</b>	<b>951</b>
<b>5.3 Audit cost – External</b>	6		
Regularity audits		1 345	1 629
<b>Total</b>		<b>1 345</b>	<b>1 629</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>5.4 Consumables</b>	5		
Consumable supplies		808	465
Household supplies		164	184
IT consumables		20	31
Other consumables		624	250
Stationery, printing, and office supplies		180	180
<b>Total</b>		<b>988</b>	<b>645</b>
<b>5.5 Property payments</b>	5		
Municipal services		-	37
Property maintenance and repairs		-	2
Other		6	11
<b>Total</b>		<b>6</b>	<b>50</b>
<b>5.6 Travel and subsistence</b>	5		
Local		154	1 595
Foreign		-	317
<b>Total</b>		<b>154</b>	<b>1 912</b>
<b>5.7 Other operating expenditure</b>	5		
Other		601	281
<b>Total</b>		<b>601</b>	<b>281</b>

Item	Notes
Administrative fees	Expenditure is low compare to 2019/20 due to the decrease in travel and accommodation bookings, resulting in reduced Travel Management fees.
Minor assets	The procurement in 2019/20 included items such as external hard drives and heater/coolers for employees. The procurement in 2020/21 includes items such as keyboards, mobile coolers, microwaves, toaster and blender, headphones. These items are not recurring procurement in nature and expenditure will differ from year to year.
Catering	Expenditure incurred in 2019/20 mainly relates to catering during ARC, Ministerial Projects, EXCO, Hackathons, and other organisational meetings. Expenditure for 2020/21 relates to the Innovation Workshop and the Awards Ceremony. The decrease is mainly due to reduced number of meetings held.
Communication	The increase in communication for the 2020/21 financial year relate to the approved communication allowances to staff working from home during the National Lockdown period.

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

Item	Notes
Computer services	Usage of the transversal systems determine SITA cost, external data cost, anti-virus services, etc., and that will vary every year.
Consultants: Business and Advisory Services	Expenditure relating to consultancy service in 2019/20 included the payments to ARC members and payments to the Innovation Hub for the of the development of an innovative, low-cost referral system for Health and the first phase of the solution for real-time monitoring of service delivery at Home Affairs service points. 2020/21 Expenditure relates to the second phase of the Home Affairs project at R1,006 million, Risk Management contract at R484 000, ARC members at R358 000 and BBBEE Certificate at R29 000.
Contractors	The expenditure during the 2019/20 Financial Year mainly related to the Events Promoters for the supplying of a delegate registration system and the facilitator for the Innovation Workshops, Audio Visual Contractors used during the Conference, and Awards events. Expenditure for 2020/21 includes the Wellness Company performing COVID-19 pre-screening services at R34 000 and Facilitation of the Innovation Workshops at R86 000, Audio Visual and DJ for Awards Programme at R244 000.
Audit cost – external	The expenditure is lower than anticipated as at 31 March 2021 in line with the 2019/20 audit strategy.
Consumables	Expenditure for 2019/20 included cleaning materials, IT consumables, stationery, printing papers, and procurements from Government Printers. The increase in 2020/21 is mainly due to the procurement of cleaning materials and papers for use in the new premises. Expenditure includes COVID-19 PPE procurement.
Operating payments	Lease payment for the period 1 August 2020 to 31 March 2021.
Travel and subsistence	Expenditure for 2020/21 is lower than 2019/20 due to COVID-19 Pandemic restrictions. This expenditure includes the payments for travelling done late in March 2020 and project related travelling from November 2020.
Venues and facilities	The expenditure on venues and facilities was significantly lower during the 2020/21 financial year as a result of the virtual Conference and Innovation Workshops. The venue cost for the Awards Programme amounted to R171 000.
Training and development	All middle management staff at CPSI attended the NSG Advanced Management Course in 2019/20. Training cost incurred for 7 employees in 2020/21.
Other operating expenditure	Expenditure relates to photocopier cost, the printing of the Strategic Plan and Annual Performance Plans , the Volume 10 of the PS Innovation Journal, and the printing of the CPSI Case Study Publication.

		2020/21	2019/20
	Note	R'000	R'000

### 6. Payments for financial assets

Debts written off	6.1	-	6
<b>Total</b>		<b>-</b>	<b>6</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000	
<b>6.1 Debts written-off</b>	6			
Other debt written off				
Tax debt		-	6	
<b>Total debt written-off</b>		<u>-</u>	<u>6</u>	
<b>7. Transfers and subsidies</b>				
Households	Annexure 1A	-	109	
<b>Total</b>		<u>-</u>	<u>109</u>	
<b>8. Expenditure for capital assets</b>				
<b>Tangible assets</b>		<b>234</b>	<b>460</b>	
Machinery and equipment	25.1	234	460	
<b>Intangible assets</b>	26.1	-	<b>19</b>	
Software		-	19	
<b>Total</b>		<u><b>234</b></u>	<u><b>479</b></u>	
<b>8.1 Analysis of funds utilised to acquire capital assets – 2020/21</b>				
		<b>Voted Funds</b>	<b>Aid assistance</b>	<b>TOTAL</b>
<b>Tangible assets</b>		<b>234</b>	-	<b>234</b>
Machinery and equipment		234	-	234
<b>Total</b>		<u><b>234</b></u>	<u>-</u>	<u><b>234</b></u>
<b>8.2 Analysis of funds utilised to acquire capital assets – 2019/20</b>				
<b>Tangible assets</b>		<b>460</b>	-	<b>460</b>
Machinery and equipment		460	-	460
<b>Intangible assets</b>		<b>19</b>	-	<b>19</b>
Software		19	-	19
<b>Total</b>		<u><b>479</b></u>	<u>-</u>	<u><b>479</b></u>
<b>8.3 Finance lease expenditure included in Expenditure for capital assets</b>				
<b>Tangible assets</b>	25			
Machinery and equipment		87	66	
<b>Total</b>		<u><b>87</b></u>	<u><b>66</b></u>	

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>9. Cash and cash equivalents</b>			
Consolidated Paymaster General Account		7 253	8 447
Cash on hand		10	10
<b>Total</b>		<b>7 263</b>	<b>8 457</b>

### 10. Prepayments and advances

Travel and subsistence		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

#### 10.1 Prepayments (Expensed)

	Balance as at 1 April 2020 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2021 R'000
Goods and services	21	(223)	-	231	29
Capital assets	72	(55)	-	-	17
<b>Total</b>	<b>93</b>	<b>(278)</b>	<b>-</b>	<b>231</b>	<b>46</b>

	Balance as at 1 April 2019 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2020 R'000
<b>Prepayments (Expensed)</b>					
Goods and services	22	(86)	-	85	21
Capital assets	151	(87)	-	8	72
<b>Total</b>	<b>173</b>	<b>(173)</b>	<b>-</b>	<b>93</b>	<b>93</b>

### 11. Receivables

	Note	2020/21			2019/20		
		Current R'000	Non- current R'000	Total R'000	Current R'000	Non- current R'000	Total R'000
Claims recoverable	11.1	49	-	49	43	-	43
Recoverable expenditure	11.2	28	-	28	13	-	13
Staff debt	11.3	16	-	16	111	-	111
<b>Total</b>		<b>93</b>	<b>-</b>	<b>93</b>	<b>167</b>	<b>-</b>	<b>167</b>





## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>11.1 Claims recoverable</b>	11		
National departments		49	43
<b>Total</b>		<b>49</b>	<b>43</b>
<b>11.2 Recoverable expenditure (disallowance account)</b>			
Damages to rented vehicles		6	6
SARS reversals of over deductions		22	7
<b>Total</b>		<b>28</b>	<b>13</b>
<b>11.3 Staff debts</b>	11		
Salary debts		16	111
<b>Total</b>		<b>16</b>	<b>111</b>
<b>12. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		8 581	2 308
Transfer from statement of financial performance (as restated)		7 303	8 581
Paid during the year		(8 581)	(2 308)
<b>Closing balance</b>		<b>7 303</b>	<b>8 581</b>
<b>13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Transfer from Statement of Financial Performance (as restated)		8	6
Paid during the year		(8)	(6)
<b>Closing balance</b>		<b>-</b>	<b>-</b>
<b>14. Payables – current</b>			
Clearing accounts	14.1	53	43
<b>Total</b>		<b>53</b>	<b>43</b>
<b>14.1 Clearing accounts</b>			
Salaries: Income Tax		48	33
Salaries: Pension		5	10
<b>Total</b>		<b>53</b>	<b>43</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>15. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		7 311	8 587
Add back non cash/cash movements not deemed operating activities		(8 271)	(2 634)
(Increase)/decrease in receivables		74	(161)
Decrease in prepayments and advances		-	218
Increase in payables – current		10	16
Expenditure on capital assets		234	479
Surrenders to Revenue Fund		(8 589)	(2 314)
Surrenders to RDP Fund/ Donor		-	(872)
<b>Net cash flow generated by operating activities</b>		<b>(960)</b>	<b>5 953</b>
<b>16. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		7 253	8 447
Cash on hand		10	10
<b>Total</b>		<b>7 263</b>	<b>8 457</b>
<b>17. Capital Commitments</b>			
Machinery and Equipment		71	-
<b>Total</b>		<b>71</b>	<b>-</b>
<b>18. Accruals and payables not recognised</b>			
<b>Accruals</b>			
<b>Listed by economic classification</b>			
Goods and services		30	170
<b>Total</b>		<b>30</b>	<b>170</b>
	Note	2020/21 R'000	2019/20 R'000
Administration		20	130
Public Sector Innovation		10	40
<b>Total</b>		<b>30</b>	<b>170</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

	Note	2020/21 R'000	2019/20 R'000
<b>19. Employee benefits</b>			
Leave entitlement		838	481
Service bonus		567	544
Performance awards		91	149
Capped leave		75	74
Other		22	-
<b>Total</b>		<b>1 593</b>	<b>1 248</b>

Included in the leave entitlement is negative leave amounting to R3,432.68 as at 31 March 2021 relating to vacation leave taken in advance by employees. Other employee benefits, include the provision of a 30-year long service award payable to an employee during the 2021/22 financial year.

## 20. Lease commitments

### 20.1 Operating leases

2020/21	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	-	-	2 027	-	2 027
Later than 1 year and not later than 5 years	-	-	6 761	-	6 761
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>8 788</b>	<b>-</b>	<b>8 788</b>

The CPSI occupies office space at DPSA at cost as per the lease agreement between DPSA and DPWI.

### 20.2 Finance leases

2020/21	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	-	-	-	94	94
Later than 1 year and not later than 5 years	-	-	-	79	79
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173</b>	<b>173</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

2019/20	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	94	<b>94</b>
Later than 1 year and not later than 5 years	-	-	-	174	<b>174</b>
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268</b>	<b>268</b>

There is one contract in place for the hiring of two photocopier machines, ending January 2023.

	Note	2020/21 R'000	2019/20 R'000
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### 21. Irregular expenditure

#### 21.1 Reconciliation of irregular expenditure

Opening balance		775	782
Less: Prior year amounts condoned	21.2	(25)	(7)
<b>Closing balance</b>		<b>750</b>	<b>775</b>

#### Analysis of closing balance

Prior years		750	775
<b>Total</b>		<b>750</b>	<b>775</b>

#### 21.2 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	R'000
Failure to comply with procurement. One confirmed cases of irregular expenditure due to non-compliance to Treasury Regulations to obtain three quotations for goods or services.	Expenditure condoned by National Treasury	(25)
<b>Total</b>		<b>(25)</b>

### 22. Fruitless and wasteful expenditure

#### 22.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	14	14
<b>Closing balance</b>	<b>14</b>	<b>14</b>

#### Analysis of awaiting resolution per economic classification

Current	14	14
<b>Total</b>	<b>14</b>	<b>14</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### 23. Related party transactions

#### In-kind goods and services provided/ received

DPSA advises the CPSI on technical and procedural issues related to personnel security checks, vetting, and security awareness.	-	-
DPSA provides to the CPSI messenger services twice a week.	-	-
DPSA provides to the CPSI technical and procedural advice in relation to information communication technology management.	-	-
CPSI makes use of the virtual private network of the DPSA.	-	-
DPSA provides to the CPSI internal employee wellness services.	-	-
DPSA provided to the CPSI internal labour relations functions and services up to 31 December 2020.		
There after it was agreed that the DPSA will assist the CPSI's labour relation practitioner with technical and procedural advice on matters relating to labour relations, if and when requested.	-	-
DPSA assist the CPSI with technical and procedural advice in relation to human resource management and development, financial management and administration, and supply chain management.	-	-
DPSA provides to the CPSI internal audit and risk management services.	-	-
DPSA provides to the CPSI legal function and services.	-	-
As from 25 February 2019 the DPSA provided the CPSI with office accommodation and store rooms in the Batho Pele House building.		
The DPSA recovered a pro-rata amount for building lease from the CPSI for the period August 2020 to March 2021 as indicted in the building lease with the Department of Public Works and Infrastructure.	-	-
As from 25 February 2019 the DPSA provided the CPSI with frontline reception services, access security, and after hours security services in the Batho Pele House building.	-	-
CPSI utilises the DPSA's networks infrastructure installed in the Agrivaal/ Batho Pele Building and server room on 5th Floor from 25 February 2019.	-	-
The Presidency paid the difference between salary level 16 and 15 for a secondment to the CPSI for the period 9 September 2019 to 16 February 2020.	-	275
<b>Total</b>	<b>-</b>	<b>275</b>

The CPSI has a related party relationship with each of the public sector entities that fall within the portfolio of the Minister for the Public Service and Administration. This includes the National School of Government (NSG), the Department of Public Service and Administration (DPSA), and the Government Employee Medical Scheme (GEMS). During the period under review, all transactions entered into with these entities were at arm's length. The CPSI has a Memorandum of Understanding on Shared Services with the DPSA. The DPSA and CPSI signed a Memorandum of Understanding in relation to services that the DPSA will provide the CPSI at no cost; these are set out above. During the period of review, all transactions entered into with NSG, OPSC, and GEMS were at arms' length.



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### 24. Key management personnel

		2020/21	2019/20
	No. of individuals	R'000	R'000
Executive Director	1	1 682	1 182
Executive Management	3	4 008	5 373
<b>Total</b>		<b>5 690</b>	<b>6 555</b>

*During the period under review, the CPSI's Executive Director post was vacant. An acting Executive Director was appointed from internal capacity from February 2020 until further notice.*

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### 25. Movable Tangible Capital Assets

#### Movement in movable tangible capital assets per asset register for the year ended 31 March 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Machinery And Equipment</b>	<b>7 233</b>	-	<b>147</b>	<b>(44)</b>	<b>7 336</b>
Computer equipment	2 125	-	33	(38)	2 120
Furniture and office equipment	3 069	-	114	-	3 183
Other machinery and equipment	2 039	-	-	(6)	2 033
<b>Total Movable Tangible Capital Assets</b>	<b>7 233</b>	-	<b>147</b>	<b>(44)</b>	<b>7 336</b>

#### Movable Tangible Capital Assets under investigation

	Number	Value R'000
Machinery and equipment	4	71

Assets were lost by officials and during the move and are currently under investigation to determine possible negligence from employees

### 25.1 Additions

#### Additions to movable tangible capital assets per asset register for the year ended 31 March 2021

	Cash R'000	Non-cash R'000	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total R'000
<b>Machinery And Equipment</b>	<b>234</b>	-	<b>(87)</b>	-	<b>147</b>
Computer equipment	33	-	-	-	33
Furniture and office equipment	114	-	-	-	114
Other machinery and equipment	87	-	(87)	-	-
<b>Total Additions To Movable Tangible Capital Assets</b>	<b>234</b>	-	<b>(87)</b>	-	<b>147</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### 25.2 Disposals

#### Disposals of movable tangible capital assets per asset register for the year ended 31 March 2021

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
<b>Machinery And Equipment</b>	-	(44)	(44)	-
Computer equipment	-	(38)	(38)	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	(6)	(6)	-
<b>Total Disposal Of Movable Tangible Capital Assets</b>	-	(44)	(44)	-

### 25.3 Movement for 2019/20

#### Movement tangible capital assets per asset register for the year ended 31 March 2020

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>Machinery And Equipment</b>	7 492	-	394	(653)	7 233
Computer equipment	2 141	-	377	(393)	2 125
Furniture and office equipment	3 270	-	-	(201)	3 069
Other machinery and equipment	2 081	-	17	(59)	2 039
<b>Total Movable Tangible Capital Assets</b>	<b>7 492</b>	<b>-</b>	<b>394</b>	<b>(653)</b>	<b>7 233</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### 25.4 Minor assets

#### Movement in Minor Assets Per the Asset Register for The Year Ended 31 March 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	984	-	984
Additions	-	-	-	30	-	30
<b>Total minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 014</b>	<b>-</b>	<b>1 014</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	566	-	566
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566</b>	<b>-</b>	<b>566</b>

#### Movement in minor assets per the asset register for the year ended 31 March 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	1 011	-	1 011
Additions	-	-	-	94	-	94
Disposals	-	-	-	(121)	-	(121)
<b>Total minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>984</b>	<b>-</b>	<b>984</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	550	-	550
<b>Total Number Of Minor Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550</b>	<b>-</b>	<b>550</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2021

### 26. Intangible Capital Assets

#### Movement in intangible capital assets per asset register for the year ended 31 March 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	684	-	-	-	684
<b>Total Intangible Capital Assets</b>	<b>684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>684</b>

### 26.1 Movement for 2019/20

#### Movement in intangible capital assets per asset register for the year ended 31 March 2020

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Software	665	-	19	-	684
<b>Total Additions To Intangible Capital Assets</b>	<b>665</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>684</b>

### 27. Broad-Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 28. COVID-19 Response Expenditure

Goods and services	Annexure 3	398	-
Expenditure for capital assets	Annexure 3	114	-
<b>Total</b>		<b>512</b>	<b>-</b>



## Annexures to the Annual Financial Statements

for the year ended 31 March 2021

### ANNEXURE 1A: STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20 Final Appropriation R'000
	Adjusted Appropriation Act R'000	Roll- Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
<b>Transfers</b>							
Household Employment and Social Benefits: Leave Gratuity	-	-	-	-	-	-	69
Claim against the state	-	-	-	-	-	-	40
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>

### ANNEXURE 1B: STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name Of Organisation Received in-kind	Nature Of Gift, Donation, Or Sponsorship	2020/21 R'000	2019/20 R'000
African Association for Public Administration and Management (AAPAM)	Sponsorship towards the travelling expenses for the adjudication of the competition for the AAPAM award for innovation management	-	29
Government Employees Medical Scheme	Sponsorship towards the GEMS Health Award category in the Annual CPSI Public Sector Innovation Awards Programme	55	50
GovTech - Sita	Sponsorship towards the travelling expenses for the a pre-sented at the conference	-	8
Huawei	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	-	6
Ikasi Solutions	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	-	10
<b>TOTAL</b>		<b>55</b>	<b>103</b>



## Annexures to the Annual Financial Statements for the year ended 31 March 2021

### ANNEXURE 2: CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year-end 31/03/2020*	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Receipt date up to six (6) working days after year-end	Amount
DEPARTMENTS	R'000	R'000	R'000	R'000	R'000	R'000		R'000
National Department Science and Technology	-	43	-	-	-	43	-	-
Department of Public Service and Administration	49	-	-	-	49	-	2021/04/09	49
<b>Total</b>	<b>49</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>43</b>		<b>49</b>

## Annexures to the Annual Financial Statements

for the year ended 31 March 2021

### ANNEXURE 3: COVID-19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	Apr-20	May-20	Jun-20	Subtotal Q1	Jul-20	Aug-20	Sep-20	Subtotal Q2	Oct-20	Nov-20	Dec-20	Subtotal Q3	Jan-20	Feb-20	Mar-20	Subtotal Q4	TOTAL 2020/21	TOTAL 2019/20
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Goods and services</b>	6	66	22	94	66	149	14	229	41	5	13	59	4	4	8	16	398	-
Consumable supplies	6	61	11	78	59	-	-	59	33	-	-	33	-	-	1	1	171	-
Contractors	-	-	-	-	7	4	4	15	8	-	6	14	-	-	3	3	32	-
Stationery printing and office supplies	-	2	1	3	-	-	-	-	-	-	-	-	-	-	-	-	3	-
Property payments	-	3	-	3	-	-	-	-	-	-	3	3	-	-	-	-	6	-
Minor assets	-	-	10	10	-	-	-	-	-	-	-	-	-	-	-	-	10	-
Communication	-	-	-	-	-	36	10	46	-	5	4	9	4	4	4	12	67	-
Computer services	-	-	-	-	-	109	-	109	-	-	-	-	-	-	-	-	109	-
<b>Expenditure for capital assets</b>	-	-	114	114	-	-	-	-	-	-	-	-	-	-	-	-	114	-
Office furniture	-	-	114	114	-	-	-	-	-	-	-	-	-	-	-	-	114	-
<b>Total COVID-19 response expenditure</b>	6	66	136	208	66	149	14	229	41	5	13	59	4	4	8	16	512	-















**PHYSICAL ADDRESS**

Batho Pele House  
546 Edmond Street  
Arcadia, Pretoria  
South Africa

**POSTAL ADDRESS**

Postnet Suite 410  
Private Bag X 15  
Menlo Park  
0102

**TELEPHONE NUMBER/S**

+27 12 683 2800

**FAX NUMBER** +27 12 643 0943

**EMAIL ADDRESS**

[info@cpsi.gov.za](mailto:info@cpsi.gov.za)

**WEBSITE ADDRESS**

[www.cpsi.co.za](http://www.cpsi.co.za)



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