



VOTE NO. 11

# ANNUAL **REPORT** 2021/2022



**the cpsi**

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







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# PART A

## GENERAL INFORMATION







# 1 DEPARTMENT GENERAL INFORMATION

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## 2 LIST OF ABBREVIATIONS/ ACRONYMS

<b>4IR</b>	Fourth Industrial Revolution
<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>DDM</b>	District Development Model
<b>DHA</b>	Department of Home Affairs
<b>DPSA</b>	Department of Public Service and Administration
<b>DSI</b>	Department of Science and Innovation
<b>EMS</b>	Emergency Medical Services
<b>EU</b>	European Union
<b>GEMS</b>	Government Employees Medical Scheme
<b>GCIO</b>	Government Chief Information Officer
<b>HOD</b>	Head of Department
<b>ICT</b>	Information and Communication Technology
<b>MoU/A</b>	Memorandum of Understanding/Agreement
<b>MTEF</b>	Medium-term Expenditure Framework
<b>MTSF</b>	Medium-term Strategic Framework
<b>NACI</b>	National Advisory Council on Innovation
<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>OPSC</b>	Office of the Public Service Commission
<b>PILIR</b>	Policy and Procedure on Incapacity Leave and Ill-Health Retirement
<b>PPE</b>	Personal Protection Equipment
<b>PPT</b>	Planned Patient Transfer
<b>PSCBC</b>	Public Service Co-ordinating Bargaining Council
<b>SADC</b>	Southern African Development Community
<b>SAIIA</b>	South African Institute of International Affairs
<b>SCM</b>	Supply Chain Management
<b>SLA</b>	Service Level Agreement
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SDGs</b>	Sustainable Development Goals
<b>SITA</b>	State Information Technology Agency
<b>SMME</b>	Small, Micro and Medium Enterprises
<b>SONA</b>	State of the Nation Address
<b>UN</b>	United Nations



# 1 FOREWORD BY THE MINISTER



**Mr TW Nxesi, MP**  
Minister for the Public Service and  
Administration (Acting)

The Medium-term Strategic Framework (MTSF) further defines a capable developmental state as one that has the requisite human capabilities, institutional capacity, service processes and technological platforms to deliver services to the citizenry. Furthermore, it should be geared to meet the needs of its citizenry through interventionist, developmental and participatory public administration, leading an active citizenry through partnerships with all sectors of society.

Vision 2030 of the National Development Plan (NDP) outlines the need for the public sector to make major adjustments both in policy and operations to achieve performance levels to further accelerate service delivery. It also raises an urgent need for the strengthening of inter-governmental relations for integrated, collaborative and seamless service delivery at all levels and building an enabling environment. This is also elaborated on in the District Development Model (DDM) that government adopted as a key strategy to improve service delivery.

Our Constitution, which is the supreme law of our country, identifies the delivery of services as one of the fundamental rubrics of our democracy. As a government we are constitutionally obligated to ensure equal and impartial access to services by all citizens irrespective of race, religion, or socio-economic status. Most importantly, access to services by all citizens is not a privilege but a right, mainly to correct the wrongs of the past.

Our government has identified the building of a capable, ethical and developmental state, whose goal is to meet the diverse needs of its citizenry as one of the apex priorities of the sixth administration. The defining characteristics of such a government include having insight into the demographic profile and spatial distribution of the population in its entirety, as well as the requisite agility, responsiveness and relevance to cater for their diverse needs.

This portfolio of Public Service and Administration is mandated to lead in building an efficient and effective public service to achieve a capable developmental state. This entails prioritising the creation of an enabling public service policy environment, providing support to the effective implementation of these policies to achieve high levels of professionalism and the promotion of innovation, among others.

The Centre for Public Service Innovation (CPSI), as one of the institutions in my portfolio, dispatches a strategic mandate to inculcate the culture and practice of innovation in the public service in order to improve service delivery to citizens. Innovation, in addition to other critical reforms is a highly indispensable ingredient for a successful developmental state.



The role of the CPSI is reinforced in the National Development Plan (NDP), which called for the adoption and implementation of innovation across state, business and social sectors to specifically target improvement of public service delivery.

In terms of its mandate and importantly, our role as inferred in it, the CPSI views innovation as a critical ingredient for the holistic transformation of the public service. Accordingly, the impact that innovation has is not only restricted to new projects as well as the various processes and systems in use in different government institutions. In a broader sense, innovation can and should permeate through the various initiatives to transform and bring holistic change into the public service making it more professional, ethical, effective and efficient in its work. This positions the CPSI as an influential role-player and provider of thought-leadership on innovation and its proven capacity to improve government performance.

Therefore, the adoption and practise of innovation is a critical part of transformation and reform in the public sector, which will enable it to find new ways of adding value to the existing systems and practices. It will be more open minded and able to embrace new thinking, new ways of doing things, while presenting new opportunities to derive simpler solutions to our everyday challenges. Through the intervention of the CPSI, government institutions can fully leverage innovation as one of the main building-blocks for a capable state.

It is for this reason that the CPSI has invested a lot of time and effort in creating a culture of innovation in the public sector, by supporting various projects and programmes where innovation is encouraged, rewarded and mainstreamed in the public sector. Most notably, through the efforts of the CPSI, we have witnessed robust and strategic partnerships between innovators in the SMME sector and youth, with institutions across the three spheres of government.

These initiatives have yielded viable solutions to tackle the triple challenges of poverty, unemployment and inequality which have been identified in the NDP. Some of the highlights include youth development programmes called Hackathons that were hosted by the CPSI, to mentor and guide youth to develop innovative solutions for various service delivery challenges.

As government continues to implement the District Development Model to improve growth and development, particularly in rural areas, the CPSI is working in the Waterberg and OR Tambo District Municipalities in support of the successful implementation of the DDM model by government. This model brings all three spheres of government together with other social partners in every district to grow inclusive local economies and improve livelihoods. In particular, the DDM facilitates integrated planning and budgeting across the three spheres of government, and improves integration of national projects at district level.

As the Ministry for the Public Service and Administration, we commend the CPSI for its phenomenal impact in promoting the adoption and practice of innovation in the public sector, particularly during the height of the COVID-19 pandemic. Working in collaboration with various partners, the CPSI facilitated the replication of some solutions, thus demonstrating the value and impact of innovation in improving service delivery.

We are confident that the CPSI will continue to deliver on this important and strategic mandate with diligence, and contribute towards sustainable growth and development in South Africa.



**Mr TW Nxesi, MP**

**Minister for the Public Service and Administration  
(Acting)**



## 4 DEPUTY MINISTER'S STATEMENT



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

Through ICT-based big data analytics, we can better process and interpret vital big data with high precision and speed, assess the needs of citizens, and distribute services in a well-planned and targeted manner.

However, focusing exclusively on technology for solutions to service delivery challenges can be counter-productive, because technology in and of itself cannot always yield solutions or effect the requisite change to achieve maximum impact. Therefore, technology should be seen as an enabler, and not the solution to all problems. In South Africa, service delivery challenges mostly affect those in rural and under-served communities due to various factors including limited access to services. Therefore, it is not surprising that most of the projects and solutions that emerged as winners in the Public Sector Innovation Awards programme that the CPSI conducts annually, come from rural villages and small towns where access to information and technology is comparatively limited.

The CPSI innovation process flow includes unearthing and highlighting innovation, irrespective of geographic location, age, race or socio-economic standing of the innovator, leading to research initiatives that in turn produce innovative solutions. The CPSI further facilitates the dissemination and replication of such solutions in other areas when the need arises. In this regard, over the past 20 years, the CPSI has demonstrated commitment to this mandate of service delivery and continuous adaptability under changing circumstances.

The entire world is confronted by an unprecedented technological revolution commonly called the Fourth Industrial Revolution (4IR), which is characterised by disruptive technological trends like artificial intelligence, robotics, big data, virtual reality, and internet of things to name but a few. Further challenges are presented for the global community in general, and the South African community in particular- forcing the state, business, civil society, and the citizenry to devise innovative strategies and plans, to future proof current and future generations, contributing towards South Africa's positive development and growth trajectory. The consequence of all these disruptive technologies is an evolving world of work.

From government's perspective, we face an inescapable reality that technology alongside other critical elements, can enable us to deliver services more broadly and efficiently.



This demonstrates the breadth of the CPSI's interventions, from hi-tech solutions in community safety and digital literacy for youth, to low-tech projects in children's healthcare and other sectors.

As the Deputy Minister for the Public Service and Administration, I had the pleasure of witnessing this work first hand. Earlier this year, the CPSI hosted a Public Sector Hackathon, aptly named #PSIHack22 in collaboration with youth ICT enterprise Geekulcha, as part of the 19th Public Sector Innovation Awards. This, and many other similar hackathons and youth engagements that the organisation hosts throughout the country continue to showcase the inspiring talent and level of creativity and innovation among our youth. I hope that many of them will pursue a career in the public sector, bringing with them a fearless and passionate spirit of innovation, and refreshingly youthful practicality to their solutions.

The 2021 Public Sector Innovation Awards represented an important milestone for the organisation. For the first time in two years, emerging from the grips of the COVID-19, the organisation was able to conduct the awards in person, creating an environment for sharing of enthusiasm and building networks for future collaboration, while also recognising some of the critical innovations that occurred during our nation's battle against COVID-19 pandemic.

I also want to acknowledge that society and many of our frontline workers are still grappling with the aftermath of the pandemic. These challenges present opportunities that could be taken advantage of by the CPSI, to collaborate with various partners and devise innovative solutions to present challenges, while devising early warning systems and technologies to alleviate impact and even prevent future disasters.

We also need greater collaboration among our various government departments. Innovations need to be assessed on merit, adopted without hesitation, and implemented with conviction. While we may celebrate our innovators, what matters more is that their solutions make a difference in the lives of South Africans.



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



## 5 REPORT OF THE ACCOUNTING OFFICER



**Ms Lydia Sebokedi**  
Accounting Officer

☉ This Annual Report provides a comprehensive account of the work that the Centre for Public Service Innovation carried out during the 2021/2022 financial year. This is the second year of the 2020-25 Strategic Plan of the CPSI.

As a National Government Component, the CPSI contributes to the national effort of building a capable, ethical and developmental state to fulfil priority one of the seven key priorities of the sixth administration. In addition, as part of the Public Service and Administration Portfolio, the CPSI's five-year strategic plan binds the organisation to inculcate the culture and practice of innovation to support the portfolio in its mandate to build an efficient, effective, and development-oriented public service. This entails, amongst others, the creation of an ethical, professional, and well-empowered public service. The CPSI's vision of building a solution-focussed, effective, and efficient public service through innovation, articulates this intension.

The mandate of the CPSI requires the organisation to inculcate the culture and practice of innovation in the public service by creating an enabling environment for innovation to thrive in various public sector institutions. This is aligned with Vision 2030 of the NDP that identifies innovation as a key foundation for a capable and developmental state. The NDP further emphasises the importance of a public sector environment that enables collaborative innovation across state, business, and the social sector to improve government performance and achieve the developmental agenda. At the heart of this, the NDP emphasises the critical need for solid inter-governmental relations for integrated, collaborative, and seamless service delivery across all levels.

### Overview of our work during the 2021/22 Financial Year

During the 2021/22 financial year, the CPSI, like all other government institutions, continued to operate under the unprecedented, extraordinary conditions created by the COVID-19 pandemic. Despite these difficult circumstances, the CPSI prides itself on achieving a clean audit opinion for the 2020/21 financial year, the fourth one in a row, a track record we would like to sustain.

The work of the CPSI is categorised into three sub-programmes, under Programme 2: Public Sector Innovation. The three sub programmes encourage research and development, institutional support and replication of innovative service delivery solutions and building of an enabling environment through stakeholder management, innovation knowledge platforms and products that foster innovation in the public service.

### Highlights of the Year

During the year under review, the CPSI delivered several **Research and Development Initiatives**. These include the following:



- The first phase of the development process of a **Virtual Thusong Centre** was completed by hosting a design thinking working sessions to fine-tune the solution. This was done in partnership with the Northern Cape Office of the Premier. The co-designing stage was concluded in March 2022 and involved stakeholders from the three spheres of government. The next phase of the project involving prototyping, development and testing is expected to be concluded in the 2022/23 financial year.
- An **e-Hailing Solution** for Planned Patient Transportation (PPT) for Gauteng Emergency Medical Services (EMS) is being co-developed in partnership with other key stakeholders. The analytical phase of this initiative has been completed.
- **Youth Digital Skills Development:** The CPSI, in partnership with youth organisations, supported a series of hackathons and other youth engagements to mentor and support young people to develop 4IR skill sets, and use these in developing innovative solutions for the public sector. This initiative is aligned with the organisation's ambition to promote youth involvement in public sector innovation.

The **#PSIHack22**, held in February 2022, involved more than 50 young developers working virtually and in person to develop solutions for various service delivery challenges, such as a linen management challenge from Edenvale Hospital relating to the availability of linen in operating theatres. The CPSI will work with the hospital and these developers to fine-tune the innovative solution in the 2022/23 financial year.

The winning solution in the **#PSIHack22** was an AgriTech solution that was developed by an all-female team named *Hack-a-Ton*. Other winning solutions include a device to prevent fires in informal settlements, and personal safety and crime prevention solutions.

- The CPSI and the DPSA, in partnership with Wits School of Governance, have initiated an **EU-funded Dialogue Series on Strengthening Open Digital**

**Governance**, allowing for benchmarking with the Danish Agency for Digitisation. South Africa is looking at ways to strengthen digitisation and digital innovations in the public sector, therefore the benchmarking exercise will hopefully be of great benefit as Denmark ranks highest in the UN e-Government Survey. Many new challenges, including the need to review current legislation, algorithmic ethics and cyber security, require joint learning and ongoing innovation. The Dialogue Series will continue in the 2022/23 financial years.

- **State of Public Service Innovation Survey:** Following a Rapid Assessment of Public Sector Innovation conducted in the previous financial year, the CPSI, in partnership with the National Advisory Council on Innovation (NACI) of the Department of Science and Innovation (DSI) continued, with a comprehensive assessment of the State of Public Sector Innovation. The three phased long-term initiative (consisting of a comprehensive literature review, qualitative study, and quantitative survey) will be conducted over two years with phase one completed.

**In the Replication Programme**, the CPSI continued to replicate selected innovative solutions for greater impact. These are outlined below:

- An **eLearning Solution** was implemented in St John's College and Umtata High School as part of the CPSI's contribution to the DDM.

This eLearning solution provides a robust multi-function platform that enables online computer-assisted learning and teaching, including the distribution of eBooks, interactive content, marking of attendance registers and online submission of handwritten lessons and homework, classwork, assignments, tests, and exams.

The CPSI will further replicate this locally developed solution in selected Northwest and Free State Provinces schools during the 2022/23 financial year.



- **The Vulamanzi Point-of-use Water Filtering System.**

This locally developed low-cost innovation was replicated in Hammanskraal at the Odirile Residential Care Centre for People with Disabilities, to help alleviate the water quality challenges currently being experienced in the area.

Innovation is about investment in the future, therefore the impact of the work of the CPSI may not be immediately noticed. But as solutions are scaled in departments, the benefit to citizens becomes significant. Programmes such as the Cooperative Inland Waterways Safety Programme, which the government formally adopted as a strategy, and the Memeza Household Alarms, which now connects more than 200 police stations and employs 14 staff members, took more than five years to reach a point of sustainability and demonstrate impact. Both case studies are covered in our 2020/21 Case Study Report.

**In terms of the Innovation Knowledge Platforms,** the CPSI continued to host robust innovation knowledge platforms to inculcate the culture and practice of innovation in the public sector.

- **The 15<sup>th</sup> Annual Public Sector Innovation Conference** was held in August 2021 in the form of online webinars in compliance with COVID-19 Regulations. The theme of the conference was: **“Leveraging Innovation to enhance the District Development Model.”** Speakers included local and international experts from China and Bangladesh. The webinars provided a platform to share innovative approaches and solutions that improve service delivery.

One of the legacy outcomes of this conference is the ongoing partnership with Bangladesh under the banner of the *South-South Network for Public Sector Innovation (SSN4PSI)*, of which the CPSI is a member.

- **Four Design Thinking and Public Sector Innovation** virtual workshops were held to empower public servants to use design and thinking tools to solve service delivery challenges. These workshops will continue in the new year targeting DDM pilot sites, among others. In addition, another Design Thinking and Innovation Workshop was held for Public Sector Innovation Awards finalists as part of capacitating public servants on innovation

- **The 19<sup>th</sup> Public Sector Innovation Awards**

**Programme** was officially launched online in July 2021 and culminated in an awards ceremony in February 2022. Various public sector individuals and teams, and in-house public service software developers (Public Sector Innovation Trailblazers) were recognised for their innovative projects and solutions.

Altogether seven trailblazers were recognised, the highest number of recipients since this special awards category was introduced. The CPSI intends to continue working with them to build a community of developers to support the digitisation of services and replication thereof.

Some of the solutions unearthed through the Public Sector Innovation Awards Programme and/or through collaboration with the broader National System of Innovation (NSI) have the potential for broader impact. As such, these projects are identified for possible replication and scaling.

Through its *International Programme*, the CPSI continued to contribute to thought leadership in Public Sector Innovation. This was done through participation in the SALLA Building Anticipatory Governance in SADC Post COVID-19 Webinar held in May 2021. The CPSI further participated in the OECD Countries' Contact Point meetings held in April and December 2021 respectively.





## OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

### Departmental Receipts

Departmental Receipts	2021/2022			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	8	4	(4)	5	5	-
Financial transactions in assets and liabilities	-	2	2	-	3	3
<b>Total</b>	<b>8</b>	<b>6</b>	<b>(2)</b>	<b>5</b>	<b>8</b>	<b>3</b>

Departmental receipts for the 2021/22 financial year were generated from the commission on insurances and the recovery of the previous year's expenditure. It is however important to note the core function of the CPSI is not to collect revenue.

### Programme Expenditure

Programme Name	2021/2022			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	20 149	16 963	3 186	18 944	13 821	5 123
2 Public Sector Innovation	21 304	16 817	4 487	15 890	13 710	2 180
<b>Total</b>	<b>41 453</b>	<b>33 780</b>	<b>7 673</b>	<b>34 834</b>	<b>27 531</b>	<b>7 303</b>

The final expenditure as at the end of the 2021/22 financial year amounted to R33, 780 million or 81.5 per cent of the final budget of R41, 453 million. The breakdown per economic classification is as follows:

Compensation of employees	R22,188 million
Goods and services	R16,208 million
Machinery and equipment	R2,328 million
Software and other intangible assets	R722 000
Payments for financial assets	R6 000



## Reasons for underspending

### Compensation of Employees:

An amount of R19,119 million (86.2 per cent) was spent on Compensation of Employees against the final appropriation of R22,188 million. The underspending of R3,069 million is mainly due to five vacant posts in the organisation, three of which were only filled in March 2022. The Executive Director and Human Resource Management Officer posts will be filled during the 2022/23 financial year. The unspent funds will be surrendered to the National Treasury.

### Goods and Services:

- R12,764 million (78.85 per cent) was spent on Goods and Services against the final appropriation of R16,208 million. The underspending of R3,444 million is mainly due to the following:
- Project stakeholder engagements and design thinking workshops were held online in the first two quarters due to the COVID-19 travel restrictions, which resulted in an underspending on travel and subsistence in those quarters.
- The lower than anticipated expenditure for consumables, telephone costs, stationery and printing costs due to the COVID-19 lockdown restrictions with most of the activities being conducted online.
- Consultancy services mainly due to the delayed implementation of the innovative real-time monitoring of service delivery solution for the Department of Home Affairs as well as Risk Management Services.

- The call for entries for the Annual Public Sector Innovation Awards programme was hosted online, which resulted in an underspending on promotional material and venues.

The unspent funds will be surrendered to the National Treasury.

### Transfers and Subsidies:

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

### Purchases for Capital Assets:

An amount of R1,892 million (62.03 per cent) was spent on the Purchases for Capital Assets against the final appropriation of R3,050 million. The underspending of R1,158 million is mainly due to the delayed order of servers and computers as a result of global shortages in computer chips. The request to rollover unspent funds to the 2022/23 financial year to finalise the procurement process was submitted to National Treasury.

## Virements/roll overs

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

## Fund shift per economic classification

The Office of 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	2021/22			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
1 Administration	20 149	-	-	20 149
2 Public Sector Innovation	21 304	-	-	21 304
<b>Total</b>	<b>41 453</b>	<b>-</b>	<b>-</b>	<b>41 453</b>



Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	40 683	(2 287)	-	38 396
Compensation of employees	22 188	-	-	22 188
Goods and services	18 495	(2 287)	-	16 208
Transfers and subsidies	1	-	-	1
Departmental agencies and accounts	1	-	-	1
Payments for capital assets	763	2 287	-	3 050
Machinery and equipment	424	1 904	-	2 328
Software and other intangible assets	339	383	-	722
Payment for financial assets	6	-	-	6
<b>Total</b>	<b>41 453</b>	<b>-</b>	<b>-</b>	<b>41 453</b>

R2,287 million was shifted from Goods and Services to accommodate procurement of Capital Equipment, software and other intangible assets.

## Roll-overs

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

## Unauthorised, fruitless, and wasteful expenditure

During the 2021/22 financial year, the CPSI had no incidents of unauthorised, fruitless, and wasteful expenditure.

## Irregular expenditure

No irregular expenditure transactions were identified.

## Strategic focus over the short to medium term period

As an organisation, we are committed to increasing our support to government institutions to use innovation to solve service delivery challenges, particularly given the increasing number of government departments, including the local government level requesting support and advice from the CPSI. This is an indication of the uptake of innovation in the public sector.

The CPSI will continue to support government departments in this regard, including the Waterberg and OR Tambo District Municipalities (DDM Pilot Sites), the Department of Justice and Constitutional Development, and the Northern Cape Office of the Premier, to name but a few.

We also commit to continue supporting replication projects, like the eLearning Solution, to ensure greater impact. We will also maintain our support to the Youth Digital Skills Development Programme, including hackathons. In addition, the CPSI will continue to nurture and sustain innovation knowledge platforms to support a growing community of practice of innovators in government who learn from each other as our contribution towards nurturing a learning and innovative public service. We will continue to use design thinking tools and other tools to assist departments to be citizen-focused when solutions are developed.



## Public-private partnerships

The CPSI did not participate in any public-private partnerships during the 2021/22 financial year.

## Discontinued key activities/activities to be discontinued

No activities will be discontinued in the 2021/22 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

Unsolicited bid proposals concluded for the year under review: None

The supply chain management component has systems and processes in place to prevent irregular expenditure. Its are 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.

## Gifts and donations received in kind from non-related parties

During the 2021/2022 financial year, the following in-kind sponsorships were received:

- R150 000 was received towards the GEMS Health Award Category in the Annual Public Sector Innovation Awards Programme from the Government Employees Medical Scheme (GEMS).
- R10 000 was received as in-kind contribution towards the Annual Public Sector Innovation Awards Programme from Ikasi Solutions.
- R15 000 was received as in-kind contribution towards the Annual Public Sector Innovation Awards Programme from PURA Beverage Company.

## 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

In May 2022 irregular expenditure relating to 2016 to 2019 amounting to R687 000 was condoned by the Office of the Accountant-General and the National Treasury. Requests for condonation were submitted on several occasions, prior to the end of the financial year. The Office of the Accountant-General confirmed in writing that the condonation must be reflected in the Annual Financial Statements of 2021/22. 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 want to offer my heartfelt appreciation to the two former Ministers for the Public Service and Administration, Minister Senzo Mchunu and Minister Ayanda Dlodlo, for their support and guidance during yet another challenging year due to the pandemic. A special thanks to Minister Mchunu for setting the pace for the CPSI to be better positioned to carry out its mandate. The strategic leadership you provided during your tenure at the MPSA will see the CPSI grow from strength to strength. I am humbled by the trust both former Ministers had in me to lead the CPSI, albeit in an acting capacity, throughout this financial year. This brought stability to the organisation. I will forever be grateful for this opportunity you granted to me.

I would further express my appreciation to the former and current Deputy Ministers, Ms Sindisiwe Chikunga and Dr Chana Pilane-Majake for their support and guidance.

I would also like to thank the Audit and Risk Committee and the DPSA Internal Audit team for providing oversight over our work. Your guidance is highly appreciated.

A special thank you goes to our sister departments within this Ministry for their support.

Finally, I would like to thank the CPSI EXCO and the rest of the CPSI team for always pulling their weight when it comes to delivering on our mandate. I am grateful that we survived the pandemic, although some of us lost loved ones to this disease. I hope you are proud of what we have achieved during this financial year under uncertain and stressful conditions. I would not have made it had it not been for your commitment and passion for the work we do. Thank you!

I present the 2021/2022 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 is free from any omissions.

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

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

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

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

The 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 on 31 March 2022.

Yours faithfully



**Accounting Officer**

**Ms Lydia Sebokedi**

**Date: 31 July 2022**



## 7 STRATEGIC OVERVIEW

### 7.1. Vision

A solution-focused 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.



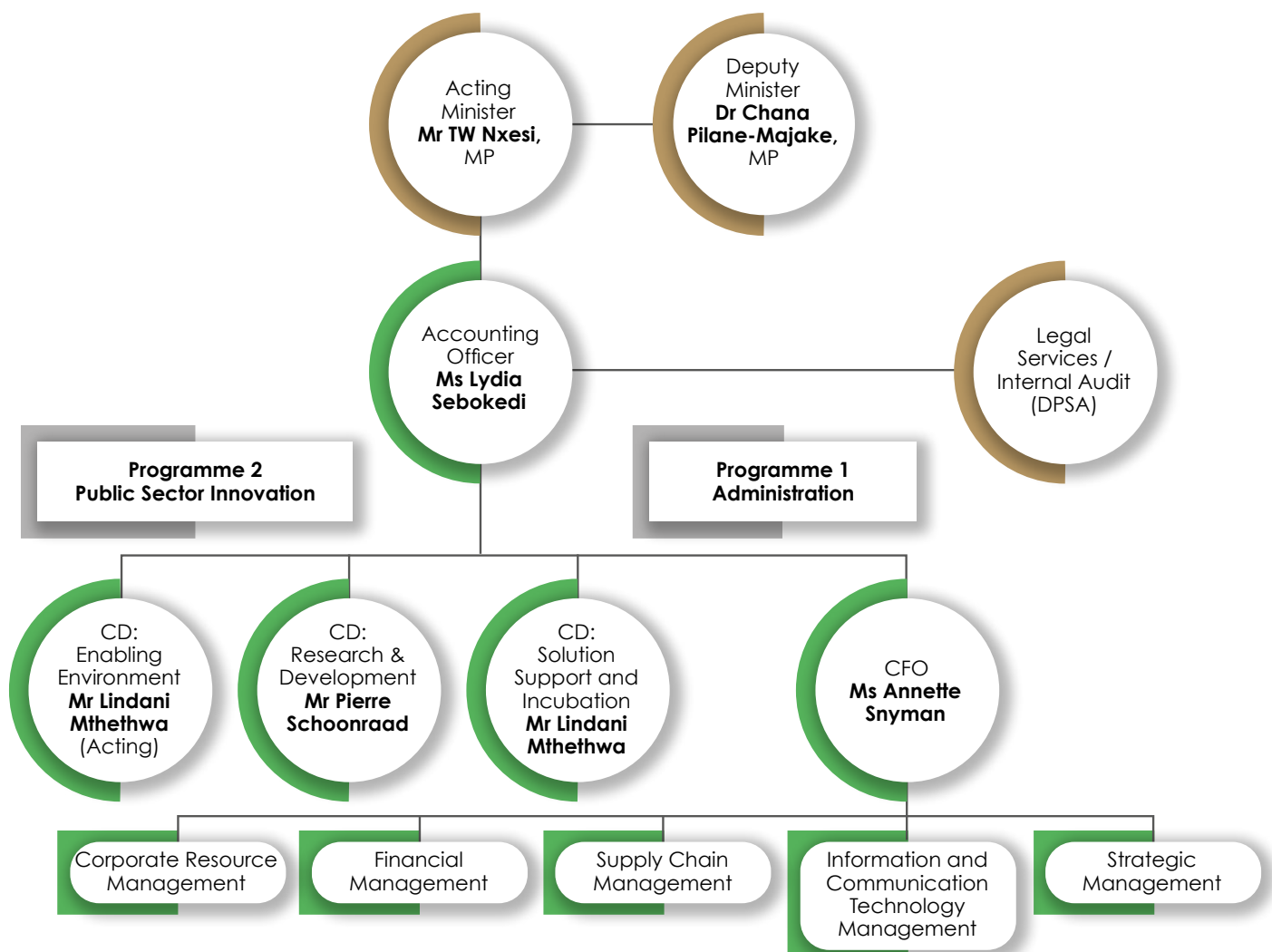
## 8 LEGISLATIVE AND OTHER MANDATES

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, incubating new innovations and supporting the replication of innovative solutions
- iv. Partnering with public, private, academic and civil society sectors to support the mandate of the CPSI

## 9 ORGANISATIONAL STRUCTURE





## 10 ENTITIES REPORTING TO THE MINISTER

The table below illustrates the entities that report to the Minister.

Name of Entity	Department of Public Service and Administration (DPSA)	National School of Government (NSG)	Government Employees Medical Scheme (GEMS)
Legislative Mandate	Public Service Act, 1994 (Proclamation 103 of 1994), as amended	Public Service Act, 1994 (Proclamation 103 of 1994), as amended	Medical Schemes Act, 1998
Financial Relationship	The CPSI 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.	None	None
Nature of Operations	Policy development and enforcement in the public service	Providing education, training and development in the three spheres of government, state-owned entities (SOEs) and organs of state	Restricted membership to a medical scheme for public service employees









# **PART B** PERFORMANCE INFORMATION



# 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 89** of the Report of the Auditor-General, published as Part E: Financial Information.



## 2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. Service Delivery Environment

The CPSI's operational environment remains affected by several external factors. The economic downturn, present even before the COVID-19 pandemic, led to shrinking budgets, reprioritisation of focus areas and restrictions on new initiatives. The COVID-19 pandemic continued its disruptive impact on the work and service delivery environment, especially regarding access to service points. It however also presented many opportunities, in particular to digitise and streamline services, especially those enabling remote work.

On a more general level, inertia, a culture of risk avoidance and a lack of entrepreneurial spirit in departments remain inhibitors of public sector innovation, not only in South Africa, but globally (ANZSOG, 2019). The Rapid Assessment conducted by CPSI and NACI in 2020 further revealed specific constraints related to public sector innovation, namely, 56% of the respondents emphasised resources and funding constraints, with 48% emphasising procurement challenges, while 40% highlighted silos as inhibitors of innovation (CPSI, NACI, 2020). To better understand and quantify the service delivery innovation environment, the CPSI, in partnership with the NACI is continuing with the comprehensive qualitative and quantitative assessment of public sector innovation.

The imperatives of the sixth administration have also required a reconfiguration of the state. This and the factors mentioned above, necessitated that the CPSI also re-evaluate its service delivery offering and continued relevance. Therefore, the CPSI, as part of its research function commissioned a study on the feasibility and future of the organisation (Wits, 2021) that will guide the organisation's response and configuration to service delivery challenges in the MTEF.

This is also an era of rapid changes with multiple systems in transition, including the so-called Fourth Industrial Revolution (4IR) (Schwab, 2017). The technological developments associated with the 4IR bring new opportunities to respond to service delivery challenges, and thus the need for the CPSI to further unearth such solutions. As such the CPSI has incorporated solutions related to 4IR in the Public Sector Innovation Awards Programme while ensuring that strategic foresight is practiced to strengthen agility and anticipation.

The focus on innovation brought by the interest in the 4IR and COVID-19 responses, the maturing of the CPSI's innovation knowledge platforms, a growth in literature on public sector innovation, citizen's expectations and other contributing factors are helping departments to overcome the many constraints confronting them, enabling them to initiate innovative projects. This is however resulting in an increased demand for support from the CPSI for both development of new solutions as well as replication of innovations. There is, in particular, an increased demand for the development of in-house solutions as part of digital transformation in departments. Due to limited capacity, the CPSI is unable to fully respond to the demands and specifically the demands, related to digital innovation.



## 2.2. Service Delivery Improvement Plan

The department 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	2 solutions per annum under development	2 solutions per annum under development
Facilitate replication of innovative solutions	Recipient departments/ institutions	2 projects facilitated per annum	2 projects facilitated	2 projects facilitated

### *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	Ongoing consultations with recipient departments and co-design of solutions
Value for money	<ul style="list-style-type: none"> <li>Use testing and piloting to determine ROI of solutions</li> <li>Implementation or replication of solutions to optimise value for money</li> </ul>	ROI was not conducted in the current year as the solutions under development will only reach this stage in the 2022/23 financial year
Service standards	Use testing and piloting to determine the impact of new innovations on improving service standards	As-Is, To-Be assessments and process mapping conducted to serve as baselines for measuring improvement against 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	<ul style="list-style-type: none"> <li>Online Journal</li> <li>Awards programme</li> <li>Annual conference</li> <li>Innovation workshops</li> </ul>	<ul style="list-style-type: none"> <li>1 Online journal published</li> <li>1 Awards programme held</li> <li>1 Annual conference held</li> <li>5 Innovation workshops held</li> </ul>



### Complaints mechanism

Current/actual complaints mechanism	Desired arrangements	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 r all grievances 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 continued to have a significant impact on internal processes and work arrangements at the CPSI. On the positive side, the pandemic provided the CPSI with an opportunity to revise processes to allow for remote work. 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, online attendance registers and declarations of interest. This momentum will be continued into the near future in order to establish a paperless work environment.

The majority of CPSI staff members continued to work remotely during the period under review. In addition, the CPSI continued to provide data allowances and, where required, other tools of trade to enable remote work.

The CPSI further provided a Health and Wellness Service for the whole Batho Pele Building for purposes of screening and professional monitoring for all staff and visitors using an online screening questionnaire, which was also accessible via personal devices through the scanning of a QR Code. The organisation also provided PPEs to staff to ensure adherence to all regulations. The contract for screening ended in March 2022 as the service was no longer required due to the end of the National State of Disaster.

Given the limited research, development and scaling capacity of the CPSI and as part of the then re-organisation of the state initiative, the Minister (the Hon. Senzo Mchunu at the time), approved the review of the CPSI's role, functions and positioning. The Minister, in particular, indicated that the research and development function must be strengthened in order to deliver on the demand for innovation in the public service.

The Minister subsequently tasked the then Deputy Minister to lead the review of the CPSI.

Following several engagements all relevant stakeholders both in the public and private sectors, including the consultation with Public Sector Innovation Experts, the MPSA decided on the following:

- The CPSI will retain the Government Component corporate form
- The CPSI to submit to the Minister a new proposed structure reflecting the additional capacity and funding requirements, in particular related to strengthening the research function of the CPSI
- The CPSI to engage the National Treasury on funding for the proposed structure



The proposed structure was approved by the MPSA subject to funding being made available. A funding request was submitted to National Treasury as part of the MTEF processes. The National Treasury approved a new budget structure for the CPSI with effect from 2022/23. This new budget structure positions the CPSI to respond to current and anticipated demands.

In addition to the then MPSA's concerns, the CPSI further contracted WITS School of Governance to conduct a comprehensive, objective assessment of the CPSI to better position it for the future.

This study, completed in October 2021, together with the broader assessment of public sector innovation currently underway, will assist the CPSI to strategically position itself to support the achievement of NDP goals.

## 2.4. Key Policy Developments and Legislative Changes

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

# 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 positively impacts on the seven priorities of government as identified by the sixth administration.

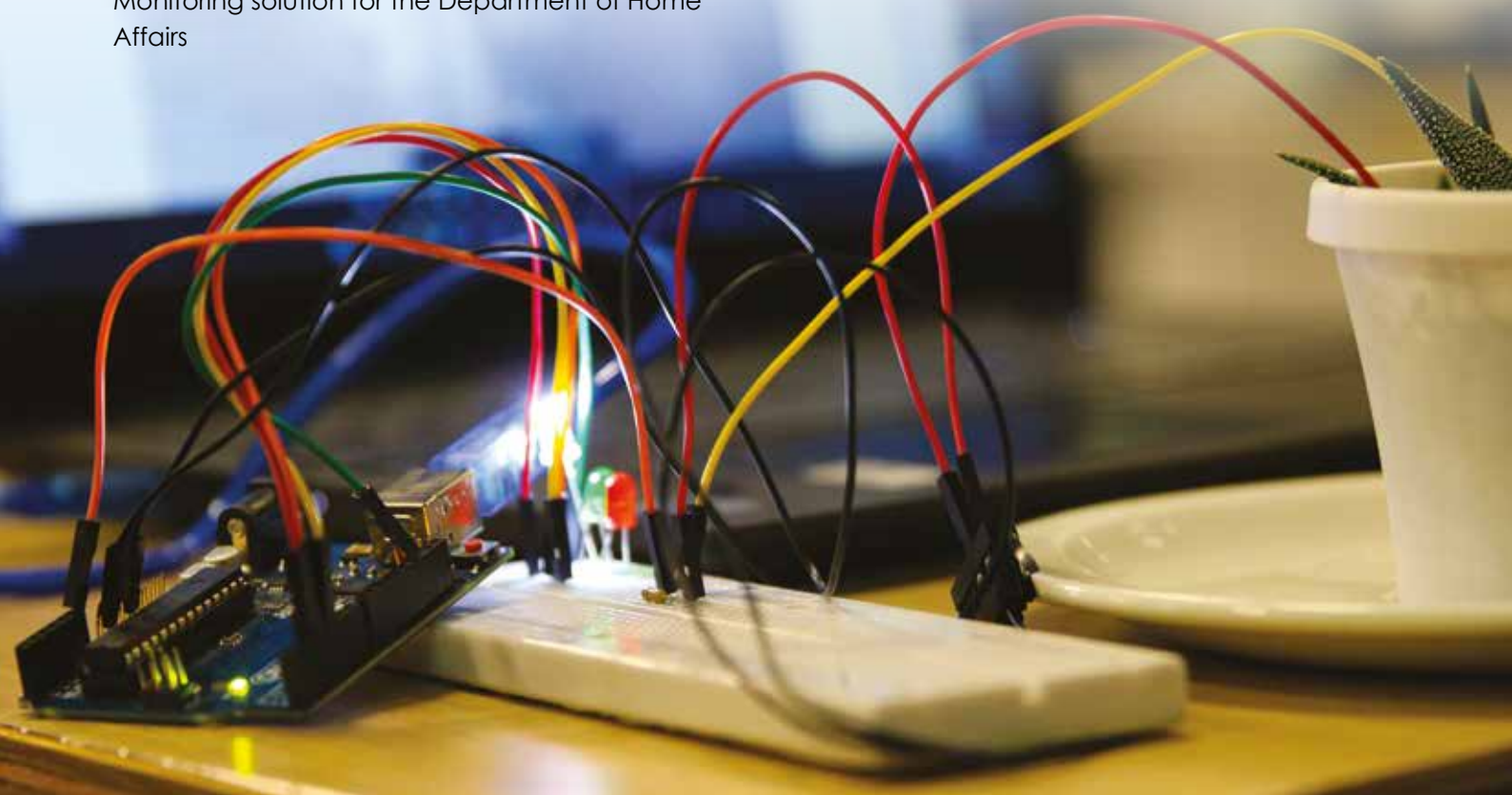
Outcome	Outcome Indicator	MTSF Priority 1	Baseline	Five-year target	Progress made towards the achievement of the five year targets in relation to the outcome indicators
Effective Corporate Governance	Number of unqualified audit opinions	A capable, ethical and developmental state	1 p/a	5	2
Innovative culture and practice in the public sector entrenched	Number of innovation initiatives enabled		15 p/a	75	33



The CPSI is well underway in its delivery on the five-year targets set out in the strategic plan. With regards to effective corporate governance, the CPSI received **Clean Audit Outcomes for the 2019/2020 and 2020/2021 financial years**. Given the limited capacity in the programme, this required a concerted effort and dedication from all staff.

With regard to entrenching the culture and practice of innovation in the public sector, the CPSI has **enabled 33 innovation initiatives over the two years, three more than the planned 15 per annum**. These include research and development initiatives (11), replication of innovations (3) and sustaining of a suite of knowledge platforms (19). Below are some of the initiatives undertaken under the knowledge platforms umbrella:

- Conducting a Rapid Assessment of Public Sector Innovation
- Publishing of an in-depth Case Study Report with four case studies
- An ongoing programme to support digital skills development amongst youth technology developers through hackathons
- Development of a Real-time Service Delivery Monitoring solution for the Department of Home Affairs
- Annual hosting of the Public Sector Innovation Conference and Webinars
- Annual Public Sector Innovation Awards programme
- Publication of Ideas that Work: A South African Innovation Journal
- Coordinating and hosting nine Innovation and Design Thinking workshops
- Participation in a number of International Public Sector Innovation programmes
- Replication of an E-Learning Solution unearthed through the Public Sector Innovation Awards programme in Gauteng and Eastern Cape Provinces
- Development and implementation of In-house digital solutions to improve efficiency and a paperless environment
- Replication of the Vulamanzi low-cost Water Filtration System in Hammanskraal, the City of Tshwane Municipality





## 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.

#### 4.1.1. Outcomes, outputs, output indicators, targets and actual achievements



The CPSI has achieved its fifth Clean Audit Outcome for the 2020/2021 financial year from the Auditor-General for the fourth year in a row.

#### Report against the originally tabled Annual Performance Plan in the financial year under review

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	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	Unqualified audit opinion on financial and non-financial information for the 2020/21 financial year	<b>Achieved</b> Unqualified audit opinion on financial and non-financial information for the 2020/21 financial year	None	<b>N/A</b>



## Linking performance with budgets

### Programme 1: Administration - Sub-programme expenditure

Programme 1: Administration	2021/2022			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. Strategic Management	3 214	1 631	1 583	3 970	2 262	1 708
2. Corporate Resource Management	10 895	10 089	806	8 750	6 263	2 487
3. Office of the Chief Financial Officer	6 040	5 243	797	6 224	5 296	928
<b>Total</b>	<b>20 149</b>	<b>16 963</b>	<b>3 186</b>	<b>18 944</b>	<b>13 821</b>	<b>5 123</b>

**Compensation of Employees** in the Administration Programme averages 53 per cent of the total budget allocation during the period under review. The organisation requires additional capacity to be able to carry out its mandate fully. The CPSI currently comprises 30 permanent posts (18 posts in the Administration and 12 posts in the Public Sector Innovation Programme) plus two posts additional to the establishment. Due to vacancies and inadequate capacity, some staff members are fulfilling multiple functions.

**Goods and Services:** The CPSI spends an average 39 per cent of its total budget on the procurement of goods and services. The largest spending items under the Administration Programme are:

- **Mandatory audit costs.** This is one of the organisation's main expenditures, accounting for 19 per cent of operational allocations. The CPSI is addressing the high audit cost through the Audit and Risk Committee and the Office of the Auditor-General, which may result in a reduction of costs over the medium-term.
- **Computer services,** primarily to access and utilise transversal systems and for data costs accounting for 14 per cent of the Programme's operational allocations.
- **Operating leases:** The cost to lease office accommodation amounts to 36 per cent of the Programme's operational allocations over the medium-term.



## 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.

### 4.2.1. Outcomes, outputs, output indicators, targets and actual achievements



The Research and Development Component initiated a new development project with the Northern Cape Office of the Premier, to develop a Virtual Thusong Centre and a Service Monitoring System. The project is currently in its design stage. Two additional development initiatives, namely the testing and piloting of a Forensics Mobile Application and a Patient Transport Management Mobile Application for Gauteng Emergency Medical Services (EMS), were also initiated.

Research, including benchmarking against international practice, to position the CPSI for the next ten years and specifically within the contexts of the Fourth Industrial Revolution was concluded in October 2021.

Following a rapid assessment of the state of public sector innovation conducted in the previous year, the CPSI has, in partnership with the National Advisory Council on Innovation (NACI), completed the planning for a comprehensive qualitative and quantitative assessment to inform policy and strategy. This included the hosting of a validation workshop with key stakeholders in August 2021 to conduct a scoping exercise for the in-depth study. The initial phases of the project have commenced, with the literature review and conceptual framework (Phase 1) having been completed in October 2021. The development of the case study (qualitative study – Phase 2) was initiated in Q3, and it is anticipated that this phase will be completed during Q1 of the new financial year, after which the final phase, the quantitative survey will commence.



Our support to the youth digital innovation eco-system continued through our support to the UK/SA Digital Literacy for Development Project (DL4D). We further provided mentorship during the following initiatives:

- The Department of Communications and Digital Technologies, AlgoAtWork Robotics and the National ICT Youth Council hosted a two-day makerthon at the RBIDZ Techno Hub in Richards Bay on the 14 and the 15 June 2021, and the Aquatech hackathon was hosted in collaboration with the Eastern Cape Office of the Premier on 26 and 27 June 2021. CPSI further served on the judging panel.
- The MTN App of the Year App Academy (6 weeks in June and July 2021) and the Geekulcha Student Society Challenge (currently underway, winners will be announced on 4 October 2021).
- The TadHack South Africa (24 - 26 September 2021). In addition to mentoring, CPSI also served as one of the judges.
- The youth ICT and Business VacWork Programme in Siyabuswa (18 -19 March 2022), Johannesburg (22-26 March 2022) and Mthatha (28–31 March 2022).

In addition to the above support, the CPSI, on behalf of the Minister, also hosted a #PSIHack22 on 24 and 25 February 2022. The hackathon focussed on public sector service delivery challenges.



## Public Sector Innovation Conference

The 15<sup>th</sup> Annual Public Sector Innovation Conference online webinar was held on the 24<sup>th</sup> and 25<sup>th</sup> August 2021. The conference focused on how public sector innovation can strengthen the implementation of the District Development Model to improve service delivery. Speakers including international experts were secured in this regard. The webinars provided a platform to share innovative approaches and solutions that improve service delivery. Bangladesh shared its public sector innovation journey as part of the conference. Following this conference, the CPSI held discussions with Bangladesh under the banner of the South-South Network for Public Sector Innovation (SSN4PSI). A meeting will be held in May 2022 to outline how the CPSI can participate in this South-South Network.

## Public Sector Innovation Awards Programme

The 19<sup>th</sup> Public Sector Innovation Awards programme was officially launched virtually in July 2021. The Public Sector Innovation Awards event was held in February 2022. Public sector individuals and teams were formally awarded by the Deputy Minister for the Public service and Administration for their service delivery innovations. In addition, public servants who are software developers, were also recognised and awarded through the Public Sector Innovation Trailblazer Awards. This is a special award for innovative solutions that are developed internally. The Deputy Minister further conferred Special Ministerial Awards to individuals and institutions.



The following table summarises the finalists and category winners of the 2021 Public Sector Innovation Awards programme:

CATEGORY A: REPLICATION AND ADAPTATION		
Name of the project		Province
Resource Efficiency Project	Winner	Western Cape
Centre of Excellence for Management of Lymphedema	1 <sup>st</sup> Runner-up	Gauteng
The Tele-rehabilitation Project	2 <sup>nd</sup> Runner-up	Gauteng
Healthy Body and Healthy Mind	3 <sup>rd</sup> Runner-up	Gauteng

CATEGORY B: CITIZEN FOCUSED INNOVATIONS		
Name of the project		Province
Wound Clinic (Tembisa Hospital)	Winner	Gauteng
Out-patient team-based models to facilitate integrated patient care	1 <sup>st</sup> Runner-up	Gauteng
Tshwane Inter-University Innovation Challenge	2 <sup>nd</sup> Runner-up	Gauteng
Breaking barriers to offer Evidence-Based-Therapy for patients with neurological-degenerative conditions	3 <sup>rd</sup> Runner-up	Gauteng

CATEGORY C: INNOVATIONS HARNESSING TECHNOLOGY		
Name of the project		Province
Central Chronic Medication Dispensary and Distribution (CCMDD)	Winner	National
Digital fingerprint capturing and verification of identity for deceased people	1 <sup>st</sup> Runner-up	Gauteng
Gauteng Integrated Service Delivery Response System	2 <sup>nd</sup> Runner-up	Gauteng
Automated Annual Performance Reporting Template	3 <sup>rd</sup> Runner-up	National/Free State

GEMS HEALTH AWARDS	
Winner	Central Chronic Medication Dispensary and Distribution (CCMDD)
1 <sup>st</sup> Runner-up	Wound Clinic (Tembisa Hospital)
2 <sup>nd</sup> Runner-up	Chris Hani Baragwanath Academic Hospital

SPECIAL MINISTERIAL AWARDS	
Early Child Learning and Development Centre	
Empowering Parents of Children with Autism Spectrum Disorder	
ICT Integration in Grade 12 Classroom Limpopo	



### Public Sector Trailblazers

Ms Nomusa Keninda, Mpumalanga

Mr Johan Pretorius, Free State

Mr Etienne Van Wyk, Free State

Mr Audrey Sebeelo, Gauteng

Ms Lucy Mbhele, Gauteng

Mr Keletso Rafedile, Gauteng

Mr Wilhelm Fouche, Gauteng



## 2021 PUBLIC SECTOR INNOVATOR OF THE YEAR

### Central Chronic Medication Dispensary and Distribution (CCMDD)

#### THE CHALLENGE >>

South Africa has experienced an unpredicted growth in patients requiring access to long term therapies, driven in part by universal access to Antiretroviral Therapy (ART) and steady increases in patients with non-communicable diseases (NCD) requiring chronic therapy. The over extension of public sector health care facilities is creating strain on available resources, and has contributed towards medicine shortages and challenges in the quality of care provided. Some of the challenges experienced by patients include protracted waiting times and often congested facilities.

#### THE INNOVATION >>

The innovation digitises a patient's public health prescription at the public health facility. The platform is a web-based solution that allows for duplicate prescriptions, or contra-indicated medicines to be identified. The digital prescriptions and any necessary clinical notes are transferred to private courier pharmacies to dispense and distribute the patient's prescription to the patient's chosen pick-up points (PuPs).

The courier pharmacy adds additional details to the patient record about the items dispensed, when it was dispatched and when it was delivered. A barcoded reference is attached to each parcel of medication to allow for it to be tracked through the distribution and collection legs of the service. This information is fed to the PuPs which can be private or public, for them to scan in medicine parcels and scan out parcels as they are collected by patients. This is the first time that public sector patients can collect the correct parcel at the correct time at a private sector facility.

Uncollected parcels are flagged and marked as returns. Upon return, these are captured as such within the system.

With detailed data collected at every step in the process, benefits such as information on incorrect prescriptions, patient adherence, demand planning, stock utilisation and many others are realised.

#### THE IMPACT >>

CCMDD has created numerous benefits through strengthening health systems and generating improvements to a wide array of stakeholders e.g.

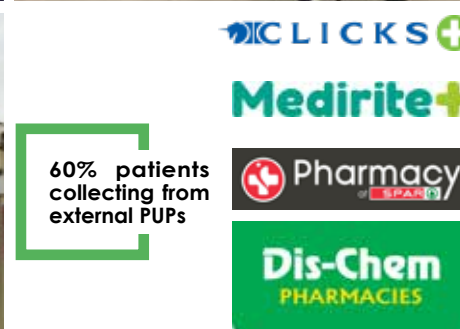
- Improved access to chronic medicines
- Decreased stigma for HIV patients
- Improved quality of care and service delivery
- Reduced workload for public health facilities and healthcare workers
- Improved patient experience in collection of chronic medication
- Reduced patient waiting times and better time management
- Decongestion of health facilities through the use of alternative Pick up Points
- Improved availability of reliable data to inform decision-making
- Improved treatment adherence
- Improved supply chain processes
- Improved patient satisfaction and knowledge of care



## Examples of CCMDD pick-up points



80 000 pat on home delivery



60% patients collecting from external PUPs

## Ideas That Work Journal

The CPSI continues to use this online innovation knowledge platform to encourage learning and sharing of innovative solutions, approaches, and insights.

## Design Thinking and Innovation Workshops

In 2021, four online innovation workshops focussing on Design Thinking and Public Sector Innovation were held to continue to build capacity in the public service. An additional workshop for the 2021 Public Sector Innovation Awards Finalists was also held.

## International Public Sector Innovation Programme

The CPSI continues to participate as the National Contact Point (NCP) for the OECD's OPSI and the OECD National Foresight Practitioners' Network. The NCP meeting was held on 14-15 April 2021 and 7 December 2021, whilst the Practitioners' Network met online on 11-13 October 2021.

The CPSI further participated in the SAIIA Building Anticipatory Governance in SADC post COVID-19 Webinar held on 12 May 2021. These partnerships enabled the CPSI to incorporate learning from global innovative practices into our webinars.

Output

Innovative solutions replicated in the public sector

## E-Learning Solution

The CPSI facilitated the replication of an E-Learning solution in the Eastern Cape, and this solution will also be replicated in the North West and the Free State provinces during the 2022/23 financial year.

The SchoolLMS 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 that has a functionality for the distribution of eBooks and interactive content, as well as a functionality that facilitates the submission of digital handwritten lessons and assessments – homework, classwork, assignments, tests, and exams.

### Vulamanzi Water Filtering System

The Vulamanzi Water Filtering solutions was replicated in Hammanskraal at Odirile Residential Care Centre. This centre caters for persons with profound intellectual disabilities from age 2 to 55, providing a comprehensive service and care. Hammanskraal has well-documented water challenges, most of the time the water is brown and not fit for consumption.

#### VulAmanz Water Filters

This has an impact on the facility as it depends on the municipal trucks for water, a service that is inconsistent. As a result, the centre regularly buys bottled water which is very costly.

The Vulamazi Water Purification System is a point-of-use membrane technology that provides safe drinking water to under serviced or rural communities. The technology used by the Vulamanzi Water Purification System is a Woven Fabric Microfilter (WFMF) that is produced in South Africa. It is a point-of-use (POU) household water treatment unit consisting of a microfilter and a post-disinfection step. It removes suspended material, colloids, and water-borne pathogens to give safe drinking water from raw water that is contaminated with biological pathogens.





### Report against the originally tabled Annual Performance Plan in the financial year under review

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Innovative culture and practice in the public sector entrenched	Innovation research and development initiatives undertaken	Number of innovation research and development initiatives undertaken	Consultation on innovative solutions to be developed held	6	4 innovation solutions	<b>Achieved</b> 5 innovation solutions (3 research initiatives and 2 development initiatives)	1 Innovation solution (1 research initiative)	1 additional research initiative was completed as part of the SA-EU Dialogue series initiative
	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	6 knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector, <b>Namely:</b> • Annual Public Sector Innovation Conference • Public Sector Innovation Awards • Four (4) Sector Specific workshops on Leading Innovation in the Public Service	10 <b>Namely:</b> • (5) Design Thinking and Public Sector Innovation Workshops held • Annual Public Sector Innovation Conference • Public Sector Innovation Awards • Online Innovation Journal • 2 Regional/ international programmes	9 knowledge platforms	<b>Achieved</b> 10 knowledge platforms	1 additional Innovation Workshop was held	The additional workshop was specifically targeted at capacitating the 2021 Public Sector Innovation Awards Finalists.
	Innovative solutions replicated in the public sector	Number of innovative solutions replicated in the public sector	1 Innovative solution facilitated for replication (Maternity Filing Project-Bertha Gxowa Hospital)	1	2 innovative solutions replicated	<b>Achieved</b> 2 innovative solutions replicated	None	<b>N/A</b>



## Linking performance with budgets

### Programme 2: Public Sector Innovation - Sub-programme expenditure

Programme 2: Public Sector Innovation	2021/2022			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	6 607	4 602	2 005	5 425	4 613	812
2. Solution Support and Incubation	5 132	4 955	177	4 136	3 558	578
3. Enabling Environment	9 565	7 260	2 305	6 329	5 539	790
<b>Total</b>	<b>21 304</b>	<b>16 817</b>	<b>4 487</b>	<b>15 890</b>	<b>13 710</b>	<b>2 180</b>

This programme contributes directly to an effective and efficient public service and the fulfilment of its service delivery mandate, through innovation. Elaboration on the expenditure relating to the specific outputs of the sub-programme is outlined below:

**Research and Development Initiatives** to develop new service delivery solutions account for 16 per cent (R6.6 million) of the total CPSI budget. Five research and development initiatives were implemented during the 2021/2022 financial year.

**Maintaining Innovation Knowledge Platforms** amounts to 23 per cent of the total CPSI budget. These robust innovation knowledge platforms support the inculcation of the culture and practice of innovation in the public sector. Through these platforms, innovative approaches, solutions and models were shared across all spheres of government. During the period under review nine platforms were sustained:

**Coordinated Replication of Innovation Solutions in the Public Sector:** Two innovation solutions were replicated in the public sector with the aim of improving service delivery with a funding allocation of 13 per cent of the CPSI budget.

**Compensation of Employees** in the Public Sector Innovation Programme averages 55 per cent of the total budget allocation over the medium-term, with average annual growth of 5.0 per cent. The organisation also requires additional capacity to be able to fully carry out this mandate.

**Goods and Services:** 38 per cent of its total budget was spent on the procurement of goods and services under the Public Sector Innovation Programme, with the highest expenditure on:

- **Travel and Subsistence:** Expenditure on travel and subsistence for the piloting, testing, unearthing and replication of innovative solutions that improve service delivery. Despite cost containment measures having been introduced, this item will remain high as the organisation lacks a provincial presence and depends on on-site work to fulfill its mandate.
- **Venues and Facilities:** Funding for this item is used primarily for the hosting of knowledge platforms such as the Annual Public Sector Innovation Awards and for training.



### 4.3. Strategy to overcome areas of under performance

N/A

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

The CPSI responded to the COVID-19 pandemic in terms of the regulations issued as part of the National State of Disaster. Following the outbreak of the COVID-19 pandemic, the President of the Republic of South Africa declared a national state of disaster and subsequently announced a nationwide lockdown (level five) for 21-days with effect from midnight on Thursday 26 March 2020. From this period to date; the country has been placed under different alert levels and regulations are issued to departments for implementation and compliance.

To ensure compliance with the State of Disaster Regulations and the related COVID-19 protocols, the CPSI implemented the following:

- The Executive Director appointed the Deputy Director: Corporate Resource Management as the Compliance Officer and a representative in the OHS Committee shared with the DPSA.
- Personal Protective Equipment (PPEs) was procured for all staff members during alert level five, and the department continued to procure PPEs for occupations that use disposable PPEs and specific PPEs such as sanitisers for daily use by all staff.
- A sickbay (In the DPSA) was identified as a quarantine room.
- Awareness programmes were conducted through Internal CPSI Communications platforms, posters installed inside and around the lifts, bathrooms and kitchen areas.
- Virtual platforms were used to conduct meetings and other work-related events, to ensure that social distancing is observed and limiting face-to-face meetings. These meetings were limited and/or done according to the announced protocols related to the number of attendees, masks, sanitizers etc. and no mass meetings or gatherings were held in the department.
- COVID-19 screening of visitors and staff upon entering the building was done daily by an appointed service provider and all visitors entering and leaving the department are recorded (register in place). This service was stopped when the National State of Disaster ended.





## 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 TRANSFER PAYMENTS

### 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.

2018

2019

2020

2021

2022









# PART C GOVERNANCE



# 1 INTRODUCTION

The CPSI is committed to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA), no. 1 of 1999 together with the Public Sector Risk Management Framework to be read in conjunction with the National Treasury Regulations 3.2.1.

The CPSI undertakes that it will unavoidably have a variable appetite to risk in different areas, in particular regarding pilot and replication projects where a higher level of risk taking may be required.

Decisions will depend on the context, the nature of the potential losses or gains and the extent to which information regarding the risks is complete, reliable and relevant.

Risk tolerance is based on the CPSI's financial and human resource strength and its ability to withstand shocks.



## 2 RISK MANAGEMENT

The CPSI functions as a public sector organisation where risk management is required to ensure responsible and accountable use of public funds. It is also operating in an environment where innovative solutions are tested and piloted, thus with a significant risk of failure. As such the CPSI developed a Risk Management Framework and Strategy that respond to both the organisational as well as risks related to its mandate. This framework and strategy have thus been developed to:

- allow the CPSI to proactively manage its risks in a systematic and structured way and to continually refine its processes to reduce the CPSI's risk profile thereby maintaining a safer environment for all its stakeholders;
- ensure appropriate strategies are in place to mitigate risks and maximize opportunities;
- embed the risk management process and ensure it is an integral part of the CPSI's planning process at a strategic and operational level;
- help create a risk awareness culture from a strategic, operational, individual project and fraud perspectives;
- give credibility to the process and engage management's attention to the treatment, monitoring, reporting and review of identified risks as well as considering new and emerging risks on a continuous basis;
- recognise the need for, and alignment of the holistic CPSI-wide "top-down" strategic assessment, with the "bottom-up" operational and strategic risk assessment; and
- allow for the identification of emerging risks for the purpose of implementing mitigations to address such risks.

The organisation is committed to sustaining 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 provides oversight to the CPSI's work, ensures that the organisation adheres to governance principles and oversees the work and functioning of other governance structures. It also 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 throughout the organisation has played a significant role in the improvement of the organisational performance as a whole.

The Internal Audit function, which is provided 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.

During the period under review, the organisation held a risk assessment workshop where Strategic and Operational Risks were identified. These were ratified and approved by EXCO. The Risk Registers that came out of the assessment are monitored during the respective unit's operational meetings as standard agenda items.



## 3

## FRAUD AND CORRUPTION

The CPSI has a Fraud and Corruption Strategy as well as a Fraud and Corruption Policy to articulate the organisation's philosophy and policy direction on fraud prevention. However these documents do not guarantee that the CPSI will not be negatively impacted by incidents of fraud and corruption. They 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.

During the period under review, the CPSI conducted an Ethics and Anti-corruption workshop for all staff. The objectives of the workshop were to:

- Orientate employees towards expected ethical behavior of employees in the public service,
- Share an understanding of the ethical framework for the public service; and
- Discuss of how each employee could contribute to the ethical culture of the organisation and the public service.

Furthermore, the CPSI supports the National Anti-Corruption Hotline by encouraging all its employees to report any suspected activities of fraud and corruption. In addition, the organisation has 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 conflict 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 terms of labour relations, 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) and 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 ethical conduct, both in their individual and professional capacity. It provides guidelines related to 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, the CPSI participates in all Health and Safety Programmes of the DPSA. These include participating in the Occupational Health and Safety (OHS) Committee as well as taking part in planned and/or unplanned emergency drills.

Health and safety measures were taken into account during the National State of Disaster.



## 7 PORTFOLIO COMMITTEES

During the financial year under review, the CPSI was invited to the Portfolio Committees on Public Service and Administration as well as Planning, Monitoring and Evaluation respectively. The engagements were convened through a virtual platform and are indicated below:

Date of the meeting	Matters raised by the Portfolio Committee	How the matters were addressed
05 May 2021	Briefing to the Portfolio Committee on the 2020/2025 Strategic Plan and Annual Performance Plan for 2021/2022 financial year	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI
26 May 2021	Briefing to the Select Committee on the 2020/2025 Strategic Plan and Annual Performance Plan for 2021/2022 financial year	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI
10 November 2021	Briefing to the Portfolio Committee on the annual reports for 2020/21 financial year and briefing on progress report with regard to the implementation of the recommendations contained in the budget report for 2020/21 financial year	The CPSI presented and the Committee members made comments and asked questions to which answers were provided by the CPSI
09 March 2022	Briefing to the Portfolio Committee on the first, second and third quarter performance of the 2020/21 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

The CPSI had no appearances to the Standing Committee on Public Accounts (SCOPA) or related notices in the financial year under review. There were no SCOPA resolutions adopted in the 2021/2022 financial year.



## 9 PRIOR MODIFICATIONS TO AUDIT REPORTS

During the previous financial year 2020/2021, the CPSI obtained a clean audit opinion with no emphasis of matters as discussed in a detailed audit report. The CPSI had no findings that were noted in the prior-year management report.

## 10 INTERNAL CONTROL UNIT

The CPSI does not have a dedicated internal control unit due to its size. However, the organisation has established a system of internal control through policies and procedures in the areas of financial, supply chain and human resources management and other areas to ensure a 360-degree compliance. The Internal Audit Function also provides assurance on the adequacy and effectiveness of the systems of internal control within the organisation. Management 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

The DPSA provides internal audit services to the CPSI through a signed Memorandum of Understanding. The Internal Audit Function has during the year provided management with independent assurance and insight on the effectiveness of, among others - governance, the internal control, 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
- Annual and quarterly performance information
- Supply Chain Management
- Information Communication Technology



## Audit and Risk Committee

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

The Audit and Risk Committee held four meetings during the 2021/22 financial year.

The table below discloses relevant information on the audit committee members and attendance of meetings by each member:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms Pumla Mzizi	<ul style="list-style-type: none"> <li>- CA (SA)</li> <li>- BCom Honours in Transport Economics</li> <li>- BCompt Honours in BBusSc</li> <li>- Honours in Finance</li> </ul>	External	N/A	10 March 2016	30 September 2021	3
Ms Precious Mvulane	<ul style="list-style-type: none"> <li>- CA and RA (SA)</li> <li>- Specialist Diploma in Auditing</li> <li>- BCom Honours in Accounting</li> </ul>	External	N/A	10 March 2016	30 September 2021	3
Mr Ameen Amod	<ul style="list-style-type: none"> <li>- Master of Business Administration (MBA)</li> <li>- B. Com in Accounting and Economics</li> <li>- Chartered Director (CD)</li> <li>- Certified Internal Auditor (CIA)</li> <li>- Certified Government Auditing (CGAP)</li> <li>- Certification in Risk Management Assurance (CRMA)</li> </ul>	External	N/A	01 October 2019	–	4



Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Dr Prittish Dala	<ul style="list-style-type: none"> <li>- PHD Information Technology</li> <li>- Master of Information Technology</li> <li>- Bachelor of Science (Computer Science) Honours (Cum Laude)</li> <li>- Bachelor of Information Technology (Cum Laude)</li> <li>- Certified Governance of Enterprise Information Technology (CGEIT)</li> <li>- Certified Risk and Information Systems Control (CRISC)</li> <li>- Certified Information System Auditor (CISA)</li> <li>- Certified Ethical Hacker (CEH)</li> <li>- Certified Computer Hacking Forensic Investigator (CHFI)</li> <li>- Certified Data Privacy Solution Engineer (CDPSE)</li> <li>- Certified Information Security Manager (CISM)</li> <li>- Certified Information Systems Security Professional (CISSP)</li> <li>- Lead Auditor ISO 27001</li> </ul>	External	N/A	01 October 2019 (Appointed as Chairperson on 17 May 2022)	–	4
Ms Nyawa Dikwayo	<ul style="list-style-type: none"> <li>- CA (SA)</li> <li>- Master of Philosophy in Development Finance</li> <li>- Postgraduate Diploma in Applied Accounting Sciences</li> <li>- Bachelor of Commerce in Accounting</li> </ul>	External	N/A	01 March 2022	-	1
Ms Sizo Mzizi	<ul style="list-style-type: none"> <li>- ACIS</li> <li>- Post Graduate Diploma in Corporate Law</li> <li>- Post Graduate Certificate in Corporate Governance</li> <li>- CIMA (ACMA CGMA)</li> <li>- BCom Hons (Financial Management)</li> <li>- Certificate in Accountancy</li> <li>- BTech: Cost and Management Accounting</li> <li>- Higher Diploma in Education (Economic Sciences)</li> </ul>	External	N/A	01 March 2022	-	1



# 12 AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2022.

## Audit and Risk Committee Responsibility

The ARC reports that it has complied with its responsibilities arising from sections 38(1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 3.1. The ARC also reports that it has adopted appropriate formal terms of reference as its ARC Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

## The Effectiveness of Internal Control

Internal Audit continues to provide assurance in terms of control, governance and risk management as per the approved risk-based audit plan. At the end of the financial year, the following audit engagements were reported as complete as per the approved risk-based audit plan:

- Quarterly and annual financial statements
- Quarterly and annual performance information
- Supply chain management
- Information communication technology

The ARC's review of the findings identified by the internal and external auditors reveals that the control environment and governance processes are generally adequate and effective. Risk management processes are generally adequate and partially effective, with room for improvement.

## In-Year Management and Monthly/Quarterly Reports

The CPSI has reported quarterly to the National Treasury and the Executive Authority as required by the PFMA. The ARC as well as assurance providers presented management with recommendations, which were implemented, to improve the quality of

financial and non-financial information and reporting during the year under review. The ARC was satisfied with the content and quality of the financial and non-financial quarterly reports submitted during the year under review.

## Evaluation of Financial Statements

### The ARC has:

- Reviewed the unaudited financial statements with due consideration of the independent assurance provided by Internal Audit, as well as the assurance provided by Management;
- Reviewed changes in accounting policies and practices;
- Reviewed compliance with legal and regulatory provisions;
- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues;
- Reviewed the unaudited information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Reviewed the Auditor-General South Africa (AGSA) audit and management reports, with due consideration of the responses provided by Management; and
- Reviewed the audited financial statements as well as the information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Officer.



## Auditor-General's Report

The ARC concurs with the conclusions of the Auditor-General South Africa (AGSA) on the annual financial statements, and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

We would like to express our appreciation to the assurance providers and most importantly Management for their commitment in maintaining the "clean" audit outcome (unqualified with no material findings).

*P. Dala*

**Dr. Priffish Dala**

**Chairperson CPSI Audit and Risk Committee**

**Date: 5 August 2022**

## 13 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	Response Yes / No	Discussion
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









**PART D**

**HUMAN  
RESOURCE  
MANAGEMENT**



# 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

### • Status of human resources in the department

The number of posts on the establishment of the CPSI increased during the 2021/22 reporting year from 30 to 32 posts. 30 of these posts were filled posts as of 31 March 2022, compared to the 27 posts of the 2020/21 report. Additional to the fixed establishment, two persons were employed in the Intern Programme. The organisation had two vacant posts at the end of the reporting year, namely the Executive Director and Human Resource Officer posts respectively.

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

The vacancy rate decreased from 16.67 per cent at the end of the 2020/21 reporting year to 9.6 per cent at the end of the 2021/22 reporting year.

The employment equity statistics at the end of the financial year remained consistent with the previous financial year, namely 6.7% of persons with disabilities, 60% of women at SMS level and 20% of youth, mainly due to the internship programme.

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

The CPSI has prioritised the appointment of staff with digital skills, in particular technology developers. However, due to the limited compensation budget, presently, the CPSI can create new posts to accommodate these required skills and capabilities.

### • 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 2020/21 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

In addition to providing professional COVID-19 screening and counselling services during the lockdown periods, the CPSI facilitated COVID-19 awareness and training for all employees to promote employee wellness.

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

Capacity remains a challenge, especially to respond to the demand for technology developers and project managers. Although this is partially being addressed through the budget reprioritisation, which is expected to be concluded in the 2022/23 reporting year, additional resources would be required.

### • Future human resource plans

The CPSI's human resource planning centres around two priorities, namely, strengthening the limited capacity in corporate services to ensure compliance with legislation and to reduce dependency on the MoU with the principal department, the DPSA. The second priority is to strengthen development, replication and institutional support capacity through increased project management and application development competencies. This would require the appointment of software developers and strengthen internal competencies to manage agile projects.



## 3 HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1. Personnel Related Expenditure

The following tables summarise 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 2021 and 31 March 2022**

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)
Programme 1: Administration	16 963	8 520	271	581	50.2%	474
Programme 2: Public Sector Innovation	16 817	10 599	16	1 431	63%	883
<b>Total</b>	<b>33 780</b>	<b>19 119</b>	<b>287</b>	<b>2 012</b>	<b>57%</b>	<b>637</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022**

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)	392	2%	4	99
Skilled (level 3-5)	897	5%	3	299
Highly skilled production (levels 6-8)	3 727	20%	9	414
Highly skilled supervision (levels 9-12)	6 771	35%	9	752
Senior and Top management (levels 13-16)	7 332	38%	5	1 466
<b>Total</b>	<b>19 119</b>	<b>100%</b>	<b>30</b>	<b>637</b>



**Table 3.1.3 Salaries, Overtime, Homeowners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022**

Programme	Salaries		Overtime		Homeowners 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
Programme 1: Administration	7 578	88.90%	11	0.10%	144	1.70%	339	4.00%
Programme 2: Public Sector Innovation	9 429	89.00%	0	0.00%	168	1.60%	296	2.80%
<b>Total</b>	<b>17 007</b>	<b>89.00%</b>	<b>11</b>	<b>0.10%</b>	<b>312</b>	<b>1.60%</b>	<b>635</b>	<b>3.30%</b>

**Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	321	80.90%	1	0.30%	36	9.10%	59	14.90%
Skilled (level 3-5)	665	75.00%	0	0.00%	54	6.10%	100	11.20%
Highly skilled production (levels 6-8)	3 174	85.20%	4	0.10%	125	3.40%	310	8.30%
Highly skilled supervision (levels 9-12)	6 340	93.60%	6	0.10%	18	0.30%	69	1.00%
Senior management (level 13-16)	6 507	88.70%	0	0.00%	79	1.10%	97	1.30%
<b>Total</b>	<b>17 007</b>	<b>89.00%</b>	<b>11</b>	<b>0.10%</b>	<b>312</b>	<b>1.60%</b>	<b>635</b>	<b>3.30%</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)

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, 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 2022**

Programme	Number of posts on the approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	20	18	10%	2
Programme 2: Public Sector Innovation	12	12	0%	-
<b>Total</b>	<b>32</b>	<b>30</b>	<b>6%</b>	<b>2</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022**

Salary band	Number of posts on the approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	4	4	0%	2
Skilled (3-5)	3	3	0%	-
Highly skilled production (6-8)	10	9	10%	-
Highly skilled supervision (9-12)	9	9	0%	-
Senior management (13-16)	6	5	17%	-
<b>Total</b>	<b>32</b>	<b>30</b>	<b>6%</b>	<b>2</b>



**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022**

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. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

**Table 3.3.1 SMS posts information as on 31 March 2022**

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%	1	100%
Salary level 16	-	-	0%	-	0%
Salary level 15	-	-	0%	-	0%
Salary level 14	3	3	100%	-	0%
Salary level 13	2	2	100%	-	0%
<b>Total</b>	<b>6</b>	<b>5</b>	<b>83%</b>	<b>1</b>	<b>17%</b>

**Table 3.3.2 SMS posts information as on 30 September 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%	1	100%
Salary level 16	-	-	0%	-	0%
Salary level 15	-	-	0%	-	0%
Salary level 14	3	3	100%	-	0%
Salary level 13	2	2	100%	-	0%
<b>Total</b>	<b>6</b>	<b>5</b>	<b>83%</b>	<b>1</b>	<b>17%</b>



**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022**

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised within six months of becoming vacant	Number of vacancies per level filled within six months of becoming vacant	Number of vacancies per level not filled within six months but filled within 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 for not complying with the filling of funded vacant SMS posts - advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022****Reasons for vacancies not advertised within six months**

The Executive Authority placed a moratorium on the filling of vacancies at the CPSI pending the outcome of a report on the Macro Organisation of the State. Approval to lift the moratorium and fill the post was obtained in November 2021. The post was advertised in March 2022 in the DPSA Vacancy Circular. There was a delay in advertising in national media due to the instruction from the Minister of Finance to suspend procurement initiatives exceeding R30 000.

**Reasons for vacancies not filled within 12 months**

As above

**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 2021 and 31 March 2022****Reasons for vacancies not advertised within six months**

No disciplinary steps were taken during this period

**Reasons for vacancies not filled within six months**

No disciplinary steps were taken during this period



### 3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations all vacancies on salary levels nine and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2021 and 31 March 2022**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (levels 1-2)	4	-	0%	-	0%	-	0%
Skilled (levels 3-5)	3	-	0%	-	0%	-	0%
Highly skilled production (levels 6-8)	10	-	0%	-	0%	-	0%
Highly skilled supervision (levels 9-12)	-	-	0%	-	0%	-	-
	9	-	0%	1	0%	-	0%
Senior Management Service Band A	2	-	0%	-	0%	-	0%
Senior Management Service Band B	3	-	0%	-	0%	-	0%
Senior Management Service Band C	1	-	0%	-	0%	-	0%
Senior Management Service Band D	-	-	0%	-	0%	-	0%
<b>Total</b>	<b>32</b>	<b>-</b>	<b>0%</b>	<b>1</b>	<b>0%</b>	<b>-</b>	<b>0%</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded, due to the fact that not all employees are automatically absorbed into the new posts and some of the posts 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 2021 and 31 March 2022**

Gender	African	Asian	Coloured	White	Total
Female	1	-	-	-	1
Male	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

Employees with a disability	None
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided for each case.

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Highly skilled supervision (11-12)	1	11	12	Grade progression
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>1</b>
<b>Percentage of total employed</b>				<b>3.13%</b>

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 2021 and 31 March 2022**

Gender	African	Asian	Coloured	White	Total
Female	1	-	-	-	1
Male	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

Employees with a disability	None
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### 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 2021 and 31 March 2022**

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( levels 1-2)	2	-	-	0%
Skilled (levels3-5)	3	-	-	0%
Highly skilled production (levels 6-8)	9	1		10%
Highly skilled supervision (levels 9-12)	7	2		22%
Senior Management Service Bands A	2	-	-	0%
Senior Management Service Bands B	3	-	-	0%
Senior Management Service Bands C	-	-	-	0%
Senior Management Service Bands D	-	-	-	0%
Contracts	2	5	5	0%
<b>Total</b>	<b>28</b>	<b>8</b>	<b>5</b>	<b>10%</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022**

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None	-	-	-	-

The table below identifies the major reasons why staff left the department.



**Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022**

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	-	-
Expiry of contract	2	100%
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	-	-
Transfer to other public service departments	-	-
Other	-	-
<b>Total</b>	<b>2</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>	<b>6%</b>	<b>6%</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022**

Occupation	Employees 1 April 2021	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	-	-	-	-	-



[illegible]



**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022**

Occupational category	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	5	-	-	-	4	-	-	-	9
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	1	-	-	-	3	-	-	-	4
<b>Total</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>30</b>

**Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022**

[illegible]



[illegible][illegible]



**Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022**

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 2021 to 31 March 2022**

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	1	-	-	-	6	-	-	1	8
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	1	-	-	-	3	-	-	-	4
<b>Total</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>30</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>

### 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 below.



**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021**

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	-
Salary level 13	2	2	2	-
<b>Total</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>100%</b>

**Table 3.7.2 Reasons for not concluding performance agreements for all SMS members as on 31 May 2022**

Reasons
Not applicable

**Table 3.7.3 Disciplinary steps taken against SMS members for not concluding performance agreements as on 31 May 2022**

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 2021 to 31 March 2022**

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	4	10	40%	48	12
Female	4	17	24%	45	11
<b>Asian</b>					
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Coloured</b>					
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>White</b>					
Male	1	1	100%	9	9
Female	1	2	50%	7	7
<b>Total</b>	<b>10</b>	<b>30</b>	<b>33%</b>	<b>109</b>	<b>11</b>

**Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022**

Salary band	Beneficiary Profile			Cost		Total
	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%	4	4	0.02%
Skilled (level 3-5)	1	3	33%	6	6	0.03%
Highly skilled production (level 6-8)	2	9	22%	14	7	0.07%
Highly skilled supervision (level 9-12)	4	9	44%	66	17	0.34%
<b>Total</b>	<b>8</b>	<b>23</b>	<b>35%</b>	<b>90</b>	<b>11</b>	<b>0.47%</b>



**Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2021 to 31 March 2022**

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

**Notes****Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022**

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	-	2	-	-	-	-
Band B	2	3	66%	20	10	0.10
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>5</b>	<b>40%</b>	<b>20</b>	<b>10</b>	<b>0.10</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 2021 and 31 March 2022**

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	0%	-	0%	-	0%
Highly skilled production (lev. 6-8)	-	0%	-	0%	-	0%
Highly skilled supervision (lev. 9-12)	-	0%	-	0%	-	0%
Contract (level 9-12)	-	0%	-	0%	-	0%
Contract (level 13-16)	-	0%	-	0%	-	0%
<b>Total</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>



**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022**

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
None	-	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 2021 to 31 December 2021**

Salary band	Total number of 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 Skills (level 1-2)	13	44%	2	15%	7	10
Skilled (levels 3-5)	25	40%	3	12%	8	6
Highly skilled production (levels 6-8)	59	24%	9	15%	7	31
Highly skilled supervision (levels 9 -12)	18	38%	9	50%	2	148
Top and Senior management (levels 13-16)	6	75%	5	83%	1	29
<b>Total</b>	<b>121</b>	<b>23%</b>	<b>28</b>	<b>93%</b>	<b>25</b>	<b>224</b>



**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021**

Salary band	Total number of 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%	-	-
Skilled (levels 3-5)	-	0%	-	0%	-	-
Highly skilled production (levels 6-8)	30	100%	1	100%	1	36
Highly skilled supervision (levels 9-12)	-	0%	-	0%	-	-
Senior management (levels 13-16)	-	0%	-	0%	-	-
<b>Total</b>	<b>30</b>	<b>100%</b>	<b>1</b>	<b>100%</b>	<b>1</b>	<b>36</b>

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 3.10.3 Annual leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total number of days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	38	2	19
Skilled (levels 3-5)	68	3	23
Highly skilled production (levels 6-8)	174	9	19
Highly skilled supervision (levels 9-12)	168	9	19
Senior management (levels 13-16)	161	5	32
<b>Total</b>	<b>609</b>	<b>28</b>	<b>96</b>



**Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total number of 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 2022
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>	-	-	-	-

The following table summarises payments made to employees as a result of leave that was not taken.

**Table 3.10.5 Leave pay-outs for the period 1 April 2021 and 31 March 2022**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	24	1	24
Capped leave pay-outs on termination of service for 2020/21	-	-	-
Current leave payout on termination of service for 2020/21	-	-	-
<b>Total</b>	<b>24</b>	<b>1</b>	<b>24</b>

### 3.11. HIV/AIDS and Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV/AIDS and related diseases (if any)	Key steps taken to reduce the risk
All employees are perceived to be at high risk of contracting HIV/AIDS and related diseases	Voluntary HIV/AIDS and TB testing and screening. Creation of awareness on protection and prevention through distribution of information material



**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.	√		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.	√		No dedicated unit but the functions is part of the Corporate Resource Management.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this programme.	√		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.		√	No employees were identified, the establishment of a committee are 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/AIDS status? If so, list the employment policies/practices so reviewed.	√		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.		√	No employees were identified, the introduction of measures 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.	√		Health screening conducted by GEMS.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		√	



### 3.12. Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022**

Total number of collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022**

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 2021 and 31 March 2022**

Type of misconduct	Number	% of Total
None	-	0%

**Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022**

<b>Number of grievances resolved</b>	-	<b>0%</b>
Number of grievances resolved	-	0%
Number of grievances not resolved	-	0%
<b>Total number of grievances lodged</b>	-	<b>0%</b>



**Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022**

Disputes	Number	% of Total
Number of disputes upheld	-	0%
Number of disputes dismissed	-	0%
<b>Total number of disputes lodged</b>	<b>-</b>	<b>0%</b>

**Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022**

Total number of persons working days lost	-	0%
Total costs working days lost	-	0%
Amount recovered as a result of no work no pay (R'000)	-	0%

**Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022**

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



### 3.13. Skills Development

This section highlights the efforts of the department with regard to skills development.

**Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and 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	-	-	-	-	-
Sub Total	Female	<b>18</b>	-	<b>119</b>	-	<b>119</b>
	Male	<b>10</b>	-	<b>69</b>	-	<b>69</b>
<b>Total</b>		<b>28</b>	-	<b>188</b>	-	<b>188</b>



**Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	3	-	3
	Male	2	-	2	-	2
Professionals	Female	4	-	4	-	4
	Male	5	-	4	-	4
Technicians and associate professionals	Female	7	-	4	-	4
	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		-		-	-
Sub Total	Female	<b>17</b>	-	<b>17</b>	-	<b>17</b>
	Male	<b>11</b>	-	<b>10</b>	-	<b>11</b>
<b>Total</b>		<b>28</b>	-	<b>27</b>	-	<b>28</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 2021 and 31 March 2022**

Nature of injury on duty	Number	% of Total
Required basic medical attention only	-	0%
Temporary Total Disablement	-	0%
Permanent Disablement	-	0%
Fatal	-	0%
Total	-	0%

### 3.15. Utilisation of Consultants

The following tables relate to information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person, or a partnership who, or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
PILIR monthly HRM fees April 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
PILIR monthly HRM fees May 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
Temperature screening and COVID 19 - symptom assessment access control (23 March 2021 to 16 April 2021)	2	17	3 517.85
PILIR monthly HRM fees June 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
Audit and Risk Committee Member for CPSI	1	1	19 727.68



Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Audit and Risk Committee Members for CPSI	3	1	59 261.00
Temperature screening and COVID 19 - symptom assessment access control (19 April 2021 to 31 May 2021)	2	30	5 554.50
Feasibility Study of the CPSI (First tranche)	6	20	147 196.96
PILIR monthly HRM fees July 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
Temperature screening and COVID 19 - symptom assessment access control (1 June 2021 to 30 July 2021)	2	43	7 961.45
Temperature screening and COVID 19 - symptom assessment access control (1 August 2021 to 20 August 2021)	2	29	5 369.35
PILIR monthly HRM fees August 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
PILIR monthly HRM fees September 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
Audit and Risk Committee Member for CPSI	1	1	18 714.00
Audit and Risk Committee Member for CPSI	1	1	26 901.38
Feasibility Study of the CPSI (second tranche)	5	30	147 196.96
Facilitation of the design thinking workshop	1	2	48 000.00
PILIR monthly HRM fees October 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
Implementation of POPIA at the CPSI	1	60	143 807.50
Audit and Risk Committee Member for CPSI	1	1	4 678.50
Audit and Risk Committee Members for CPSI	2	1	11 696.25
Audit and Risk Committee Members for CPSI	2	1	37 428.00
Facilitation of the design thinking workshop	1	2	48 000.00
Facilitation of the design thinking workshop	1	2	48 000.00
Temperature screening and COVID 19 - symptom assessment access control (15 August 2021 to 01 October 2021)	2	12	2 221.80
Appointment of a B-BBEE accredited company	1	16	30 618.75
PILIR monthly HRM fees November 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
Feasibility Study of the CPSI (third tranche)	5	10	163 552.18
Facilitation of the design thinking workshop	1	2	48 000.00
PILIR monthly HRM fees December 2021 based on 26 heads at a unit price of R11.22	1	1	291.72
Implementation of POPIA at the CPSI	1	60	143 807.50



Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Temperature screening and COVID 19 - symptom assessment access control (04 October 2021 to 30 November 2021)	2	42	7 591.15
PILIR monthly HRM fees January 2022 based on 26 heads at a unit price of R8.75	1	1	227.50
PILIR monthly HRM fees February 2022 based on 26 heads at a unit price of R8.75	1	1	227.50
Feasibility Study of the CPSI (third tranche)	5	10	32 711.71
Temperature screening and COVID 19 - symptom assessment access control (01 December 2021 to 31 January 2022)	2	38	7 035.70
Audit and Risk Committee member for CPSI	1	1	18 714.00
Audit and Risk Committee member for CPSI	1	1	18 714.00
PILIR monthly HRM fees March 2022 based on 26 heads at a unit price of R8.75	1	1	227.50
Audit and Risk Committee member for CPSI	1	1	18 714.00
Audit and Risk Committee member for CPSI	1	1	25 107.95
Facilitation of the design thinking workshop	1	2	69 000.00
Sunward Park High School eLearning Solution replication project	6	90	90 000.00
Sunward Park High School eLearning Solution replication project	9	180	850 000.00
Hire of a Master of Ceremonies and DJ during the 2021 CPSI Awards Ceremony	2	1	18 000.00
Hiring of audio-visual technicians and equipment during the 2021 CPSI Awards Ceremony	10	1	409 096.40
Facilitation of the design thinking workshop	1	3	92 000.00
Temperature screening and COVID 19 - symptom assessment access control (1 February 2022 to 28 February)	2	20	3 703.00
Temperature screening and COVID 19 - symptom assessment access control (1 March 2022 to 16 March 2022)	2	12	2 221.80

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
11	102	757	2 837 129



**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Temperature screening and COVID 19 - symptom assessment access control (23 March 2021 to 16 April 2021)	51%	51%	100%
Temperature screening and COVID 19 - symptom assessment access control (19 April 2021 to 31 May 2021)	51%	51%	100%
Feasibility Study of the CPSI (first tranche)	0%	0%	100%
Temperature screening and COVID 19 - symptom assessment access control (1 June 2021 to 30 July 2021)	51%	51%	100%
Temperature screening and COVID 19 - symptom assessment access control (1 August 2021 to 20 August 2021)	51%	51%	100%
Feasibility Study of the CPSI (Second tranche)	0%	0%	100%
Facilitation of the design thinking workshop	100%	100%	100%
Implementation of POPIA at the CPSI	100%	100%	100%
Facilitation of the design thinking workshop	100%	100%	0%
Facilitation of the design thinking workshop	100%	100%	0%
Temperature screening and COVID 19 - symptom assessment access control (15 August 2021 to 01 October 2021)	51%	51%	100%
Appointment of a B-BBEE accredited company	100%	100%	100%
Feasibility Study of the CPSI (third tranche)	0%	0%	100%
Facilitation of the design thinking workshop	100%	100%	0%
Implementation of POPIA at the CPSI	100%	100%	100%
Temperature screening and COVID 19 - symptom assessment access control (04 October 2021 to 30 November 2021)	51%	51%	100%



Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Feasibility Study of the CPSI (third tranche)	0%	0%	100%
Temperature screening and COVID 19 - symptom assessment access control (01 December 2021 to 31 January 2022)	51%	51%	100%
Facilitation of the design thinking workshop	100%	100%	0%
Sunward Park High School eLearning Solution replication project	100%	100%	100%
Sunward Park High School eLearning Solution replication project	100%	100%	100%
Hiring of a Master of Ceremonies and DJ during the 2021 CPSI Awards Ceremony	100%	100%	100%
Hire of audio-visual technicians and equipment during the 2021 CPSI Awards Ceremony	100%	100%	60%
Facilitation of the design thinking workshop	100%	100%	0%
Temperature screening and COVID 19 - symptom assessment access control (1 February 2022 to 28 February)	51%	51%	100%
Temperature screening and COVID 19 - symptom assessment access control (1 March 2022 to 16 March 2022)	51%	51%	100%

**Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2021 and 31 March 2022**

Project title	Total number of consultants that worked on the project	Duration (work days)	Donor and contract value in Rand
-	-	-	-
Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
-	-	-	-



**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	0%	0%	-

### 3.16. Severance Packages

The following tables provide basic information on injury on duty.

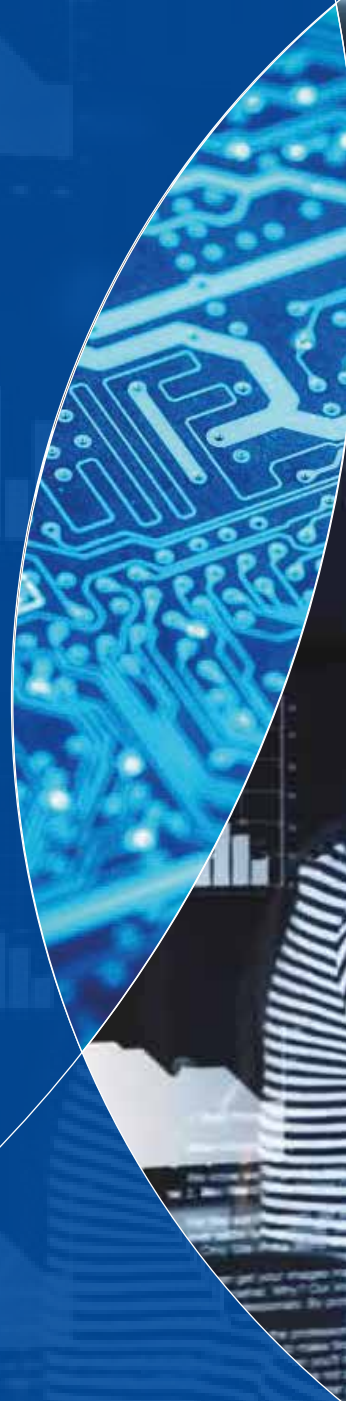
**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the 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>	-	-	-	-





# PART E FINANCIAL INFORMATION









## 1

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE 11: CENTRE FOR PUBLIC SERVICE INNOVATION



## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

1. I have audited the financial statements of the Centre for Public Service Innovation (CPSI) set out on pages 94-130, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Centre of Public Service Innovation as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).



### Basis for opinion

3. 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.

4. 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.

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

### Other matter

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

### Unaudited supplementary schedules

7. The supplementary information set out in **pages 131-132** 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

8. 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.

9. 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

10. My objectives are to obtain reasonable assurance on 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 financial statements.
11. 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

12. 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.
13. 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 included in the planning documents. My procedures do not examine whether the actions taken by the government component enabled service delivery.

My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year, or 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.

14. 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 2022:

Programme	Pages in the annual performance report
<b>Programme 2 – Public Service Innovation</b>	31-38

15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 2 – Public Service Innovation

### Other matter

17. I draw attention to the matter below:



## Achievement of planned targets

18. Refer to the annual performance report on **pages 31-38** for information on the achievement of planned targets for the year and management's explanations provided for the over achievement of targets.

## REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

### Introduction and scope

19. 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.
20. 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

21. 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 programme presented in the annual performance report that have been specifically reported in this auditor's report.
22. 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.

23. 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.

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

## INTERNAL CONTROL DEFICIENCIES

25. 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 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the government components' compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the government component's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based

on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Centre of Public Service Innovation to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a government component to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



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

For the year ended 31 March 2022

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## APPROPRIATION STATEMENT

for the year ended 31 March 2022

### Appropriation per programme

Programme	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	20 149	-	-	20 149	16 963	3 186	84.2%	18 944	13 821
2. Public Sector Innovation	21 304	-	-	21 304	16 817	4 487	78.9%	15 890	13 710
<b>Total</b>	<b>41 453</b>	<b>-</b>	<b>-</b>	<b>41 453</b>	<b>33 780</b>	<b>7 673</b>	<b>81.5%</b>	<b>34 834</b>	<b>27 531</b>
Departmental receipts				6				8	
Aid assistance				-				-	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>41 459</b>				<b>34 842</b>	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>33 780</b>				<b>27 531</b>



## APPROPRIATION STATEMENT

for the year ended 31 March 2022

### Appropriation per economic classification

Programme	2021/22							2020/21	
	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>40 683</b>	<b>(2 287)</b>	<b>-</b>	<b>38 396</b>	<b>31 883</b>	<b>6 513</b>	<b>83.0%</b>	<b>34 596</b>	<b>27 297</b>
Compensation of employees	22 188	-	-	22 188	19 119	3 069	86.2%	22 335	18 158
Goods and services	18 495	(2 287)	-	16 208	12 764	3 444	78.8%	12 261	9 139
<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>1</b>	<b>-</b>
Departmental agencies and accounts	1	-	-	1	-	1	0.0%	1	-
<b>Payments for capital assets</b>	<b>763</b>	<b>2 287</b>	<b>-</b>	<b>3 050</b>	<b>1 892</b>	<b>1 158</b>	<b>62.0%</b>	<b>237</b>	<b>234</b>
Machinery and equipment	424	1 904	-	2 328	1 170	1 158	50.3%	237	234
Software and other intangible assets	339	383	-	722	722	-	100.0%	-	-
<b>Payment for financial assets</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>83.3%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>41 453</b>	<b>-</b>	<b>-</b>	<b>41 453</b>	<b>33 780</b>	<b>7 673</b>	<b>81.5%</b>	<b>34 834</b>	<b>27 531</b>



## APPROPRIATION STATEMENT

for the year ended 31 March 2022

### PROGRAMME 1: ADMINISTRATION

Sub programme	2021/22							2020/21	
	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>1. STRATEGIC MANAGEMENT</b>	3 243	(29)	-	3 214	1 631	1 583	50.7%	3 970	2 262
<b>2. CORPORATE RESOURCE MANAGEMENT</b>	10 895	-	-	10 895	10 089	806	92.6%	8 750	6 263
<b>3. OFFICE OF THE CHIEF FINANCIAL OFFICER</b>	6 011	29	-	6 040	5 243	797	86.8%	6 224	5 296
<b>Total</b>	<b>20 149</b>	<b>-</b>	<b>-</b>	<b>20 149</b>	<b>16 963</b>	<b>3 186</b>	<b>84.2%</b>	<b>18 944</b>	<b>13 821</b>

Economic classification	2021/22							2020/21	
	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>19 445</b>	<b>(1 524)</b>	<b>-</b>	<b>17 921</b>	<b>15 130</b>	<b>2 791</b>	<b>84.4%</b>	<b>18 741</b>	<b>13 621</b>
Compensation of employees	10 774	-	-	10 774	8 520	2 254	79.1%	11 286	7 966
Goods and services	8 671	(1 524)	-	7 147	6 610	537	92.5%	7 455	5 655
<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>1</b>	<b>-</b>
Departmental agencies and accounts	1	-	-	1	-	1	0.0%	1	-
<b>Payments for capital assets</b>	<b>703</b>	<b>1 524</b>	<b>-</b>	<b>2 227</b>	<b>1 833</b>	<b>394</b>	<b>82.3%</b>	<b>202</b>	<b>200</b>
Machinery and equipment	364	1 141	-	1 505	1 111	394	73.8%	202	200
Software and other intangible assets	339	383	-	722	722	-	100.0%	-	-
<b>Total</b>	<b>20 149</b>	<b>-</b>	<b>-</b>	<b>20 149</b>	<b>16 963</b>	<b>3 186</b>	<b>84.2%</b>	<b>18 944</b>	<b>13 821</b>



## APPROPRIATION STATEMENT

for the year ended 31 March 2022

### PROGRAMME 2: PUBLIC SECTOR INNOVATION

Sub programme	2021/22							2020/21	
	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>1. RESEARCH AND DEVELOPMENT</b>	6 607	-	-	6 607	4 602	2 005	69.7%	5 425	4 613
<b>2. SOLUTION SUPPORT AND INCUBATION</b>	5 132	-	-	5 132	4 955	177	96.6%	4 136	3 558
<b>3. ENABLING ENVIRONMENT</b>	9 565	-	-	9 565	7 260	2 305	75.9%	6 329	5 539
<b>Total</b>	<b>21 304</b>	<b>-</b>	<b>-</b>	<b>21 304</b>	<b>16 817</b>	<b>4 487</b>	<b>78.9%</b>	<b>15 890</b>	<b>13 710</b>

Economic classification	2021/22							2020/21	
	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>21 238</b>	<b>(763)</b>	<b>-</b>	<b>20 475</b>	<b>16 753</b>	<b>3 722</b>	<b>81.8%</b>	<b>15 855</b>	<b>13 676</b>
Compensation of employees	11 414	-	-	11 414	10 599	815	92.9%	11 049	10 192
Goods and services	9 824	(763)	-	9 061	6 154	2 907	67.9%	4 806	3 484
<b>Payments for capital assets</b>	<b>60</b>	<b>763</b>	<b>-</b>	<b>823</b>	<b>59</b>	<b>764</b>	<b>7.2%</b>	<b>35</b>	<b>34</b>
Machinery and equipment	60	763	-	823	59	764	7.2%	35	34
<b>Payment for financial assets</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>83.3%</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>21 304</b>	<b>-</b>	<b>-</b>	<b>21 304</b>	<b>16 817</b>	<b>4 487</b>	<b>78.9%</b>	<b>15 890</b>	<b>13 710</b>



## NOTES TO THE APPROPRIATION STATEMENT

### for the year ended 31 March 2022

#### 1. 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.

#### 2. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements (Note 5).

#### 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	20 149	16 963	3 186	15.8%
Public Sector Innovation	21 304	16 817	4 487	21.1%
<b>Total</b>	<b>41 453</b>	<b>33 780</b>	<b>7 673</b>	<b>18.5%</b>

Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current expenditure</b>	<b>38 396</b>	<b>31 883</b>	<b>6 513</b>	<b>17.0%</b>
Compensation of employees	22 188	19 119	3 069	13.8%
Goods and services	16 208	12 764	3 444	21.2%
<b>Transfers and subsidies</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>100.0%</b>
Departmental agencies and accounts	1	-	1	100.0%
<b>Payments for capital assets</b>	<b>3 050</b>	<b>1 892</b>	<b>1 158</b>	<b>38.0%</b>
Machinery and equipment	2 328	1 170	1 158	49.7%
Software and other intangible assets	722	722	-	0.0%
<b>Payments for financial assets</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>16.7%</b>
<b>Total</b>	<b>41 453</b>	<b>33 780</b>	<b>7 673</b>	<b>18.5%</b>



## NOTES TO THE APPROPRIATION STATEMENT

### for the year ended 31 March 2022

The expenditure as at 31 March 2022 amounted to R33.780 million or 81.5 percent against the final appropriation of R41.453 million, resulting in underspending of R7.673 million as detailed below.

**Compensation of Employees:** An amount of R19.119 million (86.2 percent) was spent on Compensation of Employees against the final appropriation of R22.188 million. The underspending of R3.069 million is mainly due to vacant posts in the organisation. The Executive Director and Human Resource Management Officer posts are in the process of being filled. The unspent funds will be surrendered to the National Treasury.

**Goods and Services:** R12.764 million (78.85 percent) was spent on Goods and Services against the final appropriation of R16.208 million. The underspending of R3.444 million is mainly due to the following:

Project stakeholder engagements and design thinking workshops were held online in the first two quarters due COVID-19 travel restrictions, which resulted in underspending on travel and subsistence in those quarters.

The lower than anticipated expenditure for **consumables**, telephone costs, stationery and printing costs due to the COVID-19 lockdown restrictions and most of the activities being conducted online.

Consultancy Services mainly due to the delayed implementation relating to innovative real-time monitoring of service delivery solution for the Department of Home Affairs as well as Risk Management Services.

The Call for Entries for the Annual Public Sector Innovation Awards was hosted online, which resulted in an underspending in **promotional items**.

The unspent funds will be surrendered to the National Treasury.

**Transfers and Subsidies:** No expenditure was incurred for transfers and subsidies during the period under review.

**Purchases for Capital Assets:** An amount of R 1.892 million (62.03 percent) was spent on the Purchases for Capital Assets against the final appropriation of R3.050 million. The underspending of R1.158 million is mainly due to the delayed order of servers and computers subsequent to global shortage. The request to rollover unspent funds to the 2022/23 financial year to finalise the procurement was submitted to National Treasury.



# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

		2021/22	2020/21
	Note	R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	41 453	34 834
Departmental revenue	2	6	8
<b>TOTAL REVENUE</b>		<b>41 459</b>	<b>34 842</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	19 119	18 158
Goods and services	4	12 764	9 139
<b>Total current expenditure</b>		<b>31 883</b>	<b>27 297</b>
<b>Expenditure for capital assets</b>			
Tangible assets	6	1 170	234
Intangible assets	6	722	-
<b>Total expenditure for capital assets</b>		<b>1 892</b>	<b>234</b>
<b>Payments for financial assets</b>	5	5	-
<b>TOTAL EXPENDITURE</b>		<b>33 780</b>	<b>27 531</b>
<b>SURPLUS FOR THE YEAR</b>		<b>7 679</b>	<b>7 311</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds		7 673	7 303
Annual appropriation		7 673	7 303
Departmental revenue and NRF Receipts	11	6	8
<b>SURPLUS FOR THE YEAR</b>		<b>7 679</b>	<b>7 311</b>



## STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2022

		2021/22	2020/21
	Note	R'000	R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>7 676</b>	<b>7 356</b>
Cash and cash equivalents	7	7 617	7 263
Prepayments and advances	8	22	-
Receivables	9	37	93
<b>TOTAL ASSETS</b>		<b>7 676</b>	<b>7 356</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>7 676</b>	<b>7 356</b>
Voted funds to be surrendered to the Revenue Fund	10	7 673	7 303
Payables	12	3	53
<b>TOTAL LIABILITIES</b>		<b>7 676</b>	<b>7 356</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 2022

NET ASSETS	Note	2021/22	2020/21
		R'000	R'000
<b>Capitalisation Reserves</b>			
Opening balance		-	-
<b>Closing balance</b>		-	-
<b>Recoverable revenue</b>			
Opening balance		-	-
<b>Closing balance</b>		-	-
<b>Retained funds</b>			
Opening balance		-	-
<b>Closing balance</b>		-	-
<b>Revaluation Reserves</b>			
Opening balance		-	-
<b>Closing balance</b>		-	-
<b>TOTAL</b>		-	-



## CASH FLOW STATEMENT

### for the year ended 31 March 2022

		2021/22	2020/21
	Note	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>41 459</b>	<b>34 842</b>
Annual appropriated funds received	1	41 453	34 834
Departmental revenue received	2	6	8
Net decrease/ (increase) in working capital		(16)	84
Surrendered to Revenue Fund		(7 309)	(8 589)
Current payments		(31 883)	(27 297)
Payments for financial assets		(5)	-
<b>Net cash flow available from operating activities</b>	13	<b>2 246</b>	<b>(960)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	6	(1 892)	(234)
<b>Net cash flows from investing activities</b>		<b>(1 892)</b>	<b>(234)</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		354	(1 194)
Cash and cash equivalents at beginning of period		7 263	8 457
<b>Cash and cash equivalents at end of period</b>	14	<b>7 617</b>	<b>7 263</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

#### Summary of significant accounting policies

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

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

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

1.	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
3.	<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.
4.	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	<b>Comparative information</b>
5.1.	<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.
5.2.	<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.
6.	<b>Revenue</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

<b>6.1.</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>
<b>6.2.</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.</b>	<b>Expenditure</b>
<b>7.1.</b>	<b>Compensation of employees</b>
<b>7.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognized in the statement of financial performance on the date of payment.</p>
<b>7.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognized in the statement of financial performance on the date of payment.</p> <p>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.</p>
<b>7.2.</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognized 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 capitalization threshold.</p>
<b>7.3.</b>	<p><b>Accruals and payables not recognized</b></p> <p>Accruals and payables not recognized are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>7.4.</b>	<b>Leases</b>
<b>7.4.1.</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognized as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

<b>7.4.2.</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognized as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <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>
<b>8.</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>9.</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognized 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 recognized 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>10.</b>	<p><b>Financial assets</b></p>
<b>10.1.</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognized 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 recognized 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 2022

<b>11.</b>	<p><b>Receivables</b></p> <p>Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<b>12.</b>	<p><b>Payables</b></p> <p>Payables recognized in the statement of financial position are recognized at cost.</p>
<b>13.</b>	<p><b>Capital Assets</b></p>
<b>13.1.</b>	<p><b>Immovable capital assets</b></p> <p>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.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>13.2.</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

<b>13.3.</b>	<p><b>Intangible assets</b></p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>14.</b>	<b>Provisions and Contingents</b>
<b>14.1.</b>	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<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>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

<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>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</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 recognized and provisions) is recorded in the Employee benefits note.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</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 and, sanitizers bought by the department for use by individuals at its premises.</p>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

#### 1. Annual Appropriation

Programmes	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	20 149	20 149	-	18 944	18 944	-
Public Sector Innovation	21 304	21 304	-	15 890	15 890	-
<b>Total</b>	<b>41 453</b>	<b>41 453</b>	<b>-</b>	<b>34 834</b>	<b>34 834</b>	<b>-</b>

#### 2. Departmental revenue

	Note	2021/22 R'000	2020/21 R'000
Sales of goods and services other than capital assets	2.1	4	5
Transactions in financial assets and liabilities	2.2	2	3
<b>Departmental revenue collected</b>		<b>6</b>	<b>8</b>

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

Sales of goods and services produced by the department	2	4	5
Other sales		4	5
<b>Total</b>		<b>4</b>	<b>5</b>

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

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

Departmental receipts were generated from the commission on insurance. 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 2022

	2021/22	2020/21
Note	R'000	R'000

#### 2.3. Donations received in kind (not included in the main note) (Treasury Regulation 21.2.4)

Government Employees Medical Scheme	Annexure 1 (A)	150	55
Ikasi Solutions	Annexure 1 (A)	10	-
PURA Beverage Company	Annexure 1 (A)	15	-
<b>Total</b>		<b>175</b>	<b>55</b>

2021/22 - Departmental receipts for the financial year were generated from the commission on insurance. Due to the nature of the activities undertaken by the Organisation, the core function of the CPSI is not to collect revenue.

Donations in kind were restated from 2020/21 from the note Aid Assistance according to the amendment in the disclosure

2020/21 - A staff debt was identified in the previous financial year and the selling of old printer cartridges. These transactions are not recurrent.

### 3. Compensation of employees

#### 3.1. Salaries and Wages

Basic salary	12 252	11 891
Performance award	110	146
Service Based	45	43
Compensative/circumstantial	102	112
Other non-pensionable allowances	4 497	3 905
<b>Total</b>	<b>17 006</b>	<b>16 097</b>

#### 3.2. Social Contributions Employer contributions

Pension	1 474	1 436
Medical	636	622
Bargaining council	3	3
<b>Total</b>	<b>2 113</b>	<b>2 061</b>

<b>Total compensation of employees</b>	<b>19 119</b>	<b>18 158</b>
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Average number of employees	28	27
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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

		2021/22	2020/21
	Note	R'000	R'000
<b>4. Goods and services</b>			
Administrative fees		85	34
Advertising		1 077	229
Minor assets	4.1	122	34
Catering		12	77
Communication		280	353
Computer services	4.2	1 461	1 136
Consultants: Business and advisory services		2 012	2 131
Contractors		825	497
Audit cost – external	4.3	1 154	1 345
Consumables	4.4	1 717	988
Operating leases		2 027	1 277
Property payments	4.5	1	6
Travel and subsistence	4.6	937	154
Venues and facilities		655	208
Training and development		287	69
Other operating expenditure	4.7	112	601
<b>Total</b>		<b>12 764</b>	<b>9 139</b>
<b>4.1. Minor assets</b>	4		
<b>Tangible assets</b>		<b>122</b>	<b>34</b>
Machinery and equipment		122	34
<b>Total</b>		<b>122</b>	<b>34</b>
<b>4.2. Computer services</b>	4		
SITA computer services		345	377
External computer service providers		1 116	759
<b>Total</b>		<b>1 461</b>	<b>1 136</b>
<b>4.3. Audit cost – External</b>	4		
Regularity audits		1 154	1 345
<b>Total</b>		<b>1 154</b>	<b>1 345</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

		2021/22	2020/21
	Note	R'000	R'000
<b>4.4. Consumables</b>	4		
Consumable supplies		1 297	808
Household supplies		100	164
IT consumables		85	20
Other consumables		1 112	624
Stationery, printing and office supplies		420	180
<b>Total</b>		<b>1 717</b>	<b>988</b>
<b>4.5. Property payments</b>	4		
Municipal services		1	-
Other		-	6
<b>Total</b>		<b>1</b>	<b>6</b>
<b>4.6. Travel and subsistence</b>	4		
Local		721	154
Foreign		216	-
<b>Total</b>		<b>937</b>	<b>154</b>
<b>4.7. Other operating expenditure</b>	4		
Other		112	601
<b>Total</b>		<b>112</b>	<b>601</b>
<b>4.8. Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)</b> <b>[Treasury Regulation 20.2.4]</b>			
Audit and Risk Committee	4	260	359
<b>Total</b>		<b>260</b>	<b>359</b>

Payments were made to six members during the financial year. Two members' served on the committee for the full financial year, two members' contracts ended 30 September 2021 and two new members were appointed in March 2022.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

Item	Explainer Notes
• <b>Administrative fees:</b>	The expenditure relates to bank charges and travel management fees. The increase was mainly related to travel management fees, which were higher in 2021/22 than in 2020/21 due to restricted and reduced travelling in the previous year.
• <b>Advertising:</b>	<p>2021/22 expenditure relates to the procurement of promotional mugs, ball pens, t-shirts, water bottles, memory sticks bags, lunch boxes and branded hoodies. The advertisement of the vacant Executive Director's post in national newspapers further increased expenditure in 2021/22.</p> <p>Procurement for 2020/21 includes notebooks, pens, corporate tumblers, Bluetooth speakers and lanyards.</p>
• <b>Minor assets:</b>	The procurement of new telephone handsets mainly contributed to increased expenditure in 2021/22. The procurement includes items such as keyboards, headphone, monitors, usb external and DVD drives. These items are not recurring procurement and expenditure will differ from year to year.
• <b>Catering:</b>	The expenditure for 2021/22 relates to the 2021 Awards ceremony. The expenditure for 2020/21 relates to the Innovation workshop and the 2020 Awards ceremony.
• <b>Communication:</b>	Communication expenditure relates to the approved communication allowances to staff working from home during the National Lockdown period. The communication allowances were reduced with the relaxation of the National Lockdown restrictions.
• <b>Computer services:</b>	The increase in 2021/22 is mainly because of the finalization of the revamping of the CPSI's website, the increase of the annual payment for SCM suppliers' system (Iqual) and antivirus support. Usages of the transversal systems determine SITA cost and payment for the use of Microsoft licenses.
• <b>Consultants: Business and advisory services:</b>	2021/22 expenditure related to ARC members (R260 000), the appointment of a B-BBEE accredited company (R30 000), the feasibility study conducted by WITS of the CPSI (R491 000) and the eLearning replication projects (R940 000). 2020/21 expenditure mainly relates to the second phase of the Home Affairs projects (R1,006), Risk Management contract (R484 000), ARC members (R358 000) and B-BBEE certificate (R29 000).
• <b>Contractors:</b>	Expenditure for 2021/22 includes the Wellness Company performing Covid-19 pre-screening services (R46 000), facilitating design thinking workshops (R353 000), including hiring audio-visual technicians and equipment, MC and DJ. (R491 000). Expenditure for 2020/21 includes the Wellness Company performing Covid-19 pre-screening services (R34 000) and Facilitation of the Innovation Workshops (R86 000). Audio Visual and DJ for Awards Programme (R244 000).



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

Item	Explainer Notes
• <b>Audit cost – external:</b>	The expenditure relates to the Audit cost of the 2021/22 and 2020/21 financial statements, which was in line with the audit strategy.
• <b>Consumables:</b>	Expenditure for 2021/22 includes printing paper, stationery replacements, and gifts and awards. Gifts and awards include the procurement of trophies and prize money to award winners for the 2021 CPSI Awards and the procurement of replication project goods. Expenditure for 2020/21 includes procuring cleaning materials and papers for use in the new premises and COVID 19 PPE procurement.
• <b>Operating leases:</b>	Four quarterly accommodation lease payments were paid to DPSA for 2021/22. Lease payment for 1 August 2020 to 31 March 2021 (i.e. 8 months) for 2020/21.
• <b>Property payments:</b>	Expenditure in 2021/22 relates to the previous accommodation premises' electricity account from DPWI. Expenditure included in 2020/21 relating to the disinfection of the building in preparation for the return to work for employees during lockdown level 3.
• <b>Travel and subsistence:</b>	The 2021/22 expenditure increased significantly due to the easing of National Lockdown restrictions and the expenditure also included foreign travelling of two employees. Expenditure for 2020/21 includes the payments for travelling done late in March 2020 and project-related travelling from November 2020.
• <b>Venues and facilities:</b>	The expenditure for 2021/22 relates to the Finalist workshop, hackathons, security cluster meetings, adjudication workshops and the 2021 CPSI Awards venue. The expenditure on venues and facilities was significantly lower during the 2020/21 financial year due to the virtual Conference. The venue cost for the Awards Programme amounted to R208 000 in 2020/21.
• <b>Training and development</b>	Organisational training on COVID was done in the 1st Quarter (27 employees). Training for Security officers was done on interpersonal relationships. Bid committee training was provided to members and secretaries. IT, business analysis and executive assistant training cost for employees were incurred. The CPSI's middle management attended the NSG advanced management course in 2020/21. Training cost incurred for 7 employees in 2020/21.
• <b>Other operating expenditure</b>	Expenditure for 2021/22 relates to copy charges and the printing of the Annual Report. The 2020/21 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.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

		2021/22	2020/21
	Note	R'000	R'000
<b>5. Payments for financial assets</b>			
Debts written off	5.1	5	-
<b>Total</b>		<b>5</b>	<b>-</b>
<b>Debts written off</b>			
Damage vehicle written - off	5	5	-
<b>Total debt written off</b>		<b>5</b>	<b>-</b>

One debt of an employee was written off in 2021/22. No negligence by the employee could be proven when the damages to the hired vehicle were incurred and the debt was written off in terms of the requirements of the Treasury Regulations.

		2021/22	2020/21
	Note	R'000	R'000
<b>6. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>1 170</b>	<b>234</b>
Machinery and equipment	23	1 170	234
<b>Intangible assets</b>		<b>722</b>	<b>-</b>
Software	24	722	-
<b>Total</b>		<b>1 892</b>	<b>234</b>

#### 6.1. Analysis of funds utilized to acquire capital assets – 2021/22

	Voted Funds	Aid assistance	TOTAL
<b>Tangible assets</b>	<b>1 170</b>	<b>-</b>	<b>1 170</b>
Machinery and equipment	1 170	-	1 170
<b>Intangible assets</b>	<b>722</b>	<b>-</b>	<b>722</b>
Software	722	-	722
<b>Total</b>	<b>1 892</b>	<b>-</b>	<b>1 892</b>

#### 6.2. Analysis of funds utilized to acquire capital assets – 2020/21

<b>Tangible assets</b>	<b>234</b>	<b>-</b>	<b>234</b>
Machinery and equipment	234	-	234
<b>Total</b>	<b>234</b>	<b>-</b>	<b>234</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

	2021/22	2020/21
Note	R'000	R'000

#### 6.3. Finance lease expenditure included in Expenditure for capital assets

##### Tangible assets

Machinery and equipment	94	87
<b>Total</b>	<b>94</b>	<b>87</b>

Expenditure in 2021/22 was mainly for the procurement of software (R722 000), 18 Laptops (R720 000), Security equipment (R261 000), Scanners (R23 000), Office furniture (R15 000), Tablets (R20 000) and the capital cost of the finance leases for the photocopier machines (R94 000). Expenditure in 2020/21 was for the procurement of table screens and one laptop. Monthly reconciliations are performed to ensure that information on the Asset Registers and the actual expenditure is aligned.

#### 7. Cash and cash equivalents

Consolidated Paymaster General Account	7 607	7 253
Cash on hand	10	10
<b>Total</b>	<b>7 617</b>	<b>7 263</b>

#### 8. Prepayments and advances

Travel and subsistence	22	-
<b>Total</b>	<b>22</b>	<b>-</b>

Two travel and subsistence advances were issued to employees travelling aboard; the advances were reconciled in May 2022.

#### Prepayments (Expensed)

	Balance as at 1 April 2021	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	29	(370)	-	920	579
Capital assets	17	(99)	-	722	640
<b>Total</b>	<b>46</b>	<b>(469)</b>	<b>-</b>	<b>1 642</b>	<b>1 219</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	Balance as at 1 April 2021	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	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>

The 2021/22 prepayments increased due to the procurement of software licenses that will be expensed over a 12, 24 or 36-month period. Prepayments (expensed) to suppliers are made from appropriated funds and recognized from the first day of the following month, of which the payments were processed for the duration of the prepaid good or services.

### 9. Receivables

	Note	2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	9.1	30	-	<b>30</b>	49	-	<b>49</b>
Recoverable expenditure	9.2	7	-	<b>7</b>	28	-	<b>28</b>
Staff debt	9.3	-	-	-	16	-	<b>16</b>
<b>Total</b>		<b>37</b>	<b>-</b>	<b>37</b>	<b>93</b>	<b>-</b>	<b>93</b>

#### 9.1. Claims Recoverable

	Note	2021/22 R'000	2020/21 R'000
National departments	Annexure 2	30	49
<b>Total</b>		<b>30</b>	<b>49</b>

#### 9.2. Recoverable expenditure

	9	2021/22 R'000	2020/21 R'000
Damages to rented vehicles		-	6
SARS reversals of over deductions		7	22
<b>Total</b>		<b>7</b>	<b>28</b>

#### 9.3. Staff debts

	9	2021/22 R'000	2020/21 R'000
Salary debts		-	16
<b>Total</b>		<b>-</b>	<b>16</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

Claims recoverable: 2020/21 - Salary claim to the Department of Science and Development – Claim was settled in April 2021. 2020/21 – Departmental claim to the Department of Public Service and Administration – Claim was settled in April 2022.

Recoverable expenditure in 2021/22 includes a recoverable amount from SARS (R7 000)

		2021/22	2020/21
	Note	R'000	R'000
<b>10. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		7 303	8 581
Transfer from statement of financial performance (as restated)		7 673	7 303
Paid during the year		(7 303)	(8 581)
<b>Closing balance</b>		<b>7 673</b>	<b>7 303</b>
<b>11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Transfer from Statement of Financial Performance (as restated)		6	8
Paid during the year		(6)	(8)
<b>Closing balance</b>		<b>-</b>	<b>-</b>
<b>12. Payables – current</b>			
Clearing accounts	12.1	3	53
<b>Total</b>		<b>3</b>	<b>53</b>
<b>12.1. Clearing accounts</b>			
Salaries: Income Tax		2	48
Salaries: Pension		1	5
<b>Total</b>		<b>3</b>	<b>53</b>
<b>13. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		7 679	7 311
Add back non cash/cash movements not deemed operating activities		(5 433)	(8 271)
Decrease in receivables		56	74
Decrease in prepayments and advances		(22)	-
Increase/(decrease) in payables – current		(50)	10
Expenditure on capital assets		1 892	234
Surrenders to Revenue Fund		(7 309)	(8 589)
<b>Net cash flow generated by operating activities</b>		<b>2 246</b>	<b>(960)</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

		2021/22	2020/21
	Note	R'000	R'000
<b>14. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		7 607	7 253
Cash on hand		10	10
<b>Total</b>		<b>7 617</b>	<b>7 263</b>
<b>15. Capital Commitments</b>			
Machinery and equipment		1 097	71
<b>Total</b>		<b>1 097</b>	<b>71</b>

Orders for computers, notebooks, printers, scanners, overhead projectors and servers were placed in February 2022, but the suppliers could not deliver the goods by 31 March 2022. An order amounting to R41,964.75 included in the disclosure amount was subsequently cancelled after the reporting date, as the contracted supplier could not deliver the ordered goods

## 16. Accruals and payables not recognized

### 16.1. Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	71	22	93	30
<b>Total</b>	<b>71</b>	<b>22</b>	<b>93</b>	<b>30</b>

		2021/22	2020/21
	Note	R'000	R'000
<b>Listed by programme level</b>			
Administration		26	20
Public Sector Innovation		67	10
<b>Total</b>		<b>93</b>	<b>30</b>

The 2021/22 accruals include photocopier rental and charges, catering, cell phone and telephone costs, travel and subsistence cost and courier services. The accruals are unique to each financial year, depending on the type of expenditure and the date of receipt of the invoices.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

	2021/22	2020/21
Note	R'000	R'000
<b>17. Employee benefits</b>		
Leave entitlement	920	838
Service bonus	590	567
Performance awards	-	91
Capped leave	77	75
Other	-	22
<b>Total</b>	<b>1 587</b>	<b>1 593</b>

No negative leave entitlement amounts are included in the disclosure relating to vacation leave taken in advance by employees.

## 18. Lease commitments

### 18.1. Operating leases

2021/22	Specialized 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	-	-	2 138	-	<b>2 138</b>
Later than 1 year and not later than 5 years	-	-	4 623	-	<b>4 623</b>
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>6 761</b>	<b>-</b>	<b>6 761</b>

The CPSI occupy office space at DPSA at cost as per the lease agreement between DPSA and DPWI. The CPSI is currently in discussion with DPWI to secure alternative office space, but no formal contracts are in place on the date of reporting.

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



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

### 18.2. Finance leases

2021/22	Specialized 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	-	-	-	78	78
<b>Total lease commitments</b>	-	-	-	78	78

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

There is one contract in place to hire two photocopiers machined, ending March 2023.

	2021/22	2020/21
Note	R'000	R'000

### 19. Irregular expenditure

#### 19.1. Reconciliation of irregular expenditure

Opening balance		750	775
Less: Prior year amounts condoned	19.2	(687)	(25)
<b>Closing balance</b>		<b>63</b>	<b>750</b>

#### Analysis of closing balances

Prior years		63	750
<b>Total</b>		<b>63</b>	<b>750</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

#### 19.2. Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	R'000
Invoice paid for partially received goods (Double Sunbeam).	Office of the Accounting General (National Treasury)	133
Extension of XDSL contract in excess of prescribed threshold.	Office of the Chief Procurement Officer (National Treasury)	30
Extension of travel contract in excess of prescribed threshold.	Office of the Chief Procurement Officer (National Treasury)	112
Contract award to service provider whose quotation was received after the closure of proposals.	Office of the Chief Procurement Officer (National Treasury)	60
Procurement of consulting services without applying provisions of the PPPFA.	Office of the Chief Procurement Officer (National Treasury)	350
Extension of the security service contract in excess of the prescribed threshold	Office of the Chief Procurement Officer (National Treasury)	2
<b>Total</b>		<b>687</b>

#### Details of irregular expenditure not condoned (not removed from register)

Incident	Condoned by (relevant authority)	R'000
The procurement of furniture without adhering to local production and content requirements (KEVCON).	Office of the Chief Procurement Officer (National Treasury)	63

	2021/22	2020/21
Note	R'000	R'000

#### 20. Fruitless and wasteful expenditure

##### Reconciliation of fruitless and wasteful expenditure

Opening balance		14	14
Less: Amounts written off	20.1	(8)	-
<b>Closing balance</b>		<b>6</b>	<b>14</b>

##### 20.1. Details of fruitless and wasteful expenditure written off

Incident	R'000
Claim was waived in terms of Treasury Regulations 12.7.3 as read with 12.2.1	8
<b>Total</b>	<b>8</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

#### 21. Related party transactions

	2021/22	2020/21
Note	R'000	R'000
<b>In kind goods and services provided/received</b>		
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 CPSI employee wellness services and 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 and legal services.	-	-
DPSA provides CPSI with office accommodation and store rooms in the Batho Pele House building. The DPSA recovers a pro-rata amount for building lease from CPSI as indicated in the building lease with the Department of Public Works and Infrastructure.	-	-
DPSA provides the CPSI with frontline receptions services, access security and after hours security services in the Batho Pele House building.	-	-
CPSI utilizes the DPSA's networks infrastructure installed in the Agrivaal/Batho Pele Building and server room on 5th Floor.	-	-
<b>Total</b>	<b>-</b>	<b>-</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 Office of the Public Service Commission (OPSC), 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 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 2022

### 22. Key Management personnel

		2021/22	2020/21
	No. of individuals	R'000	R'000
Executive Director	1	1 705	1 682
Executive Management	3	4 155	4 008
<b>Total</b>		<b>5 860</b>	<b>5 690</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 the post is filled.*



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

#### 23. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2022

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>Machinery And Equipment</b>	<b>7 336</b>	-	<b>1 076</b>	<b>(1 046)</b>	<b>7 366</b>
Computer equipment	2 120	-	1 024	(338)	2 806
Furniture and office equipment	3 183	-	23	(304)	2 902
Other machinery and equipment	2 033	-	29	(404)	1 658
<b>Total Movable Tangible Capital Assets</b>	<b>7 336</b>	-	<b>1 076</b>	<b>(1 046)</b>	<b>7 366</b>

#### Movable Tangible Capital Assets under investigation

	Number	Value	R'000
Machinery and equipment	4		68

Incident 1 and 2: Assets were lost by former officials and are currently under investigation to determine possible negligence from employees.  
Incident 3 and 4: Assets were stolen during an unlawful entry at the DPSA reception area, the case is currently under investigation by SAPS.

#### 23.1. Movement for 2020/21

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

	Opening balance	Prior period error	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>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

### 23.2. Minor assets

#### Movement in Minor Assets Per the Asset Register for The Year Ended 31 March 2022

	Specialized military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	1 014	-	1 014
Additions	-	-	-	67	-	67
Disposals	-	-	-	(95)	-	(95)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>986</b>	<b>-</b>	<b>986</b>

	Specialized military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of minor assets at cost	-	-	-	542	-	542
<b>Total Number Of Minor Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>542</b>	<b>-</b>	<b>542</b>

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

	Specialized military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	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>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	Specialized military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
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>

### 24. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 March 2022

	Opening balance		Additions	Disposals	Closing balance
	R'000		R'000	R'000	R'000
Software	684		722	(417)	989
<b>Total Intangible Capital Assets</b>	<b>684</b>		<b>722</b>	<b>(417)</b>	<b>989</b>

#### 24.1 Movement for 2020/21

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

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



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

#### 25. 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.

#### 26. COVID 19 Response Expenditure

	2021/22	2020/21
Note	R'000	R'000
Goods and services	Annexure 3 91	398
Expenditure for capital assets	Annexure 3 -	114
<b>Total</b>	<b>91</b>	<b>512</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2022

#### ANNEXURE 1A

##### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name Of Organisation	Nature Of Gift, Donation Or Sponsorship	2021/22	2020/21
Received in kind		R'000	R'000
Government Employees Medical Scheme	Sponsorship towards the GEMS Health Award category in the Annual CPSI Public Sector Innovation Awards Programme	150	55
Ikasi Solutions	Sponsorship towards the Annual CPSI Public Sector Innovation Awards Programme	10	-
PURA Beverage Company	Sponsorship towards the Annual CPSI Public Sector Innovation Awards Programme	15	-
<b>TOTAL</b>		<b>175</b>	<b>55</b>

#### ANNEXURE 2

##### CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year-end 31/03/2021*	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	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
Department of Public Service and Administration	30	49	-	-	30	49	-	-
<b>Total</b>	<b>30</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>49</b>		<b>-</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

### ANNEXURE 3

#### COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	Apr-21	May-21	Jun-21	Subtotal	Jul-21	Aug-21	Sep-21	Subtotal Q2	Oct-21	Nov-21	Dec-21	Subtotal Q3	Jan-22	Feb-22	Mar-22	Subtotal Q4	TOTAL 2021/22	TOTAL 2020/21
				Q1														
	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>	<b>4</b>	<b>7</b>	<b>10</b>	<b>21</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>29</b>	<b>7</b>	<b>3</b>	<b>12</b>	<b>22</b>	<b>2</b>	<b>9</b>	<b>8</b>	<b>19</b>	<b>91</b>	<b>398</b>
Cons supplies	-	-	-	-	2	-	-	2	1	-	-	1	-	-	-	-	3	171
Contractors	-	3	6	9	-	-	5	5	2	-	8	10	-	7	6	13	37	32
Consumables: printing and office supplier	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Property payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6
Minor assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10
Communication	4	4	4	12	6	8	8	22	4	3	4	11	2	2	2	6	51	67
Computer services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109
<b>EXPENDITURE FOR CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>
Capital assets - office furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	<b>4</b>	<b>7</b>	<b>10</b>	<b>21</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>29</b>	<b>7</b>	<b>3</b>	<b>12</b>	<b>22</b>	<b>2</b>	<b>9</b>	<b>8</b>	<b>19</b>	<b>91</b>	<b>512</b>



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**RP323/2022**

**ISBN:** 978-0-621-50706-5



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

