



**the cpsi**

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



# ***CENTRE FOR PUBLIC SERVICE INNOVATION***

## ***ANNUAL REPORT 2018/2019 FINANCIAL YEAR***

## TABLE OF CONTENTS

<b>PART A: GENERAL INFORMATION</b> .....	<b>4</b>
1. DEPARTMENT'S GENERAL INFORMATION.....	5
2. LIST OF ABBREVIATIONS/ACRONYMS .....	6
3. FOREWORD BY THE MINISTER.....	8
4. DEPUTY MINISTER'S STATEMENT .....	10
5. REPORT OF THE ACCOUNTING OFFICER.....	12
6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT .....	20
7. STRATEGIC OVERVIEW .....	21
7.1. Vision.....	21
7.2. Mission .....	21
7.3. Values.....	21
8. LEGISLATIVE AND OTHER MANDATES.....	22
9. ORGANISATIONAL STRUCTURE .....	23
10. ENTITIES REPORTING TO THE MINISTER.....	23
<b>PART B: PERFORMANCE INFORMATION</b> .....	<b>24</b>
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES .....	25
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE.....	25
2.1 Service Delivery Environment .....	25
2.2 Service Delivery Improvement Plan .....	26
2.3 Organisational environment .....	30
2.4 Key policy developments and legislative changes.....	30
3. STRATEGIC OUTCOME ORIENTED GOAL .....	31
4. PERFORMANCE INFORMATION BY PROGRAMME .....	32
4.1 Programme 1: Administration.....	32
4.2 Programme 2: Public Sector Innovation .....	37
5. TRANSFER PAYMENTS .....	52
6. CONDITIONAL GRANTS.....	53
7. DONOR FUNDS .....	53
7.1. Donor Funds Received .....	53
8. CAPITAL INVESTMENT .....	55

<b>PART C: GOVERNANCE .....</b>	<b>56</b>
<b>1. INTRODUCTION .....</b>	<b>57</b>
2. RISK MANAGEMENT .....	57
3. FRAUD AND CORRUPTION .....	57
4. MINIMISING CONFLICT OF INTEREST.....	58
5. CODE OF CONDUCT .....	58
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES .....	59
7. PORTFOLIO COMMITTEES.....	59
8. SCOPA RESOLUTIONS.....	59
9. PRIOR MODIFICATIONS TO AUDIT REPORTS.....	59
10. INTERNAL CONTROL UNIT.....	60
11. INTERNAL AUDIT AND AUDIT COMMITTEES.....	60
12. AUDIT AND RISK COMMITTEE REPORT.....	60
<b>PART D: HUMAN RESOURCE MANAGEMENT .....</b>	<b>64</b>
1. INTRODUCTION .....	65
2. OVERVIEW OF HUMAN RESOURCES .....	65
<b>PART E: FINANCIAL INFORMATION .....</b>	<b>86</b>
1. REPORT OF THE AUDITOR GENERAL .....	87
2. ANNUAL FINANCIAL STATEMENTS.....	91

# PART A: GENERAL INFORMATION

---

**1. GENERAL INFORMATION**

**GOVERNMENT DEPARTMENT:** CENTRE FOR PUBLIC SERVICE INNOVATION

**PHYSICAL ADDRESS:** Batho Pele House  
546 Edmond Street  
Arcadia  
Pretoria  
South Africa

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

**TELEPHONE NUMBER/S:** +27 12 683 2800

**FAX NUMBER:** +27 12 643 0943

**EMAIL ADDRESS:** [info@cpsi.co.za](mailto:info@cpsi.co.za)

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

**TWITTER:** @CPSI\_SA

**SKYPE:** CPSINNOV8

**FACEBOOK:** [@official.cpsi](https://www.facebook.com/official.cpsi)

**PLUS CODE:** 7653+RX PRETORIA

## LIST OF ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
AAPAM	African Association for Public Administration and Management
AAPSIA	All Africa Public Sector Innovation Awards
AGSA	Auditor-General of South Africa
ANC	African National Congress
AoPI	Audit of Performance Information
APRM	African Peer Review Mechanism
APSD	Africa Public Service Day
AU	African Union
CAPAM	Common Wealth Association of Public Administration and Management
CD	Chief Director
CEPA	Committee of Experts in Public Administration
CFO	Chief Financial Officer
CHBH	Chris Hani Baragwanath Hospital
CP	Cerebral Palsy
CPF	Community Policing Forum
CPSI	Centre for Public Service Innovation
DIRCO	Department of International Relations and Cooperation
DoH	Department of Health
DoT	Department of Transport
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
Dti	Department of Trade and Industry
ECSECC	Eastern Cape Socio-Economic Consultative Council
EU	European Union
GCPSE	Global Centre for Public Service Excellence
GEMS	Government Employees Medical Scheme
GEPF	Government Employees Pension Fund
HDI	Historically disadvantaged individual
HLPF	High Level Political Forum
HRM	Health Risk Manager
ICT	Information and Communication Technology
IESBA	International Ethics Standards Board for Accountants
ISA	International Standards on Auditing
MCS	Modified Cash Standard
MMIC	Multi-media Innovation Centre
MP	Member of Parliament
MPSA	Minister for the Public Service and Administration
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NESTA	National Endowment for Science, Technology and the Arts
NGO	Non-governmental Organisation

NPO	Non-profit Organisation
NQF	National Qualification Framework
NSG	National School of Government
NSI	National System for Innovation
OAG	Office of the Account-General
OECD	Organisation for Economic Co-operation and Development
OGP	Open Government Partnership
OPSC	Office of the Public Service Commission
OPSI	Observatory of Public Sector Innovation
PAA	Public Audit Act of South Africa
PERSAL	Public Service Salary Payment System
PFMA	Public Finance Management Act
PHC	Primary Health Care
PILIR	Policy and Procedure on Incapacity Leave and Ill Health Retirement
PMDS	Performance Management and Development System
PPP	Public-private Partnership
PSC	Public Service Commission
PSCBC	Public Service Co-Ordinating Bargaining Council
RDP	Reconstruction Development Programme
SADC	Southern African Development Community
SAHRC	South African Human Rights Commission
SALGA	South African Local Government Association
SAPS	South African Police Service
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SITA	State Information Technology Agency
SMME	Small, Medium and Micro-sized Enterprise
SMS	Senior Management Service
SONA	State of the Nation Address
TIA	Technology Innovation Agency
TR	Treasury Regulations
UN	United Nations
UNDP	United Nations Development Programme
UNPAN	United Nations Public Administration Network
VUCA	Volatility, Uncertainty, Complexity and Ambiguity

## 2. FOREWORD BY THE MINISTER



The three key hallmarks of a successful modern-day government are: good governance, sound administration and quality delivery of essential services to all citizens. As a key enabler of such a government, public service must be well-configured and sufficiently resourced to ensure that it functions at optimal capacity.

In his maiden State of the Nation Address (SONA) in 2018, President Cyril Ramaphosa said: *“Growth, development and transformation depend on a strong and capable state. It is critical that the structure and size of the state is optimally suited to meet the needs of the people and ensure the most efficient allocation of public resources.”* This was echoed in the resolution of the 54<sup>th</sup> National Conference of the African National Congress (ANC), which pronounced that public administration should be transformed and modernised to sufficiently develop human resources and implement the necessary systems and processes to establish professional and adequate capacity.

This mammoth task commenced soon after the 2018 SONA, and included a review of the functions, configuration, number and size of national government departments. Ordinarily, such a process would be undertaken by the Department of Public Service and Administration (DPSA), which is mandated by our laws and constitution to lead the transformation of the public service for improved and optimal performance. Amongst other, our responsibilities include the continuous development and implementation of a range of interventions, with the aim to expand our capacity and build a new, innovative, selfless and inspired public service.

The South African constitution entrusts all spheres of government with the responsibility to *“provide [an] effective, transparent, accountable and coherent government”*, that prioritises development. This principle is aligned with the essence of our National Development Plan (NDP) which serves to provide a framework for the establishment of a *“developmental, capable and ethical state that treats citizens with dignity.”*

The NDP furthermore exposes the public service’s lack of capacity to achieve consistent performance. It also identifies a number of complex issues that contribute to inadequate levels of service delivery, including poor integration between political and administrative priorities, the inability of the state to produce the required skills, the erosion of accountability and authority, poor organisational design, and low staff morale.

To successfully address these issues and ensure effective and efficient service delivery that accelerates our national developmental agenda, the NDP prescribes major adjustments in the policies and operations of public services. It also highlights the critical requirement for strengthening of inter-governmental relations to create an enabling environment for integrated, collaborative and seamless service delivery, at all levels of government.



The entities in our portfolio of Public Service and Administration continue to collaborate effectively, to fulfil their strategic mandate of creating an enabling policy environment for all public services and supporting the effective implementation of these policies. The National School of Government (NSG) plays a central role in capacitating employees in all spheres of government by providing support for talent management and guidance on appointments, succession planning and career development.

In the past year, the Centre for Public Service Innovation (CPSI) continued to fulfil its core mandate which is to promote and entrench a culture and practice of innovation to address service delivery in the public sector, which is in line with our national priorities as specified by the NDP. As a facility that cuts across all spheres of government, the CPSI is well-positioned for this role as a catalyst for collaborative innovation.

The adoption and practice of innovation forms a critical cornerstone for transformation in the public sector as it drives the research and development of new systems and processes for continuous improvement. Innovation challenges us to embrace new thinking, discover new ways of doing things, and regard issues as opportunities to conceptualise simpler solutions for day-to-day operational challenges. Through the intervention of the CPSI, government institutions are able to fully leverage innovation as one of the main building blocks of a more capable state.

The CPSI implements a multitude of projects and programmes that serve to create and support a culture in which innovation is encouraged, rewarded and mainstreamed in the public sector. Most notably, through the efforts of the CPSI, partnerships were established between institutions across the three spheres of our government, SMME innovators and most recently also the youth, to devise solutions for addressing our country's triple challenge of poverty, unemployment and inequality as identified in the NDP.

In conclusion, I would like to acknowledge and congratulate the CPSI for its outstanding efforts in highlighting the importance of innovation and creativity as the key guiding principles for future growth and success of government's efforts to improve services to citizens. Innovation is beyond a shadow of a doubt, an indispensable component of a government that is relevant and responsive in its efforts to deliver services successfully within the context of a technologically advanced citizenry.



**Mr Senzo Mchunu, MP**  
**Minister for the Public Service and Administration**

### 3. DEPUTY MINISTER'S STATEMENT



It has been four years since the adoption of Agenda 2030 for Sustainable Development. The Sustainable Development Goals (SDGs) is a set of 17 global priorities to achieve inclusive and sustainable development. It holds signatory countries, including South Africa, accountable to collectively explore solutions to deal with the triple challenge of poverty, inequality and unemployment that is mostly associated with developing countries.

The SDGs of the United Nations (UN) are almost a mirror image of our own government's priorities and targets as expressed in our collective vision of the future contained in the NDP. A study by the United Nations Development Programme (UNDP) found that 125 (74%) of the 169 SDG targets, are already aligned with the NDP, 12 (7%) are not applicable to South Africa and the remaining 32 targets (19%) are contained in other government plans.

Continently, as part of the African Union (AU), South Africa signed on a number of crucial programmes including the African Peer Review Mechanism (APRM) and the African Charter on the Values and Principles of Public Administration. These are programmes that are aimed at ensuring that we lead a government that is innovative, transparent, people-centred and responsive to the needs of the millions of our people who bore the brunt of being marginalised for centuries.

These crucial African initiatives seek to foster the adoption of policies, standards and practices that lead to political stability, inclusive economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful and best practices. The APRM is unique both in its scope and breadth, encompassing all levels of government, Parliament and the Judiciary, as well as the private sector and civil society organisations.

Through our membership of the Open Government Partnership (OGP), South Africa can continue the work of building platforms that enable partnerships between government and civil society. The principles of the OGP mirror our public service reform ethos, which include: transparency, oversight and participation, through which we aim to improve governance and service delivery to our people.

All these visionary plans envisage innovation as a critical ingredient in achieving its goals. It is for this reason that innovation is increasingly regarded as a key that unlocks value to most governments, across the globe. Innovation is about growth, development and sustainability. It is essential to Africa's future economic prosperity and quality of life. It is about fostering entrepreneurship to raise productivity, cultivating competitiveness, and

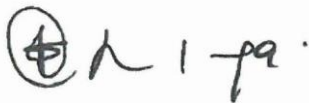
meeting the challenges of globalisation to thrive as a nation within our environmental, geographic and demographic limits. The advent of the Fourth Industrial Revolution (4IR) also placed a spanner in the wheels of change. For member states to meet the SDGs, the AU's Agenda 2063 and their national plans, a more concerted effort is required to leverage public sector innovation to improve service delivery in the context of the 4IR.

Our government, through the CPSI, thrives on partnerships to harness new technologies that offer opportunities for information sharing, public participation and collaboration. Our country is striving to utilise new technologies in line with the OGP, to promote a global culture that empowers and delivers for citizens, and advances the ideals of an open and participatory 21<sup>st</sup> century government.

Our work is premised on the notion that transparency begets access. It is also about sharing and reusing information that is open, freely accessible and useable in various formats. This recent narrative provides citizens with a new voice to participate in government activities that affect their daily lives; and a tool to hold local government, especially their cities, accountable. Moreover, in encouraging the use, reuse and free distribution of data, government promotes problem solving, business creation and innovative, citizen-centric services.

South Africa entrusts its public servants with the noble duty of providing our people with services at our schools, clinics, police stations, Home Affairs offices, and all our service points in a manner that upholds their dignity and places them at the heart of what we do. We are also committed to make greater efforts to transform governance and administrative processes and systems to retain the principles of transparency, accountability and clean governance.

We congratulate the CPSI for its significant contribution to driving innovation and stimulating creativity and forward-thinking in the public sector. We further recognise the pivotal role of the CPSI in creating awareness on the value of innovation as a key enabler of improved service delivery, as well as good governance, transparency and accountability to citizens. We will remain true to our commitment to strengthen government's capacity to deliver on our key priority areas, and continue to consult with the CPSI for practical solutions that will improve the lives of our citizens.



**Ms Sindisiwe Chikunga**  
**Deputy Minister for the Public Service and Administration**

#### 4. REPORT OF THE ACCOUNTING OFFICER



##### **Overview of operations**

This Annual Report provides a review of the work of the CPSI for the 2018/2019 financial year of government that ended on 31 March 2019. This financial period is the final year of the five-year Strategic Plan of the CPSI which commenced in 2015.

This multi-year Strategic Plan was informed by the strategic mandate of the Public Service and Administration portfolio which the CPSI is part of, which is to contribute to building an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenry.

As a valued member and critical role player within this portfolio, the CPSI shares and fully supports this mandate which in turn informs our vision to contribute to building a solution-focussed, effective and efficient public service through innovation, as also referenced in the Public Service Act.

The work of the CPSI is informed by its strategic mandate which is to inculcate the culture and practice of innovation in the public sector to create an enabling environment for improved service delivery to our citizens. This is in response to Vision 2030 of the NDP which highlights the requirement for an enabling public sector environment that is suitable for collaborative innovation across state, business and social sectors, with the aim to improve its performance and achieve the developmental agenda. At government level, this calls for strengthening of inter-governmental relations for integrated, collaborative and seamless service delivery at all levels.

In the deployment of this unique and strategic mandate, the CPSI models its operations on innovation as a key, indispensable pillar upon which public sector reform and transformation is based. Innovation is a proven enabler and catalyst for improved public service performance and productivity and a driving force for economic and social development, across the globe.

It is for this reason that the CPSI continues to leverage various programmes as outlined in its strategic plan, to positively influence the uptake and adoption of innovation as an enabler and critical ingredient of improved service delivery to citizens.

Our work as an organisation is duly summarised in a firm commitment to uncover, promote and showcase innovation in the public service. Essentially, the aim is to establish an innovation-friendly environment that is conducive for public officials to freely unleash their talent, ingenuity and creativity to spur modernisation of our government, and accelerate the achievement of Vision 2030.

During the year under review, the CPSI delivered on a number of key programmes, which are substantially expanded on in this report. Some of our highlights include:

- The successful hosting of the 12<sup>th</sup> Public Sector Innovation Conference in Cape Town in August on behalf of the MPSA. This innovation conference serves as a platform for innovators in the public sector to share innovative practices and form cross-sectorial partnerships for replication of solutions to service delivery challenges;
- The Annual CPSI Public Sector Innovation Awards Programme which celebrates innovative public servants and provides a rich source of projects that could be replicated, and helps to minimise duplication of efforts and decrease wastage of government resources; and
- The publishing of *Ideas that Work: The South African Public Sector Innovation Journal* that serves as an important information resource for public service-wide knowledge sharing and learning.

Integration, collaboration and coordination are some of the key operating principles which are central in achieving enhanced citizen access to service delivery. Accordingly, the CPSI continues to place substantial emphasis on forging partnerships with government institutions within the health, safety and security and education spheres, as well as other institutions which are at the forefront of service delivery. In doing so, the CPSI becomes an invaluable resource for the whole of government with a cross-sector reach that is able to bridge institutional boundaries.

From this vantage point, the CPSI is able to provide services and solutions that respond to identified and clearly articulated service delivery challenges and their root causes, while nurturing and sustaining a public service innovation and learning culture. Most importantly, it ensures a consolidated commitment by frontline departments to leverage innovation as a fulcrum for improved citizen access to vital government services.

An example of a social project, spanning over the five year period, that illustrates the high impact that such a collaboration can achieve, is the Memeza Community Alarm System Project. This multi-year project was piloted in partnership with the Innovation Hub, CPSI

and the South African Police Service (SAPS) in Diepsloot, which is in the Honeydew Cluster, just north of Johannesburg and then further rolled out to directly connect more than two thousand households and 23 schools to police stations. Inspired by the need to reduce crime in this area, the project uses a cost-effective public alarm system that was specifically designed for low income communities. The system is integrated with existing visible policing structures and community policing forums (CPFs) to ensure rapid response to crime incidences. The project managed to reduce the SAPS' response times to less than 10 minutes.

Our government faces a daunting challenge to deliver on the developmental agenda as set out in the NDP in the context of the 4IR. Vision 2030 of the NDP envisages a state where all citizens impartially enjoy all government services. To achieve such a state of inclusion, participation and empowerment will require an innovative public service which is accessible to all its citizens. Innovation holds the trump card for our success in delivering on the developmental agenda as outlined in the NDP.

## Overview of the financial results of the department

- Departmental receipts

Departmental receipts	2017/2018			2018/2019		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	5	5	-	4	5	(1)
Financial transactions in assets and liabilities	19	19	-	5	8	(3)
<b>Total</b>	<b>24</b>	<b>24</b>	<b>-</b>	<b>9</b>	<b>13</b>	<b>(4)</b>

Departmental receipts for the 2018/2019 financial year were generated from commission on insurance and the recovery of the previous year's expenditure. Due to the nature of the activities undertaken by the organisation, it is not a core function of the CPSI to collect revenue.

- Programme expenditure

Programme Name	2017/2018			2018/2019		
	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	18 675	18 327	348	19 908	18 394	1 514
2 Public Sector Innovation	15 380	14 195	1 185	16 122	15 328	794
<b>Total</b>	<b>34 055</b>	<b>32 522</b>	<b>1 533</b>	<b>36 030</b>	<b>33 722</b>	<b>2 308</b>

- **Virements**

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

**Fund shift per economic classification**

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

Appropriation per programme	2018/2019			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
1. Administration	19 908	-	-	19 908
2. Public Sector Innovation	16 122	-	-	16 122
<b>TOTAL</b>	<b>36 030</b>	<b>-</b>	<b>-</b>	<b>36 030</b>

Appropriation per economic classification	2018/2019			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>	<b>35 504</b>	<b>(340)</b>	<b>-</b>	<b>35 164</b>
Compensation of employees	19 425	-	-	19 425
Goods and services	16 079	(340)	-	15 739
<b>Transfers and subsidies</b>	<b>27</b>	<b>150</b>	<b>-</b>	<b>177</b>
Departmental agencies and accounts	1	-	-	1
Households	26	150	-	176
<b>Payments for capital assets</b>	<b>499</b>	<b>180</b>	<b>-</b>	<b>679</b>
Machinery and equipment	232	180	-	412
Software and other intangible assets	267	-	-	267
<b>Payments for financial assets</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>
<b>TOTAL</b>	<b>36 030</b>	<b>-</b>	<b>-</b>	<b>36 030</b>

R340 000 were shifted from Goods and Services to accommodate R150 000 for payment on leave gratuities to former employees, plus R180 000 for procurement of capital equipment and R10 000 towards payment of financial assets related to expenditure on damages to a hired vehicle.

**Rollovers**

No additional funding was received from rollover funding during the year under review.

- **Unauthorised, Fruitless and Wasteful Expenditure**

During the 2018/2019 financial year, the CPSI had one incident of fruitless and wasteful expenditure to the value of R7 500 where an order was issued to a supplier to relocate the CPSI generator to the new offices. After the order was issued, the Department of Public Works declined the request to move the generator to the new premises, but the supplier already incurred expenditure to undertake the service they were contracted to do.

- **Irregular Expenditure**

Irregular expenditure of R25 000 was incurred during the financial year under review. The irregularities resulted from non-compliance with Practice Note 8 2007/2008 that requires obtaining three quotations in the procurement of goods and service. The irregular expenditure was investigated, and approval of the recommendations of the Loss Control Committee on consequence management is awaited for possible condonation.

Three cases amounting to R3 000 were identified as irregular expenditure, due to non-compliance with to the Cash Management policy that normal petty cash should not exceed R750.00 per case. Following the issuing of the National Treasury Instruction 2 of 2019/2020 that states that irregular expenditure relating to internal policies should be de-recognised, a request to remove the expenditure amounting to R7 000 (R4 000 for 2017/2018 and R3 000 for 2018/2019) was submitted for approval by the Accounting Officer in the 2019/2020 financial year.

- **Public-private Partnerships**

The CPSI did not participate in any public-private partnerships (PPPs) during the 2019/2020 financial year.

- **Discontinued activities/activities to be discontinued**

The following activities will be discontinued in the 2019/2020 financial year:

**Activity: Public sector officials and other partners capacitated on innovation tools, processes and approaches through the Multi-media Innovation Centre**

**Reasons for discontinuation:**

In February 2019, the CPSI moved into Batho Pele House offices. Due to space limitations, the organisation decided to discontinue using the Multi-media Innovation Centre (MMIC).

**Impact on service delivery**

The MMIC was established in 2010 as a learning, demonstrating and planning platform for the public service to encourage, entrench and use innovation to improve service delivery. Over the years, the MMIC was able to assist public officials to be creative and to use innovation to improve service delivery. This was evident from the number of



departments that adopted and used innovations and innovative solutions to improve service delivery such as the Departments of Home Affairs and Correctional Services, as well as provinces such as Gauteng, Eastern Cape and Western Cape which eventually developed their own public sector innovation strategies. International governments such as Australia, India, Nigeria, and Brazil also used the MMIC as a learning tool to introduce and use in their own countries to entrench public service innovation. The discontinuation of the MMIC will thus have a negative impact on the ability to capacitate public officials on innovation tools, process and approaches to improve service delivery.

### **Impact on budget**

There will be savings (reduction) in the budget related to the maintenance and upgrading of the ICT equipment, content development and miscellaneous costs related to the operations of the centre.

### **Activity: Hosting the United Nations Public Administration Network Workshop**

#### **Reasons for discontinuation**

The Annual United Nations Public Administration Network (UNPAN) Workshop will be discontinued in the 2019/2020 financial year due to the end of the four-year partnership with UNDP South Africa through which the UNDP funded the participation of the Southern African Development Community (SADC) delegates, as well as the end of General Budget Support funding for human resources.

#### **Effect on the organisation and service delivery**

The discontinuation of the workshop will not directly affect service delivery but an established and mature South-South<sup>1</sup> learning platform on public sector innovation is lost.

#### **Financial implications**

Although UNDP South Africa was funding part of the UNPAN Workshop, the CPSI's contribution amounted to approximately R200 000. This will thus lead to a saving.

- **New or proposed activities**

The CPSI's Annual Performance Plan (APP) will provide details on the projects and activities that the organisation will embark on during the 2019/2020 financial year and a new Strategic Plan will be drafted in the 2019/2020 financial year.

---

<sup>1</sup> The South-South learning refers to developing countries (mostly in the Southern Hemisphere, learning from each other on how to solve development challenges, rather than looking for solutions from developed countries.

- **Supply chain management**

Supply chain management (SCM) systems and processes are fully implemented and supported by an approved policy that regulates and guides procurement initiatives and asset management in the CPSI.

All bid committee structures, namely the Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee, are fully functional in line with the National Treasury guidelines on SCM. These committees fulfil the role of monitoring compliance of the organisation's procurement processes with the relevant National Treasury prescripts and internal organisational policies.

All SCM practitioners and members of the Bid Adjudication Committee signed a code of conduct to agree to the declaration of any business, commercial and financial interests or activities undertaken for financial gain that may raise possible conflict of interest, as and when necessary.

The CPSI continued to strengthen SCM procedures during the 2017/2018 financial year in response to the prior year's audit. As a result, measures were implemented to strengthen the prevention of irregular expenditure. These include:

- Implementation of a bid completion checklist that covers the entire bidding process; and
- Improvement of the acquisition checklists to include the checking and verification of acquisition batches before approval of orders.

Enhancements to the latter include the verification of the actual receipt date and time of quotations, as well as the evaluation of functionality as required by the terms of reference.

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

During the 2018/2019 financial year, the following in-kind sponsorships were received:

- An estimated R25 000 towards the travelling expenses for the adjudication of the competition for the Award for Innovation Management from the African Association for Public Administration and Management (AAPAM);
- R10 000 towards the expenses related to the hosting of the Annual CPSI Public Sector Innovation Awards Programme from Govchat
- R50 000 towards the GEMS Health Award category in the Annual CPSI Public Sector Innovation Awards Programme from the Government Employees Medical Scheme (GEMS);
- R10 000 towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme from Ikasi Solutions;
- R5 000 towards the Trailblazer prizes at the Annual CPSI Public Sector Innovation Awards Programme from MTN and BlackBerry;
- The UNDP co-funded the 9<sup>th</sup> Annual SADC/UNPAN Workshop (flights of SADC delegates, estimated at R130 000); and
- The UNDP further funded travelling costs related to the CPSI's participation in the Empowered Futures Programme amounting to an estimated R35 000.

- **Exemptions and deviations received from the National Treasury**

No exemptions or deviations from the financial reporting requirements were requested from National Treasury during the current or previous financial year.

- **Events after the reporting date**

The CPSI is not aware of any events subsequent to the year-end, which may require adjustment of the stated figures, with the exception of the removal of R7 000 from irregular expenditure in accordance with National Treasury Instruction 2 of 2019/2020.

- **Other**

The report addresses no other material facts or circumstances that may have an effect on the understanding of the financial state of affairs.

- **Acknowledgement**

In conclusion, I would like to express my appreciation to our political principals, the former Minister of Public Service and Administration, Ms Ayanda Dlodlo and former Deputy Minister of Public Service and Administration, Dr Chana Pilane-Majake for their leadership of the CPSI in the year under review.

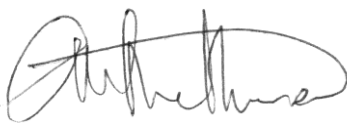
Through their support and guidance, and of course their confidence in the organisation, we were able to continue to forge ahead with entrenching a culture and practice of innovation in the public sector which is critical in service delivery improvement. May I further extend my appreciation to the two acting Executive Directors during the period under review, Ms Qinisile Delwa and Mr Pierre Schoonraad who sustained the high standard of corporate governance of the organisation.

I would also like to thank the Portfolio Committee on Public Service and Administration, the Planning, Monitoring and Evaluation and the Audit and Risk Committee for ensuring that the organisation is accountable to citizens.

We are working closely with the new Minister of Public Service and Administration, Minister Mchunu, and Deputy Minister Chikunga, to further strengthen the CPSI's ability to effect change in the public sector.

I present this report as the final outcome of the work of a team who share the passion and commitment to drive innovation in the public sector as a key enabler for improved citizen access to vital government services.

Approval and sign off



---

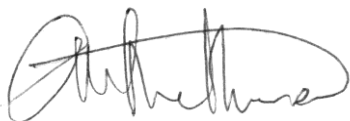
**Mr Lindani Mthethwa**  
**Acting Executive Director**

**5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT**

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

- All information and amounts disclosed throughout the annual report are consistent;
- The Annual Report is complete, accurate and free from any omissions;
- The annual report was prepared in accordance with the guidelines on the annual report as issued by National Treasury;
- The Annual Financial Statements (Part E), were prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by 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 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; and
- In my opinion, the Annual Report fairly reflects the operations, performance information, human resources information and the financial affairs of the department for the financial year that ended 31 March 2019.

Yours faithfully



---

**Mr Lindani Mthethwa**  
**Acting Executive Director**  
**Centre for Public Service Innovation**

## 6. STRATEGIC OVERVIEW

### 7.1. Vision

A solution-focussed effective and efficient public sector through innovation.

### 7.2. Mission

The CPSI entrenches the culture and practice of innovation in the public service through:

- Unearthing existing innovations for learning and replication;
- Researching, leading and promoting the development and testing of new innovations;
- Investigating and facilitating the replication and mainstreaming of innovations, and
- Providing content-driven platforms and products for public officials to adopt innovative approaches.

#### a. Values

The CPSI's strategic direction is guided by the following values:

- ***Nurturing:*** The CPSI supports and encourages public sector institutions in their efforts to innovate, from unearthing innovative initiatives, to replication and mainstreaming.
- ***Recognition:*** The CPSI publicly recognises and rewards innovators and innovative institutions, to acknowledge their contribution towards the improvement of service delivery and for further replication.
- ***Partnering:*** The CPSI values partnerships with other public sector entities, the private and non-governmental organisation (NGO) sectors, the South African National System of Innovation (NSI) and key global role players within the space of public sector innovation.
- ***Compassion and empathy:*** The CPSI endeavours to respond to the needs of the citizens by addressing the root causes of service delivery failures in an empathetic manner.
- ***Efficiency and effectiveness:*** Efficiency and effectiveness remain core drivers for public sector innovation.
- ***Knowledge sharing:*** The CPSI applies the principles of a learning organisation through its innovation practices, platforms and programmes.

## 7. 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, 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.

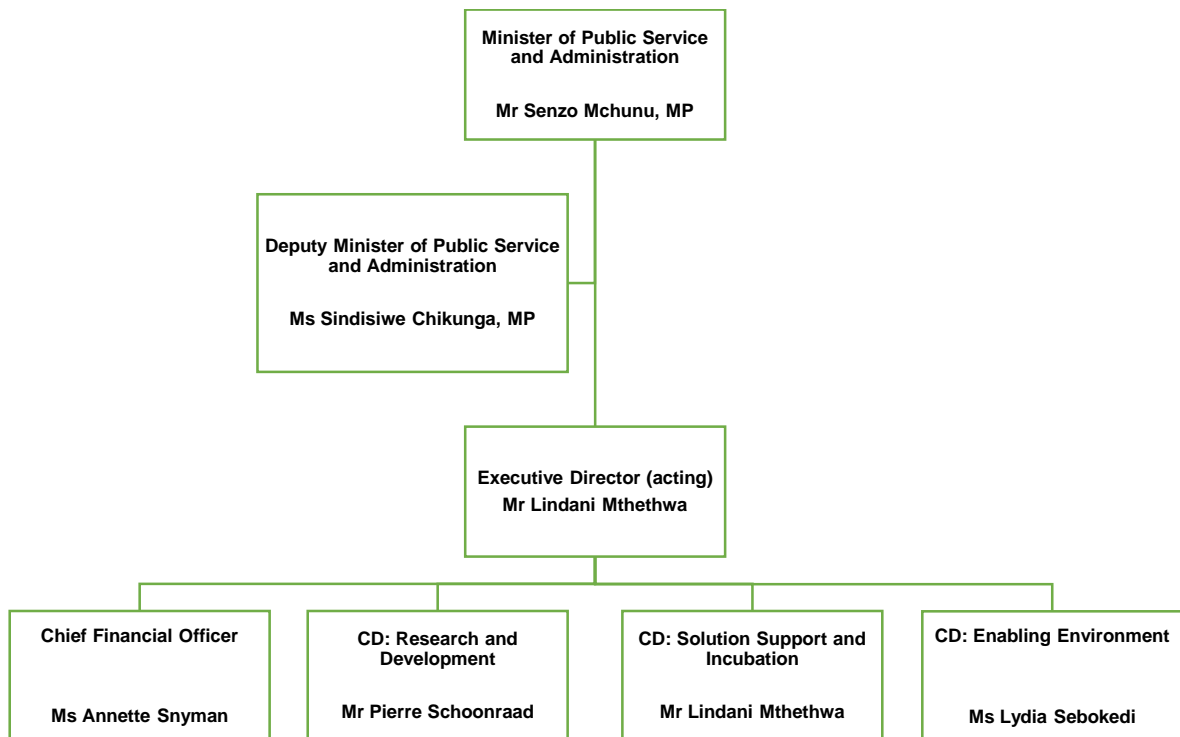
The CPSI:

- Provides the Minister with independent, diverse, and forward-looking research findings and advice on innovative service delivery with a specific focus on government's priorities;
- Enhances public service transformation and reform through innovation partnerships and projects; and
- Supports the creation of an enabling environment for innovation within the structures and agencies of the South African government (encouraging, learning and rewarding).

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

- Advancing needs-driven research and development;
- Unearthing, demonstrating, sharing on, encouraging and rewarding innovation;
- Testing, piloting, incubating new innovations and supporting the replication of innovative solutions; and
- Partnering with public, private, academic and civil society sectors to support the mandate of the CPSI.

## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MINISTER

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

- The DPSA;
- The NSG;
- The Office of the Public Service Commission (PSC), and
- GEMS.

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

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

# **PART B: PERFORMANCE INFORMATION**

---



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

The Auditor-General of South Africa (AGSA) performed the necessary audit procedures on the performance information in order to provide limited assurance of performance against predetermined objectives in the form of an audit conclusion. The audit conclusion is included in the report to management under the Predetermined Objectives heading in the *Report on other legal and regulatory requirements* section of the AGSA report. Refer to page 90 of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

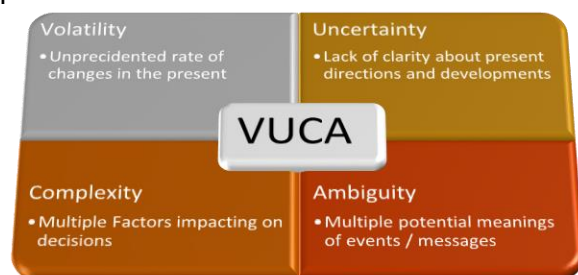
### 2.1 Service Delivery Environment

The CPSI operates in a public sector environment where, 25 years into democracy, South Africa has made great strides towards achieving a better life for all. There are however significant challenges that remains unresolved. South Africa remains one of the highest ranking countries in terms of inequality and unemployment which has now increased to more than 27%. Economic growth, hailed in the past as the silver bullet to address unemployment, remains very low.

The public sector is under pressure due to the erosion of efficiency and effectiveness by, amongst other factors, the economic climate, shrinking fiscus and corruption. Debt cost increased to R239,5b in the year and key service delivery departments such as health now have additional financial burdens of up to 20% of their budgets due to litigation.

Unemployment is worsened by the low levels of absorption of graduates and school leavers into the formal economy. Whilst innovation can play a critical role in improving government's efficiency and effectiveness, officials remain mostly risk-averse and compliance-driven rather than problem-solving, which is, amongst others, due to the public sector environment they operate in. Despite all these prevailing challenges, pockets of innovation excellence do exist, as is evident from the annual entries received as part of the Annual Public Sector Innovation Awards Programme. Scaling up and mainstreaming of these innovations remain challenging in the public sector.

Globally, there is consensus that we are living in a period of rapid change and transitions, complexity and uncertainty, characterised by some as VUCA - *Volatile, Uncertainty, Complexity and Ambiguity*. Technology-wise the world is in the grips of the 4IR, a period that is marked by rapid technological developments (artificial intelligence, robotics, etc.), and significant transitions in many areas such as energy, manufacturing and public services. Amongst others, the 4IR will affect future work opportunities and the nature of work will significantly change, including in the public sector.



To explore strategic opportunities and mitigate future risks, decisive decisions and actions must be taken in the present. As an example, Climate Change now directly impacts the delivery of public services, resilience of communities, food and water security and health, to name but a few affected areas.

The global public sector innovation discourse also experienced shifts with innovation facilities closing or being repurposed and new units, such as accelerator labs being established within departments and international development agencies.

Mature innovation facilities such as Nesta and new players such as the Organisation for Economic Co-operation and Development's (OECD) Observatory of Public Sector Innovation (OPSI) and the UNDP Innovation Facility, publications such as *Apolitical* and *GovInsider*, now contribute to a rapidly expanding body of knowledge, evidence and toolkits.

The OECD identified the following three global trends:

- Transparency (innovative approach to build trust through transparency);
- Participation (making citizens part of policy and service design); and
- Human-machine interaction (machine-readable data for decision-making).

The UNDP identified the following as the major trends in the innovation landscape:

- Scaling;
- Unlocking financing and fintech;
- Design for behavioural change;
- Putting innovation at the core of government;
- Leveraging (new) data;
- Nudging system change;
- Exploring frontier technologies; and
- Testing emerging concepts.

## **2.2 Service Delivery Improvement Plan**

We have witnessed how the need for facilitating the replication of innovations unearthed through the Annual Public Sector Innovation Awards, is growing rapidly. It is for this reason that the CPSI is now also providing replication support to institutions and departments.

Through both the development and replication programmes, the CPSI furthermore supports these institutions and departments to improve their own service offering. With this very objective in mind, the CPSI worked with various hospitals to seek solutions for the specific challenges they typically encounter. One such example is the successful replication of the high-volume cataract theatre at Bheki Mlangeni Hospital that tripled the number of cataract operations performed. This innovative diversion of patients to Bheki Mlangeni Hospital, helped to significantly reduce Chris Hani Baragwanath Hospital's cataract operations backlog.

Another example of such an out-of-the-box solution is the Limpopo Revenue Enhancement Project, the 2016 Public Sector Innovation Awards Innovator of the Year. Through this initiative, the province has increased revenue collection by R719 million within two years. In the 2017/2018 financial year, through the CPSI's sector-specific

innovation workshops, this initiative was extended to North West and Free State provinces. It was also replicated in other departments in Limpopo.

Likewise, the *Vulamanzi*, a simple local built innovative solution that cleans ground or river water for cooking and drinking, was replicated in two schools in Limpopo. The original solution was developed for households in rural and under-served areas. In partnership with the Innovator, the CPSI proposed and replicated this solution for greater and wider impact in the education sector, in areas with no access to piped water. We hope that adequate funding can be raised to further replicate this innovative solution in more schools, communities and areas.

Our colleagues in the education portfolio are dedicated to drive innovation through the use of information and communication technology (ICT) at our schools. Unfortunately, their efforts to produce quality outcomes in our schooling system are being undermined by criminal elements within our communities.

In 2015, the CPSI, in partnership with the Innovation Hub, successfully piloted the Memeza Community Alarm System Project in the Diepsloot community, just north of Johannesburg in Gauteng. As indicated by the project name “Memeza,” which means “shout” in isiZulu, this system comprises a network of cost-effective smart alarms that are suitable for low income households and directly linked to SAPS’ sector policing vehicles, police stations and CPFs.

The system was subsequently rolled out to 2 000 households, as well as 23 schools across Gauteng and the North West provinces, and involves 45 actively participating police stations. Since the implementation of the system in 2015, we have witnessed a significant reduction in crime in these areas, and in particular in gender-based violence. We also observed a 100% prevention of theft of ICT equipment in schools where the alarms were installed. This indicates that the alarm serves as an effective deterrent to thieves. Most importantly, the connection of alarms to local police vehicles and stations reduced the response time to acts of crime from 48 hours to about seven minutes.

The below Service Delivery Improvement Plan was developed and submitted to DPSA after extensive engagement with the DPSA.

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

*Main services and standards*

<b>Main services</b>	<b>Beneficiaries</b>	<b>Current/actual standard of service</b>	<b>Desired standard of service</b>	<b>Actual achievement</b>
<p>Conduct or facilitate research into service delivery challenges, as well as forward-looking and anticipatory research</p> <p>Facilitate the development, testing and piloting of potential solutions</p> <p>Advise, guide and support departments on public sector innovation</p>	<p>Innovators</p> <p>NSI institutions International innovation partners</p> <p>Recipient departments/institutions</p>	<p>Investigation, desktop research and consultative workshops using qualitative and/or quantitative research methodologies</p> <p>Projects facilitated on time and within budget</p> <p>Advice and support provided on request</p>	<p>Research projects completed within specified time</p> <p>Workshops conducted in a professional manner</p> <p>Projects managed in accordance with agile principles</p> <p>Advice provided on demand</p>	<p>Position papers, articles and case studies were developed, and workshops and roundtable were conducted</p> <p>Two solutions are in the process of development</p> <p>A new guide was developed, and various presentations were made</p>
<p>Incubation, replication and scaling of innovative solutions for the public sector</p>	<p>Recipient departments/institutions</p>	<p>Support the replication of new solutions using project management principles</p>	<p>Replication within time and budget</p> <p>Ongoing support for ongoing initiatives</p>	<p>Two solutions were successfully replicated</p>
<p>Coordinate and sustain national platforms and community of practice on public sector innovation.</p>	<p>Public servants</p>	<p>Professionally organised conference and workshops</p>	<p>Professionally organised conference and workshops</p>	<p>A professionally organised public sector innovation conference and four workshops were conducted by accredited experts</p>
<p>Develop and disseminate a learning journal on public service innovation</p>	<p>Public servants</p>	<p>Bi-annual journal with case studies and insights published</p>	<p>Bi-annual journal with at least five case studies per edition published</p>	<p>One journal with five insights articles and three case studies were published</p>

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

---

*Batho Pele arrangements with beneficiaries*

Given the nature of the organisation, the Batho Pele principles, in particular *Consultation* and *Value for Money*, are embedded in CPSI approaches and programmes. For example, each project is guided by a co-design approach that requires *consultation* with all stakeholders at each stage of development. Given the core mandate of the organisation to improve the efficiency and effectiveness of the public service through innovation, *Value for Money* and *Access* are central in all we do. Most of the innovation projects originate from open innovation platforms, which means *Openness and Transparency* is not only a value related to our administration, but it is also embedded in the CPSI's innovation model.

The CPSI further participates in Ministerial Izimbizo to ensure that communities' articulation of challenges is recorded and incorporated into programmes. As such, there are no specific Batho Pele engagements.

*Service Delivery Information Tool*

Current information tools	Desired information tools	Actual achievements
The CPSI leverages its knowledge platforms and products as vehicles to disseminate innovation-related information and the annual report to present performance information	As current	A conference, awards programme and workshops were conducted; and a journal was published, to share innovations  The annual report was published and is available on CPSI's website

*Complaints mechanism*

Current complaints mechanism	Desired complaints mechanism	Actual achievements
The CPSI has an <a href="mailto:info@cpsi.co.za">info@cpsi.co.za</a> address that can be used for external complaints whilst internal matters are guided by a grievance process and whistle blowing policy	As current	Messages on <a href="mailto:info@cpsi.co.za">info@cpsi.co.za</a> are circulated to management or relevant officials. Policies and procedures are approved and regularly workshopped with staff

## **2.3 Organisational environment**

The CPSI experienced ten years of steady growth into an independent organisation with a matured service delivery model as articulated in the Operational Notice (Notice 700 of 2011). Although never fully capacitated, projects with lasting impact were successfully incubated and scaled and a strong community of innovation practitioners were established. The CPSI also received international recognition for its contribution to public sector innovation and continues to play a role in global innovation thought leadership.

Considering the rapid developments in the field and the priorities of the fifth Administration, the CPSI set out to review its strategic approach to improve the efficiency and effectiveness of public services. Some of the activities in the year under review, such as the investigation of a funding model for public sector innovation, building strategic foresight capacity, updating the Guide to Public Sector Innovation and scaling innovation, formed part of this review.

On request of the Minister, the World Bank conducted a rapid assessment of the CPSI and made recommendations for future areas of focus and transformation of the organisation.

As highlighted by the World Bank report, the limited project management capacity in the organisation remains a fundamental challenge and will continue to be a risk, unless we are able to establish a proper project management facility with functional project teams. For three quarters for example, the responsibilities of two key projects without project managers were allocated to two officials who already had a substantial quota of other deliverables. This in turn poses the risk of non-achievement. An alternative that is recommended by the World Bank, if it is unlikely to develop sufficient capacity for project management in the near future is for the CPSI to refocus its efforts in the advocacy and policy innovation space.

The General Budget Support funding from National Treasury for a non-renewable contract of a project manager in the Solution Support and Incubation Unit came to an end. As a result, there is only one project manager left in the unit, which in turns places significant constraints on the CPSI's ability to facilitate replication of innovative solutions for high impact.

The limited operational funding of the CPSI programmes is another obstacle that negatively impacts the organisation's capacity to undertake high impact replication projects that improve service delivery.

Towards the end of the financial year, the CPSI relocated to the DPSA premises (Heritage Building) at 546 Edmond Street. This move should decrease future accommodation costs and release additional funds that can be utilised for building much-needed internal capacity instead.

## **2.4 Key policy developments and legislative changes**

No new policy developments or legislative changes affected the CPSI's operations during the period under review.

### 3. STRATEGIC OUTCOME-ORIENTED GOAL

In the revised Strategic Plan for 2015/2020, the CPSI identified the following strategic outcome-oriented goal that is aligned to government's priority outcomes:

**“The culture and practice of innovation entrenched in the public sector”**

Beyond the broader commitment to leverage innovation in support of the implementation of the NDP, the CPSI contributed to specific initiatives linked to the priorities of the fifth Administration, including support to the development of SMMEs and building a developmental state.

*Job creation, SMME development and governance:*

The potential of creating new jobs in the eGovernment and public sector innovation space through partnerships with SMMEs, has not been leveraged fully. To date, the CPSI has partnered with entities in the NSI to identify innovations and innovators. In particular, the CPSI partnered with The Innovation Hub to use an open innovation exchange to find solutions for persistent challenges in sectors such as safety and security, health and governance.

A number of solutions has already been successfully piloted and implemented, or are currently being tested through this initiative, including the Memeza Community Alarm System Project that supported an SMME in the innovation space. Various initiatives in the health sector have also demonstrated the ability of innovators to create jobs whilst addressing service delivery challenges.

The CPSI is further working with youth who participated in initiatives such as IgniteHack and other hackathons, to develop and test their potential solutions.

Other initiatives to help entrench the culture and practice of innovation include:

1. Participating in **an open innovation system** that allows the public sector to draw solutions from the innovation community developed through the NSI;
2. **Using big data and opening government's data.** Initiatives such as the Open Data Portal provides further opportunities for the development of solutions by innovators, in and outside of government. The European Union (EU) estimated the potential contribution of open data to the economy to be approximately 600 million Euros. Data analytics can further help government plan and deliver better in real-time. Initiatives such as IgniteHack demonstrated the enthusiasm of the so-called **“geek economy”** to partner with government.
3. The creation of a **funding mechanism** and **revision of Treasury Regulations** to enable procurement of solutions from innovators at conceptual level, will further stimulate economic activity on solving public sector challenges. The CPSI concluded background research and hosted a round table with key stakeholders in 2018 on this matter, and is ready to further engage with National Treasury on regulations.

*Planning, Efficiency and Effectiveness*

The public service is marked by slow, linear processes and bureaucratic regulations that have not been subjected to rigorous regulatory impact assessments. Digitisation initiatives such as eRecruitment have however started to address some of these slow and costly processes.

The state has incurred significant spend on outsourcing of services rather than building internal capacity. One of the consequences of the regulatory burden and rise of the “tendering state”, is the growth of the administrative functions (Programme 1), which now constitutes more than 50% of the budget in many national departments. The Trailblazer Programme that recognises coders and developers within government, and allows for peer-to-peer knowledge exchange, has already shown positive results and savings.

The future of work in the public sector will be significantly affected by the 4IR and the ubiquity of automation and other technologies (Artificial Intelligence, robotics, Internet of Things, etc). As such, the CPSI has strengthened its **foresight capability** to better position the public sector for the digital revolution and leverage strategic innovation to enable the public sector to achieve an alternative future as articulated in Vision 2030.

The current foresight initiative in the Eastern Cape, in partnership with the UNDP, is aimed at strengthening provincial planning, future skills and exploring strategic opportunities for the province in key sectors such as the Ocean’s Economy, manufacturing, agro-processing and rural development.

The CPSI further continues to support departments to improve service delivery through innovation by:

- Sharing innovative practices;
- Guiding re-engineering of processes and redesigning of services;
- Adopting new approaches such as Behavioural Insights; and/or
- Developing new solutions with innovators.

In collaboration with service delivery departments at institutional level, such as in health facilities, the CPSI contributed to the improvement of workflow and administrative processes to enhance services. As a result, theatre utilisation was increased by 20% and further innovation was stimulated within these organisation, such as a challenge which was done at Bertha Gxowa Hospital.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

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

**The programme comprises of the following three sub-programmes:**

- **Strategic Management** provides administrative support to the Executive Director and coordinates implementation, monitoring and reporting on the organisation’s overall performance.



- **Corporate Resources Management** manages and monitors corporate resources, ICT; and security; and provides office support and auxiliary services.
- **The Office of the Chief Financial Officer** ensures compliance with all relevant financial management statutes and regulations, notably the Public Finance Management Act (PFMA), and oversees the effective financial and supply chain management of the organisation.

The strategic objectives of this programme for the year under review were as follows:

- Effective integrated planning and reporting;
- Effective corporate resource management; and
- Effective financial management.

<b><i>Strategic objectives, performance indicators, planned targets and actual achievements</i></b>									
<b>PROGRAMME 1: ADMINISTRATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
Effective Corporate Governance	1.1	Number of quarterly consolidated financial and non-financial reports free from material misstatements submitted to MPSA, DPMSA, DPME and National Treasury as per required timeframes	-	-	-	4 Quarterly financial reports submitted to MPSA, DPMSA and National Treasury and non-financial reports submitted to MPSA, DPMSA, DPMSA, DPME, and National Treasury as per required timeframes	<b>Achieved</b>  4 Quarterly financial reports submitted to MPSA, DPMSA and National Treasury and non-financial reports submitted to MPSA, DPMSA, DPMSA, DPME, and National Treasury as per required timeframes	None	None
	1.2	Percentage of operational budget spent	96.73% of the total budget was spent	97.9% of the total budget was spent	96% of the operational budget spent	97% of operational budget spent according to the annual projections	<b>Not Achieved</b>  90% of operational budget spent according to the annual projections	7% deviation.	The relocation of the organisation resulted in savings in lease payments and property payments. Savings from vacant posts
	1.3	Percentage of internal and	-	-	-	100% Implementation of	<b>Not Achieved</b>	2% of internal and external audit	The CPSI had to relocate to

<b><i>Strategic objectives, performance indicators, planned targets and actual achievements</i></b>									
<b>PROGRAMME 1: ADMINISTRATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
		external audit recommendations implemented				internal and external audit recommendations	98% Implementation of internal and external audit recommendations	recommendations not implemented: one (1) internal audit finding from the 2017/18 financial year not been achieved	new premises requiring a revision of the ICT governance and operational plans which could not be finalized at year end.

**Strategy to overcome areas of underperformance**

During the period under review, two targets were not fully achieved. As a result, the following areas are earmarked for attention:

- In the new financial year, operational expenditure will be monitored monthly, with mitigation strategies to avoid underspending and ensure that the operational budget is spent according to the annual projections; and
- Plans will be revised by 31 July 2019, to address the 2% underachievement on the implementation of internal and external audit recommendations.

**Changes to planned targets**

An editing oversight relating to target 1.3 under Quarter 3, resulted in the incorrect date being indicated. The third quarter target on the approved APP reads: **“75% implementation of recommendations by 30 January 2019 and progress report developed,”** a period which falls outside of the third quarter. For this reason, the target was approved for revision as follows: **“75% implementation of recommendations by 31 December 2018 and progress report developed.”**

The table below illustrates the amendment:

Indicator ID	Programme performance indicator	Annual target 2018/2019	Initially approved APP Quarter 3 target	Revised approved Quarter 3 target
1.3	Percentage of internal and external audit recommendations implemented	100% Implementation of internal and external audit recommendations	75% implementation of recommendations by <b>30 January 2019</b> and progress report developed	75% implementation of recommendations by <b>31 December 2018</b> and progress report developed

**Linking performance with budgets**

PROGRAMME 1: ADMINISTRATION		2017/2018			2018/2019		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
1	Strategic Management	3 717	3 677	40	3 460	2 861	599
2	Corporate Resource Management	9 116	8 936	1180	10 743	10 113	630
3	Office of the Chief Financial Officer	5 842	5 714	128	5 705	5 420	285
<b>Total</b>		<b>18 675</b>	<b>18 327</b>	<b>348</b>	<b>19 908</b>	<b>18 394</b>	<b>1 514</b>

The performance of Programme 1 is fully aligned with the budget allocation, as most activities relate to statutory compliance and corporate expenditure such as leases and audit fees.

## 4.2 Programme 2: Public Sector Innovation

This programme drives service delivery innovation in the public sector in line with government priorities.

This programme comprises the following three sub-programmes:

- **Research and Development** leads the development of potential innovative models and solutions. The component thus investigates service delivery challenges, identifies potential solutions and, where suitable solutions cannot be found, initiates the development of innovative solutions to address the identified challenge(s).
- **Solution Support and Incubation** facilitates the demonstration, replication and mainstreaming of innovative solutions for the public sector.
- **Enabling Environment** nurtures and sustains an enabling environment, which entrenches a culture and practice of innovation in the public sector through innovative platforms and products.

The strategic objective of this programme for the year under review was as follows:

### **Objective: Improve the effectiveness and efficiency of public sector service delivery**

As part of its mandate to develop innovative, sustainable and responsive models for improved service delivery, the CPSI investigates service delivery challenges and identifies possible solutions to these challenges. Some of these solutions are already available and can thus be replicated and scaled. Where suitable solutions do not exist or where existing solutions may not be efficient or effective, new solutions must be developed in partnership with our stakeholders.

#### 4.2.1. Funding mechanism

One of the key challenges (as highlighted in the section on the organisational environment) remains the funding of projects during their development stages. To further enhance the discourse on the development of policy recommendations, the CPSI, in partnership with the UNDP, conducted background research on possible funding mechanisms for public sector innovation as well as innovation-friendly public procurement. The research was presented to key stakeholders at a roundtable and consultative forum, which were hosted by the Deputy Minister. The outcomes of this exercise will inform the development of policy recommendations and draft regulations in the new year.



#### 4.2.2. New guide

The CPSI's Guide to Public Sector Innovation is now 10 years old. The guide was comprehensively amended to align it with marked developments in the field over the

past decade. The revised guide will be converted into an interactive online toolkit in the new financial year.

### 4.2.3. Strategic foresight

Furthermore, looking beyond the immediate, and in response to the pressures of a VUCA world (see *Service Delivery Environment* above), the CPSI has strengthened its strategic foresight work. Working closely with the UNDP and the Eastern Cape Socio-Economic Consultative Council (ECSECC), a series of sessions were conducted in the Eastern Cape to introduce the concept of strategic foresight and initiate sector-specific sessions. The first of these sessions focussed on the future of the workforce in the province. These sessions provide the province and key role players in the province with an opportunity to strengthen anticipatory governance, prepare for the 4IR and build the required resilience and agility to respond to future challenges.



The CPSI was invited to present the lessons learnt from this initiative as part of a foresight training session at the 2018 High Level Political Forum (HLPF) on the SDGs in July 2018 in New York.

In support of the active community of practice, an online portal ([foresight.org.za](http://foresight.org.za)) has also been developed. The CPSI has further assisted the UN Country Team (all UN agencies in SA) to incorporate strategic foresight into the planning for the next Country Support Framework and to ensure alignment with the NDP as well as incorporating innovation into their programmes.

### 4.2.4. Pilot Projects

Work on two longer term projects, *real-time monitoring of service delivery at Home Affairs service points*, and *maternal referral in the health sector*, continued with scoping and resource mobilisation concluded in the financial year. Due to resource constraints and staff turnover at both the CPSI and our partner, The Innovation Hub, these projects could not be concluded and will continue into the new financial year.

The CPSI further worked with the UNDP on a Behavioural Insights project looking at ways to change bystander behaviour in cases of gender-based violence. This initiative was published in the UNDP's annual review of global innovation projects.





Three new initiatives have been identified during the Ignite Hack Public Sector Hackathon, hosted by the Minister. These projects are now being supported towards further development and potential testing and piloting in the public sector. The CPSI played a key role in the hackathon and also in a number of smaller hackathons leading up to the September 2018 event. In addition to formulate the challenges, staff assisted in mentoring teams, guiding them through the development process and also adjudicated the final submissions.

#### **4.2.5. Replication projects**

A replication programme is critical to upscale or mainstream tried and tested innovative solutions in the public service sector. Using the Public Sector Innovation Awards programme as a platform, the CPSI continued to identify and facilitate the replication of solutions that improves the lives of citizens and service delivery.

#### **Vulamanzi Replication Project**

The Vulamanzi Project facilitated the replication of an innovative South African-developed concept that provides a solution for safe drinking water to underserved or remote rural communities in the Eastern Cape and Limpopo. The concept consists of unique woven fabric that serves as a micro-filter or membrane to filter borehole or river water into clean drinkable water, without the need for expensive specialist chemicals. The solution was developed by Vulamanzi Pty Ltd, supported by the Department of Science and Technology (DST). This project was entered for the CPSI Public Sector Innovation Awards 2017 and was subsequently selected by the CPSI Replication Committee for replication in more areas in Limpopo, in the 2018/2019 financial year.

Originally, the Vulamanzi Filtering System was designed for households and implemented in the Capricorn District in Limpopo. The CPSI proposed and facilitated the replication of the system for expanded impact in the education sector, particularly in rural schools. To this end, the CPSI assisted the innovator with redesigning of the system to make it more robust and suitable to serve greater numbers of people. As a result, the system was successfully replicated in Phasoane High and Baseloane Primary schools in Limpopo. Over and above the training provided to the schools, the community was also trained to ensure sustainability of the project.

#### **e-Recruitment Replication Project**

This project was initiated by the MPSA through the DPSA, CPSI and the State Information Technology Agency (SITA). The CPSI previously conducted research and made recommendations on the subject. Using the Public Sector Innovation Awards Programme database, the CPSI was able to also involve other departments and provinces that executed work in the e-recruitment space, such as the Department of Trade and Industry (the DTI), and Gauteng and Mpumalanga provinces. These state institutions provided much-needed guidance and know-how to the MPSA portfolio to

replicate their solutions for the whole of the public service. Phase 1 of the e-Recruitment Replication Project was launched in December 2018 by Minister for the Public Service and Administration. Currently, more enhancements are being made to the now called e-Jobs Portal, as part of improving citizens' interaction with the public service. The solution is hosted at and supported by SITA.

### **Blood Optimisation Project**

In the year under review, the CPSI facilitated the replication of the Blood Optimisation Project at the Groote Schuur Hospital in the Western Cape Province. This also included connecting with the University of Washington DC Medical Faculty via satellite, who were keen to implement this South African innovative solution as part of their training for medical personnel. This project, that ensures the efficient use of blood and blood products, was originally developed in KZN Edendale Hospital and entered for the Public Sector Innovation Awards. Subsequently, the CPSI replicated this system at five facilities in Gauteng Province, during the 2016/17 financial year.

## **4.3. Innovation knowledge programmes, products and platforms**

### **4.3.1. Multi-media Innovation Centre**

Through the MMIC, which is the learning, demonstrating and planning platform on public service innovation, the CPSI continued to further entrench a culture of innovation in the public service and capacitate more public service officials to innovate. An assessment questionnaire was developed which visitors to the MMIC had to complete before they were taken for a tour of the facility. At the end of the visit, they were requested to complete another questionnaire.

The purpose of this exercise was to determine whether the guided tour led to an improved understanding of innovation in the public service sector. An analysis of the completed questionnaires clearly demonstrated the value that the MMIC added in enhancing public servants' understanding of how innovation can be leveraged to improve service delivery. In addition, the mobile MMIC enables public servants to interact with content in a different and engaging way. Due to the relocation of the CPSI to the DPSA offices and the subsequent lack of space, the MMIC was however dismantled towards the end of the financial year.

### **4.3.2. Annual Public Sector Innovation Conference**

The annual conference was hosted from 29 to 30 August 2018 under the theme "*Partnering for an agile and a renewed public sector through innovation*". The conference also featured two panel discussions. A mini-Hackathon was held on the margins of the conference as a response to the 4IR.



#### 4.3.3. Annual Public Sector Innovation Awards Programme

This year-long programme culminated in an awards ceremony that was hosted on 1 November 2019. Several innovative projects were accolated to recognise the work of Public Sector Innovation Trailblazers, coders and developers within government who are developing new digital solutions. The following table summarises the finalists and category winners of the 2018 Public Sector Innovation Awards Programme:

<b>CATEGORY A: INNOVATIVE SOLUTIONS SAVING GOVERNMENT MONEY</b>		
<b>Name of the project</b>		<b>Province</b>
Electronic Learner and Teacher Support Material	Winner	North West
Wendy House Project	1 <sup>st</sup> Runner-up	Northern Cape
Pharmaceutical Ward Stockholding	2 <sup>nd</sup> Runner-up	KwaZulu-Natal
Giyani Carpentry & Painting Team	3 <sup>rd</sup> Runner-up	Limpopo
<b>CATEGORY B: INNOVATIVE USE OF ICT FOR EFFECTIVE SERVICE DELIVERY</b>		
<b>Name of the project</b>		<b>Province</b>
Integrated Intelligence Hub	Winner	Western Cape
Electronic Intensive Care Project	1 <sup>st</sup> Runner-up	KwaZulu-Natal
Purchase Card Project	2 <sup>nd</sup> Runner -up	Gauteng
ICT in Education	3 <sup>rd</sup> Runner-up	Gauteng
<b>CATEGORY C: INNOVATIVE SERVICE DELIVERY INSTITUTIONS</b>		
<b>Name of the project</b>		<b>Province</b>
Standing Box Project	Winner	Gauteng
Skilled Hands: Desk Repair Project	1st Runner -up	KwaZulu-Natal
Fortune 40 Young Farmers Programme	2nd Runner -up	Mpumalanga
Motor Neuron Disease Multidisciplinary Team	3rd Runner -up	Gauteng
<b>CATEGORY D: INNOVATIVE ENHANCEMENTS OF INTERNAL SYSTEMS OF GOVERNMENT</b>		
<b>Name of the project</b>		<b>Province</b>
Accessible Salary Advice for the Visually Impaired	Winner	North West
GIS and Geoportal Project	1st Runner -up	Gauteng
Electronic Invoicing Project	2 <sup>nd</sup> Runner -up	Gauteng
BAS Automation Tool	3 <sup>rd</sup> Runner-up	Gauteng

<b>GEMS HEALTH AWARD</b>
Electronic Intensive Care, KwaZulu-Natal

<b>SPECIAL MINISTERIAL AWARDS</b>
Mini-Library for the Blind, Mpumalanga
Audiology Services (RK Khan Hospital), KwaZulu-Natal

<b>Public Sector Trailblazers</b>
Golebamang Chukudu, North West
Tumelo Serobatse, North West
Xolani Phakathi, KwaZulu-Natal

<b>2018 PUBLIC SECTOR INNOVATOR OF THE YEAR</b>
<b><i>Standing Box, Chris Hani Baragwanath Hospital, Gauteng</i></b>
<p><b>The Challenge</b></p> <p>Children with Cerebral Palsy (CP) cannot stand/walk without a moderate to maximum amount of physical support. Home-based standing frames have become standard practice amongst therapists when treating children with CP. These standing frames normally cost between R8 000 to R30 000, which is unaffordable to most patients.</p> <p><b>The Innovation</b></p> <p>Through a partnership with a non-profit organisation (NPO), <i>Sukumani Dream</i>, wooden standing frames are manufactured at a more affordable cost of R150.00 per frame, which improves access to quality healthcare for these children. Initially, parents had to pay for the standing frames, but due to generous donations and sponsorships from private companies and individuals, the frames are now provided for free. As a result, children with CP now have access to the benefits of safe standing, irrespective of their families' income level.</p> <p><b>The Impact</b></p> <p>The use of these wooden standing frames enables children with CP to stand with some support, which in turn improves their quality of life. Frequent standing also contributes to lessening deformities in legs and provides enough trunk control to children who cannot walk.</p>



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

The CPSI co-hosted, with the Government of Mauritius and the UNDP, the SADC-UNPAN workshop in Mauritius from 28 - 29 June 2018, under the theme *“The future public service in the context of the 4th Industrial Revolution: Implications for UNPAN”*. The workshop was attended by 13 member states.

CPSI officials attended a study tour to benchmark the UK public sector innovation system from 24 February - 2 March 2019. The team also participated in the 2019 Global Government Forum on innovation, as part of the study tour

In addition to the foresight training conducted at the 2018 HLPF in New York, the CPSI was also requested to serve as peer reviewer for the OECD Review of Brazil’s Innovation System, as international adjudicator for the UNDP Innovation Facility’s annual Innovation Call for projects, and as judge on the annual AAPAM Innovation Management Awards.

Annual Report for the 2017/2018 Financial Year  
Centre for Public Service Innovation

<b><i>Strategic objectives, performance indicators, planned targets and actual achievements</i></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
Improve the effectiveness and efficiency of public sector service delivery	2.1	Number of innovative solutions developed to address service delivery challenges	-	-	-	Two (2) innovative solutions developed	<b>Not achieved</b>  Piloting of two innovative solutions initiated. Project planning and scoping concluded.	Development of solutions was not concluded.  The agreement with The Innovation Hub through which the innovators would be appointed was only concluded at the end of the financial year	Due to staff turnover at all levels related to the projects, additional administrative delays were caused. Solution development will be completed in the 2 <sup>nd</sup> Quarter
	2.2	Revised Pocket Guide to Innovation in the South African Public Sector disseminated	-	-	-	Pocket Guide to Innovation in the South African Public Sector revised	<b>Achieved</b>  Pocket Guide to Innovation in the South African Public Sector revised	None	None
	2.3	Number of innovative solutions	Two (2) CPSI award winning projects were identified,	Two (2) CPSI award winning projects were facilitated for replication:	<b>Not achieved</b>  Two (2) CPSI award winning	Two (2) CPSI award winning and/or other innovation	<b>Achieved</b>	None	None

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

<b><i>Strategic objectives, performance indicators, planned targets and actual achievements</i></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
		facilitated for replications	<p>facilitated and supported for Replication:</p> <ul style="list-style-type: none"> <li>• Replication of the Saving Blood, Saving lives Project was facilitated and initiated at Bertha Gxowa Hospital</li> <li>• Dietetics project was facilitated for replication at Mokopane Hospital in the Waterberg District</li> </ul>	<ul style="list-style-type: none"> <li>• Saving Blood, Saving Lives was replicated at Far East, Tembisa and Leratong Hospitals</li> <li>• High Volume Cataract Project was replicated at Bheki Mlangeni Hospital</li> </ul>	<p>and/or other innovation projects that were identified and supported for replication were not initiated.</p> <p>The replication of the <b>Revenue Enhancement Project</b> was identified and supported but the project could not yet be initiated due to late approvals in the implementing departments in Limpopo</p> <p><b>Mpumalanga Tele-Radiology</b> (link between</p>	projects facilitated for replications	<p>Two (2) innovative projects facilitated for Replication</p> <ul style="list-style-type: none"> <li>• <b>Vulamanzi</b></li> <li>• <b>e-Recruitment</b></li> </ul>		

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

---

<b><u>Strategic objectives, performance indicators, planned targets and actual achievements</u></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
					Mpumalanga and Gauteng Department of health) was identified as a project to be replicated, a project Charter and Plan developed but could not be initiated due to leadership changes at the Gauteng Department of Health. The project was handed over to a new person in February 2018 which affected the implementation plan. Gauteng				

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

<b><u>Strategic objectives, performance indicators, planned targets and actual achievements</u></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
					further intended to merge the project with a larger initiative, contributing to the delay into the new financial year				
	2.4	Number of public sector officials and other partners capacitated on innovation tools, processes and approaches through the MMIC	A total of 333 public sector officials and other partners visited and used the MMIC. The visitors included amongst others, City of Tshwane, NSG, City of Johannesburg, Technology Innovation Agency, National Treasury,	A total of 165 public sector officials and other partners visited and used the MMIC. This included, amongst others, SADC/UNPAN delegates, Members of the Portfolio Committee on Public Service and Administration and the Office of the Public Service Commission	A total of 569 officials and other partners accessed the MMIC	330 Public sector officials and other partners capacitated	<b>Achieved</b> 410 Public sector officials and other partners capacitated	80 more Public sector officials and other partners were capacitated	The CPSI exhibition of the mobile MMIC at public sector events attracted more interest from the delegates, hence the increased number

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

<b><u>Strategic objectives, performance indicators, planned targets and actual achievements</u></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
			Civilian Secretariat of Police, The UNDP, SAHRC, SALGA						
	2.5	Number of knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector	-	-	-	Six (6) knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector	<b>Achieved</b>  • Six (6) knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector, Namely: Annual Public Sector Innovation Conference	None	None



Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

<b><u>Strategic objectives, performance indicators, planned targets and actual achievements</u></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
							<ul style="list-style-type: none"> <li>• Public Sector Innovation Awards</li> <li>• Four (4) Sector Specific workshops on Leading Innovation in the Public Service</li> </ul>		

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

<b><i>Strategic objectives, performance indicators, planned targets and actual achievements</i></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
	2.6	Number of editions of "Ideas that Work": The South African Public Sector Innovation Journal published to encourage learning	Two (2) editions (Volume 6 Issue 1 and 2) of "Ideas that Work": The South African Public Sector Innovation Journal were published with a total of 11 local case studies, 12 insight articles and 13 international innovations. The Journals were disseminated to various stakeholders	Two (2) editions (Volume 7 Issue 1 and 2) of "Ideas that Work": The South African Public Sector Innovation Journal were published with 5 case studies in each Journal The Journals were disseminated to various stakeholders	Two (2) editions (Vol 8 Issue 1 and 2) of "Ideas that Work": The South African Public Sector Innovation Journal were published	Two (2) editions (Volume 9 Issue 1 and 2) of "Ideas that Work": The South African Public Sector Innovation Journal published	<b>Not Achieved</b>  One (1) edition (Volume 9 Issue 1) of "Ideas that Work": The South African Public Sector Innovation Journal published	One (1) addition was published. Content for the 2 <sup>nd</sup> edition of the journal was compiled but not ready for publication	The Journal was not published due to production delays

Annual Report for the 2018/2019 Financial Year  
Centre for Public Service Innovation

<b><i>Strategic objectives, performance indicators, planned targets and actual achievements</i></b>									
<b>PROGRAMME 2: PUBLIC SECTOR INNOVATION</b>									
<b>Strategic Objective</b>	<b>Indicator ID</b>	<b>Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Planned target 2018/19</b>	<b>Actual Achievement 2018/2019</b>	<b>Deviation from planned target to Actual Achievement for 2018/2019</b>	<b>Comment on deviations</b>
	2.7	Number of SADC or international programmes participated in to profile and strengthen national and regional capacity	Participated in the Committee of Experts in Public Administration (CEPA) in April 2015 Co-hosted and participated in a Foresight Regional Workshop with UNDP in December 2015	The CPSI participated in two (2) regional and international programmes: • The 16th session of the United Nations Committee of Experts in Public Administration (CEPA) on 17-22 April 2016 • The AUC STC 08 Second Ordinary Session to manage the delivery of the 2016 All Africa Public Sector Innovation Awards (AAPSIA) on 6-10 December 2016	The CPSI participated in two (2) regional and international programmes: The 16 <sup>th</sup> Session of the United Nations CEPA 23 – 27 April 2017 in New York The 38 <sup>th</sup> African Association of Public Administration and Management (AAPAM) Roundtable Conference in Morocco on 3-12 November 2017	Participation in two (2) SADC or International innovation programmes	<b>Achieved</b>  The CPSI co-hosted and Participated in the SADC UNPAN workshop was held on 28-29 June 2018 in Mauritius.  Attended a study tour to benchmark the UK public sector innovation system on 24 February – 2 March 2019. The team also participated in the 2019 Global Government Forum on innovation as part of the study tour	None	None

**Strategy to overcome areas of under performance**

During the period under review, the following two targets were not fully achieved:

**Two (2) innovative solutions developed as identified in 2017/2018**

- Development of solutions was not concluded. The agreement with The Innovation Hub through which the innovators would be appointed was only concluded at the end of the financial year
  - **Solution Development will be concluded by the second Quarter of 2019**

**Volume 9 Issue 2 published**

- Content for the 2<sup>nd</sup> edition of the journal was compiled but could not be published, due to production delays.
  - **The purchase order was issued in mid-April 2019. The second edition of the journal will be printed in the first quarter of 2019/2020**

**Changes to planned targets**

There were no changes to planned targets in the year under review.

**Linking performance with budgets**

	PROGRAMME 2: PUBLIC SECTOR INNOVATION	2017/2018			2018/2019		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
1	Research and Development	3 624	3 532	92	4 233	3 842	391
2	Solution Support and Incubation	3 405	3 315	90	3 754	3 633	121
3	Enabling Environment	8 351	7 348	1 003	8 135	7 853	282
	<b>Total</b>	<b>15 380</b>	<b>14 195</b>	<b>1 185</b>	<b>16 122</b>	<b>15 328</b>	<b>794</b>

**5. TRANSFER PAYMENTS**

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

An amount of R175 000 was transferred to households due for leave gratuities to former employees.

Transfers to Households	Transfer Allocation	Actual Transfer	% of Available funds Transferred
	R'000	R'000	%
Leave Gratuity	175	175	100%
<b>TOTAL</b>	175	175	

## 6. CONDITIONAL GRANTS

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

## 7. DONOR FUNDS

### 7.1. Donor Funds Received

<b>Name of donor</b>	The Kingdom of Belgium Government – Tirelo Bosha Public Service Improvement Programme
<b>Full amount of the fund</b>	R 1 974 400.00
<b>Period of commitment</b>	18 Months
<b>Purpose of funding</b>	To protect ICT equipment in 23 identified no-fee schools in Gauteng through mobilising communities and proactively linking police sector alarm systems with the SAPS and CPFs.
<b>Expected outputs</b>	<ol style="list-style-type: none"> <li>1. Reduce the risk of theft of ICT equipment in the 23 identified no-fee schools in Gauteng;</li> <li>2. Provide tangible safety measures to the 3510 learners in these schools;</li> <li>3. Improve frontline service delivery by linking the police sector alarms directly to SAPS and proactively inform them on crime in the targeted schools;</li> <li>4. Involve the community and CPFs to ensure a 360-degree approach to fighting crime in these schools;</li> <li>5. Create jobs, share knowledge and provide training in the communities where the pilot project is deployed; and</li> <li>6. Ensure cohesion between the SAPS, CPFs, school patrollers and communities.</li> </ol>
<b>Actual output achieved</b>	<ol style="list-style-type: none"> <li>1. Project fully implemented in 23 schools;</li> <li>2. Close-out narrative and financial reports completed; and</li> <li>3. 3500 Personal alarms provided to patrollers and learners.</li> </ol>
<b>Amount received in current period (R'000)</b>	R324 400.00
<b>Amount spent by the department (R'000)</b>	R324 400.00
<b>Reasons for the funds</b>	There are no unspent funds.
<b>Monitoring mechanism by the donor</b>	Steering committee meetings were held between the donor and the department to monitor the progress of the project. A project office was established to

	coordinate project management. Project reports were assessed, and site visits were conducted. Formal audit and evaluation processes were implemented.
--	---

<b>Name of donor</b>	European Union - General Budget Support
<b>Full Amount of the fund</b>	R10 700 000.00
<b>Period of commitment</b>	2015 – 2019
<b>Purpose of the funding</b>	To facilitate the creation, adaptation, piloting and replication of solutions for innovative service delivery.
<b>Expected output</b>	<ol style="list-style-type: none"> <li>1. Participate in the piloting of innovative solutions for service delivery, by providing design and layout services for project products;</li> <li>2. Participate in the Replication Committee that identifies and analyses possible projects for replication/mainstreaming;</li> <li>3. Represent the CPSI by showcasing the MMIC during official government and AU event such as the SONA, Ministerial Budget Vote and Africa Public Service Day (APSD).</li> </ol>
<b>Actual output achieved</b>	<ol style="list-style-type: none"> <li>1. Product and platforms were supported by:             <ol style="list-style-type: none"> <li>a. Providing inhouse graphic design and layout skills for all CPSI publications, e.g. 2 Editions of CPSI journal during the 2018/2019 financial year, the 2018/2019 APP, the CPSI conference programme and the 2017/2018 annual report;</li> <li>b. Creating uniform corporate identity templates for communication elements such as the conference slides and electronic newsletter;</li> <li>c. Providing inhouse design and layout skills of CPSI products (e.g. awards invitations and certificates, CPSI notepads, the Revised Pocket Guide to Public Sector Innovation; a printed patient flow chart, budget vote presentations, and the UNPAN programme); and</li> <li>d. Managing and maintaining the CPSI website and social media accounts.</li> </ol> </li> <li>2. Participated in the UNDP Gender Based Violence (GBV) ethics and Behavioural Insights study and the UNDP Foresight Workshop.</li> <li>3. Contributed to shortlisting of the CPSI Awards entries and participated in site visits of the finalists.</li> <li>4. Participated in the MPSA business process reengineering engagements.</li> <li>5. Contributed to the uploading of content on the UNPAN Portal.</li> <li>6. Conducted tours for visitors in the MMIC (including Gauteng DoH, St John's College, DPSA, Department of Transport (DoT), Steve Biko Hospital, Tele Radiology Project, and the DPME).</li> </ol>

	<p>7. Showcased the mobile MMIC and facilitated tours at CPSI events such as the Call for Entries in East London, Budget Vote in Cape Town, and APSD at the Department of International Relations and Cooperation (DIRCO). An impact assessment questionnaire for the MMIC was also developed and implemented.</p> <p>8. Contributed to the maintenance and servicing of the MMIC equipment and content.</p> <p>9. Provided protocol services at Ministerial Imbizos and Hackathons, the Presidential Hackathon and the Limpopo Premier's Excellence Awards Programme.</p> <p>10. Provided administrative support at CPSI events (e.g. the CPSI Awards Launch, the annual CPSI Public Service Conference and the Public Sector Innovation Awards Programme).</p> <p>11. Coordinated the developers concept document.</p> <p>12. Participated in the Batho Pele Forum meeting and Portfolio Communications meetings.</p> <p>13. Conducted stakeholder management related to the UNPAN-SADC Workshop.</p>
<b>Amount received (R'000)</b>	R2 757 000.00
<b>Amount spent by the department (R'000)</b>	R1 885 070.43
<b>Reasons for the funds unspent</b>	Donor funding period came to an end. The remaining funds will be surrendered to the Reconstruction and Development Programme (RDP) fund during the 2018/2019 financial year.
<b>Monitoring mechanism by the donor</b>	Quarterly reports were submitted to the RDP to monitor the progress of the project.

**8. CAPITAL INVESTMENT**  
Not applicable.

---

## PART C: GOVERNANCE

---



## **1. INTRODUCTION**

The CPSI is committed to consistently maintain good governance practices, which is fundamental in the management of public finances and resources. To this end, the organisation appointed a functional Audit and Risk Committee. The committee ensures adherence to governance principles at all times, and oversees the work and functioning of other governance structures, including the Executive Committee and its sub-structures, namely:

- The Budget Committee;
- The Information and Communication Technology (ICT) Steering Committee; and
- The Audit Steering Committee.

The Internal Audit Function provides the department with independent assurance on the effectiveness of the governance processes and functioning of the governance structures within the department.

## **2. RISK MANAGEMENT**

The CPSI implemented and maintained an effective, efficient and transparent system of risk management as required in terms of PFMA Section 38 (a) (i) throughout the year. Management monitors the implementation of the approved risk management policy and strategy, for which annual implementation plans are developed. During the financial year under review, the department conducted and reviewed its strategic, operational risks, a process which assists in identifying new emerging risks. The CPSI Executive Committee members participate in the overall management of the risk management activities, while all other employees participate in the identification of all risks in the organisation. The Audit and Risk Committee reviews and monitors risk management progress reports on a quarterly basis, while the Internal Audit Function provides assurance on the effectiveness of the risk management processes.

## **3. FRAUD AND CORRUPTION**

The CPSI has developed a Fraud Prevention Policy, a Fraud Prevention Plan, and a Whistle Blowing Policy. A review of the fraud risk assessment was conducted, and new emerging fraud and corruption risks were identified.

The CPSI supports the National Anti-Corruption Hotline by encouraging all its employees to report any suspected activities of fraud and corruption.

The organisation's Whistle Blowing Policy outlines all internal and external fraud and corruption reporting mechanisms, and assures employees of protection regarding confidential disclosures, in terms of the Protected Disclosure Act 26 of 2000.

The CPSI is committed to investigating and reporting all reported cases of fraud and corruption to the relevant institutions and authorities, subject to the outcomes 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 2016. The CPSI supports the prohibition of employees conducting business with any organs of state, or of being a director of a public or private company conducting business with an organ of state. A process was implemented that requires employees to either withdraw from such practices, or to resign from the public service. Financial disclosures are submitted electronically, a practice which was also rolled out to other levels of designated employees, namely: Middle Management Service (levels 11 and 12), as well as employees below level 11 in the supply chain and finance units. The CPSI communicates the due dates for financial disclosures and remunerated work outside the department timeously to all employees.

Treasury Regulations paragraph 16A8.3 requires that a SCM official or role player in the SCM environment recognises and discloses any conflict of interest that may arise when participating or performing functions in the SCM processes. To ensure compliance with this regulation, the CPSI uses a declaration of interest form in the procurement processes which necessitates officials and members of the bid committees to declare any conflict of interest and to recuse themselves from the processes when they have declared an interest.

Panel members involved in any human resource processes are also required to declare their interests with regards to any candidate(s) shortlisted/interviewed for a post. This declaration includes agreeing to being penalised according to the measures contained in the disciplinary code, should it be discovered that they misinformed the committee.

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

The CPSI adheres to the Code of Conduct as contained in Chapter 2, Part 1 (13) of the Public Service Regulations, 2016 and all CPSI employees are required to sign the code of conduct. In managing labour relations within the CPSI by the shared service agreement on internal labour relation services, the CPSI follows the processes as prescribed by the Public Service Co-Ordinating Bargaining Council (PSCBC) Resolutions for Managing of Grievances (PSCBC Resolution 14 of 2002) 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 conduct from an ethical point of view, both in their individual and professional capacity. It provides guidelines for their relationship with the legislature, political and executive office bearers, other employees and members of the public. It also spells out the spirit in which employees should perform their duties and what should be done to avoid conflict of interest. Compliance with the Code of Conduct enhances professionalism and helps to ensure confidence in the public service.

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

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The CPSI participated in quarterly compulsory evacuation drills arranged by the landlord of the building between 1 April 2018 and 28 February 2019. The CPSI relocated to the DPSA Agrivaal Heritage Building in March 2019. The relocation was managed through the establishment of a task team who provided our employees with the necessary support.

## 7. PORTFOLIO COMMITTEES

Date of the meeting	Matters raised by the Portfolio Committee	How the matters were addressed
19/04/2018	Briefing by the CPSI on the APPs for the 2018/2019 financial year	The presentation was made, and questions were addressed for clarity
12/09/2018	Briefing by the CPSI on the performance of the fourth quarter of the 2017/2018 financial year, as well as the performance of the first quarter of the 2018/2019 financial year	The presentation was made, and questions were addressed for clarity
10/10/2018	Briefing by the CPSI on the Annual Report for the 2017/2018 financial year, as well as reporting progress on the implementation of the recommendations contained in the budget report (Vote 10) 2016/17	The presentation was made, and questions were addressed for clarity
07/11/2018	Briefing by the CPSI on the performance of the second quarter of the 2018/2019 financial year	The presentation was made, and questions were addressed for clarity

## 8. SCOPA RESOLUTIONS

There were no SCOPA resolutions adopted in the 2018/2019 financial year.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

During the 2017/2018 financial year, the CPSI obtained a clean audit opinion with no emphasis of matters, as discussed in a detailed audit report. The CPSI conducted an audit exercise to deal with prior-year audit findings. The purpose of the exercise was to establish a road map for addressing the audit findings raised by the external auditors, and to define internal control measures that must be implemented to prevent the recurrence of such findings in future. Thereafter, an audit findings register was established to track the progress on resolving the findings on a quarterly basis.

In addition, follow-up meetings are held quarterly, to resolve any issues that may negatively impact the deadlines for resolution of the audit findings. This process helps to ensure that there is adequate follow-through, and that corrective actions are taken within the agreed timelines.

The status of each audit finding in the register is presented to the Audit Committee for review, on a quarterly basis. From time to time, the Audit Committee also instructs internal

audit to provide independent confirmation that the findings are resolved as indicated by management.

## **10. INTERNAL CONTROL UNIT**

The CPSI established a system of internal control through policies and procedures in the areas of financial, supply chain, and human resource management. The Internal Audit Function provides assurance on the adequacy and effectiveness of the system of internal control. Various audit reports were issued during the year and management implemented the recommendations of the Internal Audit Function. The Executive Committee and the Audit and the Risk Committee monitor the control improvement plan on a quarterly basis. Based on the overall assessment, management is confident that the CPSI's internal control environment is satisfactory.

## **11. INTERNAL AUDIT AND AUDIT COMMITTEES**

### **Internal Audit Function**

The Internal Audit Function provides management with independent assurance and insight on the effectiveness of, among others; governance, the internal controls, risk management and financial management systems, to assist the organisation in achieving its objectives. The Audit and Risk Committee oversees the work of the Internal Audit Function and approved a risk-based internal audit plan that was fully executed during the year. Audit reports were presented to both management and the Audit and Risk Committee.

The Internal Audit Function audited the following areas during the year under review:

- SCM, with emphasis on ordering and tendering processes, supplier payments, contracts management, deviations management, and conflict of interest;
- Human resource management, with emphasis on labour relations, discipline management, grievance procedures and dispute resolutions, leave administration, performance management, training and skills development;
- Asset management, with emphasis on asset registers, acquisitions, maintenance and disposals of assets, and loss management;
- Audit of performance information (AoPI), with emphasis on the APPs, quarterly performance reports, and the annual report;
- Internal financial controls; including, expenditure management and authorisations, journal management and authorisations, and transfer payments; and
- Audit of financial information, with emphasis on quarterly interim financial and annual financial statements.

### **Audit and Risk Committee**

The Audit and Risk Committee oversees the CPSI's compliance with applicable laws and regulations, governance processes, the performance management system and continuously assesses the performance of the Internal Audit Function to determine the level of its effectiveness within the CPSI. The committee operates within the approved

terms of reference (referred to as, “Audit and Risk Committee Charter”) and in accordance with the requirements of the PFMA and Treasury Regulations.

### Meeting attendance of Audit and Risk Committee members

The Audit and Risk Committee conducted four (4) ordinary meetings and three (3) special meetings during the 2018/2019 financial year, as indicated in the tables below:

Meeting date	Adv. William Huma (Chairperson)	Mr Sethopo Michael Mamotheti	Ms Precious Mvulane	Ms Pumla Mzizi
08/05/2018	Present	Present	Present	Apology
26/05/2018	Present	Present	Present	Present
30/07/2018	Present	Present	Present	Present
16/08/2018	Present	Present	Apology	Apology
25/08/2018	Apology	Present	Apology	Present
31/10/2018	Present	Present	Present	Present
13/03/2019	Contract ended	Contract ended	Present	Present

Name	Qualifications	Internal or external	Date appointed	Date contract ended	No. of meetings attended
Adv. William Elias Huma	<ul style="list-style-type: none"> <li>- BProc; LLB; LLM; Graduate Diploma in Corporate Governance</li> <li>- Advocate of the High Court of South Africa</li> <li>- Fellow of the Institute of Directors</li> </ul>	External	10 March 2016	30 October 2018	5
Mr. Sethopo Michael Mamotheti	<ul style="list-style-type: none"> <li>- BCom;</li> <li>- Postgraduate Diploma in Accounting</li> <li>- MBA</li> <li>- Certified Internal Auditor (CIA)</li> </ul>	External	10 March 2016	30 October 2018	6
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	10 March 2016	--	5
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	10 March 2016	--	5

## 12. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year that ended 31 March 2019.

### Audit and Risk Committee responsibility

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

### **The Effectiveness of Internal Control**

The systems of internal control are designed to provide assurance in achieving the organisational objectives through ensuring that assets are safeguarded, operations are effective and efficient, financial performance information is reliable, and there is compliance with laws and regulations.

The Audit and Risk Committee has provided oversight over the operations and business activities within the Centre for Public Service Innovation. This was achieved through a quarterly reporting process by Management and reviews by Internal Audit as prioritised in the Risk-Based Annual Audit Operational Plan approved by the Audit and Risk Committee.

The Audit and Risk Committee is of the opinion that the systems of internal controls were adequate and effective during the year under review and where weaknesses have been identified this has been discussed with management, and corrective measures were implemented.

### **Internal Audit**

The Audit and Risk Committee is satisfied with the effectiveness and efficiency of the Internal Audit Function. Below is some of the work performed by Internal Audit during the year under review, which has assisted the committee to provide oversight on the systems of internal controls:

- Supply Chain Management with emphasis on ordering and tendering processes, supplier payments, contracts management, deviations management, and conflict of interest.
- Human Resource Management with emphasis on labour relations, discipline management, grievance procedures and dispute resolutions, Leave administration, Performance management, training and skills development,
- Assets Management with emphasis on asset registers, acquisitions, maintenance and disposals of assets, and loss management.
- Audit of Performance Information (AoPI) with emphasis on the annual performance plan, quarterly performance reports, and the annual performance report.
- Internal Financial Controls with emphasis on expenditure management and authorisations, journals management and authorisations, and transfer payments.
- Audit of Financial Information with emphasis on quarterly interim financial and annual financial statements.

### **Risk management**

The Audit and Risk Committee has played an oversight role on the CPSI's risk management processes.

During the year under review, the organisation has reviewed its strategic and operational risks. The Audit and Risk Committee continuously monitored the implementation of the risk mitigation strategies on a quarterly basis and is of the opinion that there is still room for improvement in the incorporation of risk management into the standard operating procedures.

### **In-Year Management and Monthly/Quarterly Report**

The CPSI has reported quarterly to the National Treasury as required by the PFMA. The Audit and Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of the department during the year under review and is satisfied with the content thereof.

### **Evaluation of Financial Statements**

The Audit and Risk Committee has:

- reviewed and discussed the draft financial statements to be included in the annual report, with Management and the Accounting Officer;
- reviewed the Auditor-General's report and management's response in relation to the financial statements;
- reviewed the organisation's compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives to be included in the annual report;
- reviewed the audited financial statements for any significant adjustments resulting from the audit report, and
- reviewed the quality and timeliness of the financial information availed to the committee for oversight purposes during the year such as interim financial statements.

### **Auditor-General's Report**

The Audit and Risk Committee has reviewed the organisation's implementation plan for audit issues raised in the previous year and are satisfied that the matters have been adequately resolved.

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

*Pumla Mzizi CA(SA)*

---

**Ms Pumla Mzizi CA(SA)**  
**Acting Chairperson of the Audit and Risk Committee**  
**Centre for Public Service Innovation**

# PART D: HUMAN RESOURCE MANAGEMENT

---



## **1. INTRODUCTION**

Reporting on the information contained in this part of the annual report is prescribed by the MPSA for all departments in the public service.

## **2. OVERVIEW OF HUMAN RESOURCES**

### **Human resource priorities and its impact for the year under review**

During the 2018/2019 financial year, the vacancy rate increased to 11% compared to 5% in the 2017/2018 financial year. This is because there were four vacant posts at the end on the reporting period, compared to two vacant posts at the end of the 2017/2018 financial year. The CPSI placed a moratorium on filling of positions in the corporate services units of the CPSI, to allow for finalisation of an investigation requested by the MPSA to streamline corporate services functions within the portfolio. This resulted in two funded vacant posts not being filled during the period under review.

No new interns were appointed permanently during the financial year under review; but the contracts of two interns who were appointed on contract in the previous financial year, were extended to 2019.

The employment equity statistics at the end of the financial year were 5.8% in respect of persons with disabilities and 66.67% in respect of women at senior management service (SMS) level.

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

The CPSI has an approved human resources plan for 2017/2020 which will expire in October 2020. All vacant funded positions in the CPSI were advertised in the DPISA vacancy circulars to encourage transparency and fair competition.

Cabinet granted approval for the extension of the Executive Director's contract of appointment for the period 1 April 2018 to 30 September 2018. The responsibilities of the post were assigned to an employee who was seconded from the DPISA to the CPSI since October 2018.

### **Employee performance management**

The CPSI has an approved performance management and development policy for all staff. 100% of SMS members entered into performance agreements for the period. The performance evaluations for 2017/2018 were concluded and the outcome of the assessments was communicated to staff in the third and fourth quarter of the financial year.

### **Employee wellness programmes**

The CPSI invited officials from the Government Employees Pension Fund (GEPF) and the GEMS for sessions, to promote employee wellness.

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

ICT capacity in the CPSI remains a challenge. The CPSI and the DPSA will revise its MoU on shared services to address this challenge.

### Future human resource plans

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

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel-related expenditure

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2018 to 31 March 2019**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Programme 1: Administration	18 394	9 638	18	334	52%	507.26
Programme 2: Public Sector Innovation	15 328	9 153	68	680	60%	610.20
<b>Total</b>	<b>33 722</b>	<b>18 791</b>	<b>86</b>	<b>1 014</b>	<b>56%</b>	<b>552.68</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 to 31 March 2019**

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)	335	2%	4	84
Skilled (Levels 3 - 5)	910	5%	4	228
Highly skilled production (Levels 6 - 8)	3 351	18%	10	335
Highly skilled supervision (Levels 9 - 12)	6 730	36%	10	673
Senior and top management (Levels 13 -16)	7 465	40%	6	1 244
<b>Total</b>	<b>18 791</b>	<b>100%</b>	<b>34</b>	<b>626</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme for the period 1 April 2018 to 31 March 2019**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical Aid as a % of personnel costs
Programme 1: Administration	6 253	65%	19	0%	220	2%	347	4%
Programme 2: Public Sector Innovation	5 838	64%	-	0%	160	2%	237	3%
<b>Total</b>	<b>12 091</b>	<b>64%</b>	<b>19</b>	<b>0%</b>	<b>380</b>	<b>2%</b>	<b>584</b>	<b>3%</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical Aid as a % of personnel costs
Lower skilled (Levels 1-2)	149	44%	-	0%	47	14%	56	17%
Skilled (Levels 3-5)	523	57%	-	0%	63	7%	99	11%
Highly skilled production (Levels 6-8)	1 327	40%	12	0%	142	4%	320	10%
Highly skilled supervision (Levels 9-12)	4 386	65%	7	0%	33	0%	11	0%
Senior and Top management (Levels 13-16)	5 706	76%	-	0%	95	1%	98	1%
<b>Total</b>	<b>12 091</b>	<b>64%</b>	<b>19</b>	<b>0%</b>	<b>380</b>	<b>2%</b>	<b>584</b>	<b>3%</b>

### 3.2 Employment and Vacancies

**Table 3.2.1 Employment and vacancies by programme as at 31 March 2019**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	22	19	14%	4
Programme 2: Public Service Innovation	16	15	6%	4
<b>Total</b>	<b>38</b>	<b>34</b>	<b>11%</b>	<b>8</b>

**Table 3.2.2 Employment and vacancies by salary band as at 31 March 2019**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2) cleaners/interns	4	4	0%	2
Skilled ) Levels 3-5) security officers	4	4	0%	1
Highly skilled production (Levels 6-8)	11	10	9%	1
Highly skilled supervision (Levels 9-12)	12	10	17%	3
Senior and Top management (Levels 13-16)	7	6	14%	1
<b>Total</b>	<b>38</b>	<b>34</b>	<b>11%</b>	<b>8</b>

**Table 3.2.3 Employment and vacancies by critical occupations as at 31 March 2019**

Employment and vacancies by critical occupations	<b>None</b>
--	-------------

### **3.3 Filling of SMS posts**

**Table 3.3.1 SMS post information as at 31 March 2019**

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 post information as at 30 September 2018**

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	1	100%	-	0%
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>6</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 to 31 March 2019**

SMS level	Advertising	Filling of Posts	
	Number of vacancies per level advertised within 6 months of becoming vacant	Number of vacancies per level filled within 6 months of becoming vacant	Number of vacancies per level not filled within 6 months of becoming vacant
Director-General/ Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	-	-	-
<b>Total</b>	-	-	-

**Table 3.3.4 Reasons for not having complied with the funded vacant SMS - advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2018 to 31 March 2019**

<p>The Executive Director's contract post was extended for six months from 1 April 2018 to 30 September 2018. From 1 October 2018, an Acting Executive Director was appointed.</p> <p>The Executive Authority decided to wait for the outcome of the Macro Organisation restructuring of Government report as this could potentially impact on the future of the organisation.</p>
--

**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 2018 to 31 March 2019**

No steps taken during this period.
------------------------------------

### 3.4 Job evaluation

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	4	-	0%	-	-	-	-
Skilled (Levels 3-5)	4	-	0%	-	-	-	-
Highly Skilled production (Levels 6-8)	11	-	0%	-	-	-	-
Highly Skilled supervision (Levels 9-12)	12	-	0%	-	-	-	-
Senior Management Service Band A (level 13)	2	-	0%	-	-	-	-
Senior Management Service Band B (level 14)	3	-	0%	-	-	-	-

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior Management Service Band C (level 15)	2	-	0%	-	-	-	-
Senior Management Service Band D (level 16)	-	-	0%	-	-	-	-
<b>Total</b>	<b>38</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2018 to 31 March 2019**

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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 to 31 March 2019**

Total number of employees with salary levels higher than those determined by job evaluation	None
---	------

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2018 to 31 March 2019**

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

### 3.5 Employment changes

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	Number of employees at beginning of period - 1 April 2018	Appointments and transfers into department	Terminations and transfers into the department	Turnover rate
Lower Skilled (Levels 1-2)	2	-	-	0%
Skilled (Levels 3-5)	3	-	-	0%
Highly Skilled (Levels 6-8)	10	-	-	0%
Highly Skilled supervision (Levels 9-12)	9	-	1	11%
Senior Management Service Band A	2	-	-	0%
Senior Management Service Band B	3	-	-	0%
Senior Management Service Band C	1	-	1	100%
Senior Management Service Band D	-	-	-	0%
<b>Contracts additional to the establishment</b>				
Lower Skilled (Levels 1-2)	2	-	-	0%
Skilled (Levels 3-5)	1	1	-	0%
Highly Skilled (Levels 6-8)	-	1	-	0%

Salary band	Number of employees at beginning of period - 1 April 2018	Appointments and transfers into department	Terminations and transfers into the department	Turnover rate
Highly Skilled supervision (Levels 9-12)	5	-	1	20%
Senior Management Service Band A	-	-	-	0%
Senior Management Service Band B	-	-	-	0%
Senior Management Service Band C		1	-	0%
Senior Management Service Band D	-	-	-	0%
<b>Total</b>	<b>38</b>	<b>3</b>	<b>3</b>	<b>8%</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 to 31 March 2019**

Critical occupation	Number of employees at beginning of period - 1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
None	-	-	-	

**Table 3.5.3 Reason why staff left the department for the period 1 April 2018 to 31 March 2019**

Termination type	Number	% of Total resignations
Death	-	0%
Resignation	2	67%
Expiry of contract	1	33%
Dismissal - operational changes	-	0%
Dismissal - misconduct	-	0%
Dismissal - inefficiency	-	0%
Discharged due to ill-health	-	0%
Retirement	-	0%
Transfer to other public service departments	-	0%
Other	-	0%
<b>Total</b>	<b>3</b>	<b>100%</b>
<b>Total number of employees who left as a % of total employment</b>		<b>7%</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 to 31 March 2019**

Occupational	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
None	-	-	-		-

**Table 3.5.5 Promotions by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	Employees 1 April 2018	Promotions to another salary level	Salary bands promotions as % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Lower skilled (Levels 1 - 2)	-	-	-	-	-
Skilled (Levels 3 - 5)	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	-	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	-	-	-	-	-
Senior and top management (Levels 13 - 16)	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

### 3.6 Employment equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L13-16 Legislators, senior officials and managers	1	-	-	1	3	-	-	1	6
L9-12 Professionals	3	-	-	-	7	-	-	-	10
L6-8 Technicians, associates and professionals	3	-	-	-	6	-	-	1	10
L3-5 Clerks	2	-	-	-	2	-	-	-	4
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
L2 Elementary occupations	-	-	-	-	4	-	-	-	4
<b>Totals</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>34</b>
<b>Employees with disabilities</b>	2	-	-	-	-	-	-	-	-



**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top Management	-	-	-	-	1	-	-	-	1
L13-14 Senior Management	1	-	-	1	2	-	-	1	5
L9-12 Professionally qualified and experienced specialists and mid-management	3	-	-	-	7	-	-	-	10
L6-8 Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	-	-	-	6	-	-	1	10
L3-5 Semi-skilled and discretionary decision making	2	-	-	-	2	-	-	-	4
L2 Unskilled and defined decision making	-	-	-	-	4	-	-	-	4
<b>Total</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>34</b>

**Table 3.6.3 Recruitment for the period 1 April 2018 to 31 March 2019**

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

**Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L15 Top management	-	-	-	-	-	-	-	-	-
L13-14 Senior management	-	-	-	-	-	-	-	-	-
L9-12 Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
L6-8 Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	-	-	-	-	-	-	-	-	-
L3-5 Semi-skilled and discretionary decision-making	-	-	-	-	-	-	-	-	-
L2 Unskilled and defined decision-making	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.5 Terminations for the period 1 April 2018 to 31 March 2019**

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

**Table 3.6.6 Disciplinary actions for the period 1 April 2018 to 31 March 2019**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal Warning	-	-	-	-	1	-	-	-	1

**Table 3.6.7 Skills development for the period 1 April 2018 to 31 March 2019**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
L13-16 Legislators, senior officials and managers	-	-	-	-	1	-	-	-	1
L9-12 Professionals	-	-	-	-	4	-	-	-	4
L6-8 Technicians, associates and professionals	-	-	-	-	-	-	-	-	-
L3-5 Clerks	-	-	-	-	2	-	-	-	2
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
L2 Elementary occupations	-	-	-	-	-	-	-	-	-
<b>Totals</b>	-	-	-	-	7	-	-	-	7
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

### 3.7. Signing of performance agreements by SMS members

**Table 3.7.1 Signing of performance agreements by SMS members as at 31 May 2018**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as a % of the total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	-	-	-	0%
Salary Level 15	-	-	-	0%
Salary Level 14	3	3	3	100%
Salary Level 13	2	2	2	100%
<b>Total</b>	6	6	6	100%

**Table 3.7.2 Reasons for non-concluded performance agreements by SMS members as at 31 May 2018**

Reasons
Not applicable

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded their performance agreements as at 31 May 2018**

Reasons
None

### 3.8 Performance rewards

**Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019**

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employees
<b>African</b>					
Male	3	9	33%	59	20
Female	11	17	65%	210	19
<b>Asian</b>					
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>Coloured</b>					
Male	-	-	-	-	-
Female	-	-	-	-	-
<b>White</b>					
Male	-	-	-	-	-
Female	1	1	100%	15	15
<b>Total</b>	<b>15</b>	<b>27</b>	<b>56%</b>	<b>284</b>	<b>19</b>

**Table 3.8.2 Performance rewards by salary band for personnel below senior management service for the period 1 April 2018 to 31 March 2019**

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employees	
Lower skilled (Levels 1 - 2)	2	2	100%	7	4	0.04%
Skilled (Levels 3 - 5)	-	3	0%	-	-	0.00%
Highly skilled production (Levels 6 - 8)	4	9	44%	47	12	0.25%
Highly skilled supervision (Levels 9 - 12)	9	13	69%	230	26	1.21%
<b>Total</b>	<b>15</b>	<b>27</b>	<b>56%</b>	<b>284</b>	<b>19</b>	<b>1.49%</b>

**Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2018 to 31 March 2019**

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employees
<b>None</b>					

**Table 3.8.4 Performance-related rewards (cash bonuses), by salary band for senior management service for the period 1 April 2018 to 31 March 2019**

Salary Band	Beneficiary profile		Cost			Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employees	
Band A	-	1	-	-	-	-
Band B	-	3	-	-	-	-
Band C	-	2	-	-	-	-
Band D	-	-	-	-	-	-
<b>Total</b>	-	<b>6</b>	-	-	-	-

### 3.9 Foreign workers

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2018 to 31 March 2019**

Salary band	01-Apr-18		31-Mar-19		Change	
	Number	% of total	Number	% of total	Number	% of total
Lower skills (Level 1 - 2)	-	0%	-	0%	-	0%
Skilled (Levels 3 - 5)	-	0%	-	0%	-	0%
Highly skilled production (Levels 6 - 8)	-	0%	-	0%	-	0%
Highly skilled supervision (Level 9 - 12)	-	0%	-	0%	-	0%
Top and senior management (Levels 13 -16)	-	0%	-	0%	-	0%
<b>Total</b>	-	0%	-	0%	-	0%

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2018 to 31 March 2019**

Salary band	01-Apr-18		31-Mar-19		Change	
	Number	% of total	Number	% of total	Number	% of total
None	-	0%	-	0%	-	0%

### 3.10 Leave utilisation

**Table 3.10.1 Sick leave for the period 1 January 2018 to 31 December 2018**

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total of employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1 - 2)	21	100%	4	100%	5	10
Skilled (Levels 3 - 5)	26	66%	4	100%	7	29
Highly skilled production (Levels 6 - 8)	112	63%	10	100%	11	104
Highly skilled supervision (Level 9 - 12)	80	81%	12	120%	7	9

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total of employees using sick leave	Average days per employee	Estimated Cost (R'000)
Top and senior management (Levels 13-16)	23	95%	6	100%	4	165
<b>Total</b>	<b>262</b>	<b>4</b>	<b>36</b>	<b>106%</b>	<b>33</b>	<b>317</b>

**Table 3.10.2 Disciplinary leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018**

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total of employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skills (Level 1 - 2)	-	-	-	0%	-	-
Skilled (Levels 3 - 5)	-	-	-	0%	-	-
Highly skilled production (Levels 6 - 8)	-	-	-	0%	-	-
Highly skilled supervision (Levels 9 -12)	-	-	-	0%	-	-
Top and senior management (Levels 13 - 16)	-	-	-	0%	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>

**Table 3.10.3 Annual leave for the period 1 January 2018 to 31 December 2018**

Salary band	Total days taken	Number of Employees using annual leave	Average employee
Lower Skills (Level 1-2)	64	4	16
Skilled (Levels 3-5)	68	4	17
Highly skilled production (Levels 6-8)	199	10	20
Highly skilled supervision (Level 9-12)	273	12	23
Top and Senior management (Levels 13-16)	124	6	21
<b>Total</b>	<b>728</b>	<b>36</b>	<b>96</b>

**Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2018**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average days of days taken by employee	Average leave per employee as on 31 March 2018
Lower Skills (Level 1-2)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average days of days taken by employee	Average leave per employee as on 31 March 2018
Highly skilled supervision (Level 9-12)	-	-	-	-
Top and Senior management (Levels 13-16)	-	-	-	-
<b>Total</b>	-	-	-	-

**Table 3.10.5 Leave payouts for the period 1 January 2018 to 31 December 2018**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payouts for 2018 due to non-utilisation of leave for the previous cycle	320	3	107
Capped leave payouts on termination of service for 2018	-	-	-
Current leave payouts on termination of service 2018	238	5	48
<b>Total</b>	<b>558</b>	<b>8</b>	<b>154</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 & related diseases (if any)	Key steps taken to reduce the risk
No employees were identified, the introduction of measure to protect HIV positive employees against discrimination.	None

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Chapter 4 part 3, regulation no. 55 of the Public Service Regulations, 2016? If so, provide her/his name and position.	X		Director: Corporate Services.
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and wellbeing of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	No dedicated unit but the function is part of the Corporate Resource Management unit's services.
3. Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of this programme.	X		To raise awareness on issues of health and promote a healthy lifestyle.
4. Has the department established (a) committee(s) as contemplated in Chapter 4 Part 3, Regulation no. 55(2)(d) of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	No employees were identified, as the establishment of such a committee is not required.

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		This matter was taken into consideration in the development of various policies.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of those measures.		X	As no such employees were identified, no measures were introduced to protect HIV-positive employees against discrimination.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	X		Health screening was conducted by GEMS.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion Programme? If so, list these measures/indicators.		X	

### **3.12. Labour relations**

**Table 3.12.1 Collective agreements for the period 1 April 2018 to 31 March 2019**

Subject matter	Date
Total number of collective agreements	None

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 to 31 March 2019**

Outcomes of disciplinary hearings	Numbers	% of total
Correctional counselling	-	0%
Verbal warning	1	100%
Written warning	-	0%
Final written warning	-	0%
Suspended without pay	-	0%
Fine	-	0%
Demotion	-	0%
Dismissal	-	0%
Not guilty	-	0%
Case withdrawn	-	0%
<b>Total</b>	<b>1</b>	<b>100%</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 to 31 March 2019**

Type of misconduct	Number	% of total
None	-	0%

**Table 3.12.4 Grievances lodged for the period 1 April 2018 to 31 March 2019**

Grievances	Number	% of total
Number of grievances resolved	1	100%
Number of grievances resolved not resolved	-	0%
<b>Total number of grievances lodged</b>	<b>-</b>	<b>0%</b>



**Table 3.12.5 Disputes lodged with councils for the period 1 April 2018 to 31 March 2019**

Disputes	Number	% of total
Number of disputes upheld	2	100%
Number of disputes dismissed		0%
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100%</b>

**Table 3.12.6 Strike actions for the period 1 April 2018 to 31 March 2019**

Total number of person working days lost	None
Total costs of working days lost	None
Amount recovered as a result of no work no pay (R"000)	-

**Table 3.12.7 Precautionary suspensions for the period 1 April 2018 to 31 March 2019**

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

### **3.13 Skills development**

**Table 3.13.1 Training needs identified for the period 1 April 2018 and 31 March 2019**

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
L13-16: Legislators, senior officials and managers	Female	4	-	6	-	6
	Male	2	-	5	-	5
L9-12: Professionals	Female	6	-	11	-	11
	Male	4	-	6	-	6
L6-8: Technicians and associate professionals	Female	7	-	8	-	8
	Male	3	-	8	-	8
L3-5: Clerks	Female	2	-	3	-	3
	Male	2	-	6	-	6
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	-	-	-	-	-
L2: Elementary occupations	Female	4	-	6	-	6
	Male	-	-	-	-	-
Subtotal	<b>Female</b>	<b>23</b>	-	<b>34</b>	-	<b>34</b>
	<b>Male</b>	<b>11</b>	-	<b>25</b>	-	<b>25</b>
<b>Total</b>		<b>34</b>	-	<b>59</b>	-	<b>59</b>

**Table 3.13.2 Training provided for the period 1 April 2018 to 31 March 2019**

Occupational category	Gender	Number of employees as at 1 April 2018	Training needs identified at the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
L13-16: Legislators, senior officials and managers	Female	4	-	1	-	1
	Male	2	-	-	-	-
L9-12: Professionals	Female	6	-	4	-	4
	Male	4	-	-	-	-
L6-8: Technicians and associate professionals	Female	7	-	2	-	2
	Male	3	-	-	-	-
L3-5: Clerks	Female	2	-	-	-	-
	Male	2	-	-	-	-
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	-	-	-	-	-
L2: Elementary occupations	Female	4	-	-	-	-
	Male	-	-	-	-	-
Sub Total	<b>Female</b>	<b>23</b>	-	<b>7</b>	-	<b>7</b>
	<b>Male</b>	<b>11</b>	-	-	-	-
<b>Total</b>		<b>34</b>	-	<b>7</b>	-	<b>7</b>

### **3.14 Injuries on duty**

**Table 3.14 Injuries on duty for the period 1 April 2018 to 31 March 2019**

Nature of injury on duty	Number	% of total
Required basic medical attention on duty	1	100%
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
<b>Total</b>	<b>1</b>	<b>100%</b>

### **3.15 Utilisation of consultants**

**Table 3.15. 1 Report on consultant appointments using appropriated funds for the period 1 April 2018 to 31 March 2019**

Title of project	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Policy and procedure on incapacity leave and ill health retirement (PILIR), monthly health risk manager (HRM) fees April 2018 based on 34 heads at a unit price of R11.27	1	1	383.18
PILIR, monthly HRM fees May 2018 based on 34 heads at a unit price of R10.61	1	1	383.18

Title of project	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Audit and Risk Committee Member for CPSI	4	1	71 900.00
Audit and Risk Committee Member for CPSI	3	1	60 396.00
Development of a model, toolkit and case study of Health Institutions as Innovation Hubs - Bertha Gxowa Hospital Project	1	1	79 823.00
PILIR, monthly HRM fees June 2018 based on 34 heads at a unit price of R11.27	1	1	383.18
Qualification verification services	1	1	580.00
Audit and Risk Committee Member for CPSI	4	1	71 900.00
Audit and Risk Committee Member for CPSI	2	1	37 388.00
PILIR, monthly HRM fees September 2018 based on 34 heads at a unit price of R11.27	1	1	383.18
Audit and Risk Committee Member for CPSI	3	1	17 256.00
Hiring of an audio-visual technician and equipment during the 2018 CPSI Innovation Conference	1	1	246 536.17
Hiring of an automated delegate registration system during the CPSI Innovation Awards	1	1	68 500.00
PILIR, monthly HRM fees October 2018 based on 34 heads at a unit price of R11.27	1	1	383.18
PILIR, monthly HRM fees November 2018 based on 34 heads at a unit price of R11.27	1	1	383.13
Audit and Risk Committee Member for CPSI	4	1	66 148.00
Hiring of sound and DJ services for the 2018 Innovation Awards gala dinner	1	1	20 500.00
Hiring of an audio-visual technician and equipment during the 2018 CPSI Awards Ceremony	1	1	494 500.00
PILIR, monthly HRM fees December 2018 based on 34 heads at a unit price of R11.27	1	1	383.18
PILIR, monthly HRM fees February 2019 based on 34 heads at a unit price of R11.27	1	1	383.18
Qualification verification services	1	1	4 380.00
Casual worker to uninstall and remove satellite dish	1	1	600.00
Relocation of uninterrupted power supply system to Agrivaal Building	1	1	31 466.00
Relocation of assets of office content to Agrivaal Building	1	1	136 443.33
Relocation of generator to Agrivaal Building	1	1	20 000.00
Relocation of air conditioners to Agrivaal Building	1	1	1 750.00
Relocation of photocopier machine to Agrivaal Building	1	1	4 025.00
Relocation of photocopier machine to Agrivaal Building	1	1	1 519.63
Casual workers for relocation of assets	6	1	3 052.30
The development of an innovative, low-cost referral system for health	1	1	300 000.00
The development of real-time monitoring of service delivery at the Department of Home Affairs service points.	1	1	300 000.00
Facilitation of the Public Service Innovation Workshop 1	1	1	60 000.00
PILIR, monthly HRM fees July 2019 based on 34 heads at a unit price of R11.27	1	1	383.18
PILIR, monthly HRM fees August 2019 based on 34 heads at a unit price of R11.27	1	1	383.18
PILIR, monthly HRM fees January 2019 based on 34 heads at a unit price of R11.27	1	1	383.18
Facilitation of the Public Service Innovation Workshop 2	1	1	60 000.00

Title of project	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Facilitation of the Public Service Innovation Workshop 3	1	1	60 000.00
Facilitation of the Public Service Innovation Workshop 4	1	1	60 000.00

Total number of projects	Total number of consultants that worked on projects	Total duration (work days)	Total contract value in Rand
38	57	67	2 282 878

**Table 3.15. 2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs) for the period 1 April 2018 to 31 March 2019**

Projects title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that worked on the project
Development of a model, toolkit and case study of Health Institutions as Innovation Hubs - Bertha Gxowa Hospital Project	100%	100%	1
Hiring of an audio-visual technician and equipment during the 2018 CPSI Innovation Conference	25.10%	-	1
Hiring of an automated delegate registration system during the CPSI Innovation Awards	100%	100%	5
Hiring of sound and DJ services during the 2018 Innovation Awards gala diner	100%	100%	2
Hiring of an audio-visual technician and equipment during the 2018 CPSI Awards Ceremony	100%	100%	1
Relocation of Uninterrupted Power Supply to Agrivaal Building	100%	100%	1
Relocation of office content to Agrivaal Building	-	-	1
Relocation of generator to Agrivaal Building	100%	100%	1
Relocation of air conditioners to Agrivaal Building	100%	100%	1
Relocation of photocopier machine to Agrivaal Building			1
Relocation of photocopier machine to Agrivaal Building			1
The development of an innovative, low-cost referral system for health	100%	100%	3
The development of real-time monitoring of service delivery at the Department of Home Affairs service points	100%	100%	3
Facilitation of the Public Service Innovation Workshop 1	100%	100%	3
Facilitation of the Public Service Innovation Workshop 2	100%	100%	3
Facilitation of the Public Service Innovation Workshop 3	100%	100%	1
Facilitation of the Public Service Innovation Workshop 4	100%	100%	1

**Table 3.15. 3 Report on consultants' appointments using donor funds for the period 1 April 2018 to 31 March 2019**

Title of project	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
None	-	-	-

Total number of projects	Total individual consultants	Total Duration work days	Total Contract value in Rand
None	-	-	-

**Table 3.15. 4 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individual (HDIs) for the period 1 April 2018 to 31 March 2019**

Title of project	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that worked on the project
None	-	-	-

### **3.16 Severance packages**

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2018 to 31 March 2019**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by the 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

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of the Centre for Public Service Innovation (CPSI) set out on pages 93 to 134, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Centre for Public Service Innovation as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA).

#### Basis for opinion

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

I am independent of the government component in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and the 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 codes.

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

#### Other matter

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

#### Unaudited supplementary schedules

The supplementary information set out on pages 132 to 134 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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

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

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

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

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

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

## **Report on the audit of the annual performance report**

### **Introduction and scope**

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

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



I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the government component for the year ended 31 March 2019:

<b>Programme</b>	<b>Pages in the annual performance report</b>
Programme 2 – Public service innovation	36 – 51

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

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

- Programme 2 – Public service innovation

### **Other matter**

I draw attention to the matter below.

### **Achievement of planned targets**

Refer to the annual performance report on pages 43 to 51 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

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

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

### Other information

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

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

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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### Internal control deficiencies

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

*Auditor-General*

Pretoria

31 July 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

---

**For the year that ended  
31 March 2019**

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2019*

**Table of Contents**

<b>Appropriation Statement .....</b>	<b>Error! Bookmark not defined.</b>
<b>Notes to the Appropriation Statement .....</b>	<b>Error! Bookmark not defined.</b>
<b>Statement of Financial Performance .....</b>	<b>Error! Bookmark not defined.</b>
<b>Statement of Financial Position .....</b>	<b>Error! Bookmark not defined.</b>
<b>Statement of Changes in Net Assets .....</b>	<b>Error! Bookmark not defined.</b>
<b>Cash Flow Statement .....</b>	<b>Error! Bookmark not defined.</b>
<b>Notes to the Annual Financial Statements (including Accounting policies) ..</b>	<b>Error! Bookmark not defined.</b>
<b>Annexures .....</b>	<b>Error! Bookmark not defined.</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

*for the year that ended 31 March 2019*

Appropriation per programme									
Programme	2018/19							2017/18	
	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
3. Administration	19 908	-	-	19 908	18 394	1 514	92.4%	18 675	18 327
4. Public Sector Innovation	16 122	-	-	16 122	15 328	794	95.1%	15 380	14 195
<b>TOTAL</b>	<b>36 030</b>	<b>-</b>	<b>-</b>	<b>36 030</b>	<b>33 722</b>	<b>2 308</b>	<b>93.6%</b>	<b>34 055</b>	<b>32 522</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add: Departmental receipts</b>				13				24	
<b>Aid assistance</b>				3 081				3 407	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>39 124</b>				<b>37 486</b>	
<b>Add: Aid assistance</b>					2 209				3 287
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>35 931</b>				<b>35 809</b>

Appropriation per economic classification	2018/19							2017/18	
	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>35 504</b>	<b>(340)</b>	<b>-</b>	<b>35 164</b>	<b>33 058</b>	<b>2 106</b>	<b>94.0%</b>	<b>33 421</b>	<b>32 016</b>
<b>Compensation of employees</b>	<b>19 425</b>	<b>-</b>	<b>-</b>	<b>19 425</b>	<b>18 791</b>	<b>634</b>	<b>96.7%</b>	<b>18 360</b>	<b>18 046</b>
Salaries and wages	17 399	(210)	-	17 189	16 747	442	97.4%	16 270	15 967
Social contributions	2 026	210	-	2 236	2 044	192	91.4%	2 090	2 079
<b>Goods and services</b>	<b>16 079</b>	<b>(340)</b>	<b>-</b>	<b>15 739</b>	<b>14 267</b>	<b>1 472</b>	<b>90.6%</b>	<b>15 061</b>	<b>13 970</b>
Administrative fees	197	(78)	-	119	113	6	95.0%	195	89
Advertising	221	86	-	307	306	1	99.7%	188	172
Minor assets	169	(132)	-	37	31	6	83.8%	11	9
Audit costs: External	1 599	(480)	-	1 119	1 110	9	99.2%	1 784	1 783

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

*for the year that ended 31 March 2019*

	2018/19							2017/18	
	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
Catering: Departmental activities	114	11	-	125	92	33	73.6%	174	171
Communication (G&S)	399	(6)	-	393	320	73	81.4%	348	331
Computer services	2 296	(817)	-	1 479	1 046	433	70.7%	913	904
Consultants: Business and advisory services	515	516	-	1 031	1 014	17	98.4%	486	484
Contractors	950	337	-	1 287	1 270	17	98.7%	1 099	965
Consumable supplies	359	(78)	-	281	230	51	81.9%	346	331
Consumable: Stationery, printing and office supplies	345	(110)	-	235	157	78	66.8%	277	210
Operating leases	4 000	366	-	4 366	4 365	1	100.0%	3 709	3 707
Property payments	307	114	-	421	417	4	99.0%	860	968
Travel and subsistence	2 358	15	-	2 373	2 230	143	94.0%	2 603	2 144
Training and development	215	58	-	273	86	187	31.5%	173	109
Operating payments	695	(153)	-	542	409	133	75.5%	817	695
Venues and facilities	1 340	11	-	1 351	1 071	280	79.3%	1 078	898
<b>Transfers and subsidies</b>	<b>27</b>	<b>150</b>	<b>-</b>	<b>177</b>	<b>175</b>	<b>2</b>	<b>98.9%</b>	<b>1</b>	<b>-</b>
<b>Departmental agencies and accounts</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
Departmental agencies (non-business entities)	1	-	-	1	-	1	-	1	-
<b>Households</b>	<b>26</b>	<b>150</b>	<b>-</b>	<b>176</b>	<b>175</b>	<b>1</b>	<b>99.4%</b>	<b>-</b>	<b>-</b>
Social Benefits	26	150	-	176	175	1	99.4%	-	-
<b>Payments for capital assets</b>	<b>499</b>	<b>180</b>	<b>-</b>	<b>679</b>	<b>480</b>	<b>199</b>	<b>70.7%</b>	<b>624</b>	<b>497</b>
<b>Machinery and equipment</b>	<b>232</b>	<b>180</b>	<b>-</b>	<b>412</b>	<b>319</b>	<b>93</b>	<b>77.4%</b>	<b>525</b>	<b>497</b>
Other machinery and equipment	232	180	-	412	319	93	77.4%	525	497

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

*for the year that ended 31 March 2019*

	2018/19							2017/18	
	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>Software and other intangible assets</b>	267	-	-	267	161	106	60.3%	99	-
<b>Payment for financial assets</b>	-	10	-	10	9	1	90.0%	9	9
<b>TOTAL</b>	<b>36 030</b>	<b>-</b>	<b>-</b>	<b>36 030</b>	<b>33 722</b>	<b>2 308</b>	<b>93.6%</b>	<b>34 055</b>	<b>32 522</b>

<b>Programme 1: Administration</b>									
Sub programme									
1. Strategic Management	3 749	(289)	-	3 460	2 861	599	82.7%	3 717	3 677
2. Corporate Resource Management	9 851	892	-	10 743	10 113	630	94.1%	9 116	8 936
3. Office of the Chief Financial Officer	6 308	(603)	-	5 705	5 420	285	95.0%	5 842	5 714
<b>TOTAL</b>	<b>19 908</b>	<b>-</b>	<b>-</b>	<b>19 908</b>	<b>18 394</b>	<b>1 514</b>	<b>92.4%</b>	<b>18 675</b>	<b>18 327</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>19 612</b>	<b>(144)</b>	<b>-</b>	<b>19 468</b>	<b>18 139</b>	<b>1 329</b>	<b>93.2%</b>	<b>18 120</b>	<b>17 898</b>
<b>Compensation of employees</b>	<b>9 917</b>	<b>-</b>	<b>-</b>	<b>9 917</b>	<b>9 638</b>	<b>279</b>	<b>97.2%</b>	<b>9 403</b>	<b>9 258</b>
Salaries and wages	8 808	(102)	-	8 706	8 579	127	98.5%	8 273	8 135
Social contributions	1 109	102	-	1 211	1 059	152	87.4%	1 130	1 123
<b>Goods and services</b>	<b>9 695</b>	<b>(144)</b>	<b>-</b>	<b>9 551</b>	<b>8 501</b>	<b>1 050</b>	<b>89.0%</b>	<b>8 717</b>	<b>8 640</b>
Administrative fees	28	13	-	41	38	3	92.7%	40	38
Advertising	7	(7)	-	-	-	-	-	21	20
Minor assets	153	(120)	-	33	31	2	93.9%	7	5
Audit costs: External	1 599	(480)	-	1 119	1 110	9	99.2%	1 784	1 783
Catering: Departmental activities	44	4	-	48	32	16	66.7%	28	26

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

**for the year that ended 31 March 2019**

	2018/19							2017/18	
	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
Communication (G&S)	244	10	-	254	201	53	79.1%	188	183
Computer services	1 580	(119)	-	1 461	1 028	433	70.4%	906	904
Consultants: Business and advisory services	343	6	-	349	334	15	95.7%	486	484
Contractors	-	201	-	201	200	1	99.5%	7	6
Consumable supplies	117	(27)	-	90	68	22	75.6%	106	97
Consumable: Stationery, printing and office supplies	198	(69)	-	129	77	52	59.7%	180	177
Operating leases	4 000	366	-	4 366	4 365	1	100.0%	3 709	3 707
Property payments	307	114	-	421	417	4	99.0%	379	377
Travel and subsistence	666	(68)	-	598	506	92	84.6%	715	676
Training and development	133	52	-	185	18	167	9.7%	34	34
Operating payments	176	(20)	-	156	76	80	48.7%	120	116
Venues and facilities	100	-	-	100	-	100	-	7	7
<b>Transfers and subsidies</b>	<b>27</b>	<b>134</b>	<b>-</b>	<b>161</b>	<b>159</b>	<b>2</b>	<b>98.8%</b>	<b>1</b>	<b>-</b>
<b>Departmental agencies and accounts</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
Departmental agencies (non-business entities)	1	-	-	1	-	1	-	1	-
<b>Households</b>	<b>26</b>	<b>134</b>	<b>-</b>	<b>160</b>	<b>159</b>	<b>1</b>	<b>99.4%</b>	<b>-</b>	<b>-</b>
Social Benefits	26	134	-	160	159	1	99.4%	-	-
<b>Payments for capital assets</b>	<b>269</b>	<b>-</b>	<b>-</b>	<b>269</b>	<b>87</b>	<b>182</b>	<b>32.3%</b>	<b>554</b>	<b>429</b>
<b>Machinery and equipment</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>79</b>	<b>91</b>	<b>46.5%</b>	<b>455</b>	<b>429</b>
Other machinery and equipment	170	-	-	170	79	91	46.5%	455	429
<b>Software and other intangible assets</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>99</b>	<b>8</b>	<b>91</b>	<b>8.1%</b>	<b>99</b>	<b>-</b>
<b>Payment for financial assets</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>9</b>	<b>1</b>	<b>90.0%</b>	<b>-</b>	<b>-</b>



**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

*for the year that ended 31 March 2019*

	2018/19							2017/18	
	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>TOTAL</b>	<b>19 908</b>	<b>-</b>	<b>-</b>	<b>19 908</b>	<b>18 394</b>	<b>1 514</b>	<b>92.4%</b>	<b>18 675</b>	<b>18 327</b>

<b>1.1: Strategic Management</b>									
<b>Current payments</b>	<b>3 733</b>	<b>(423)</b>	<b>-</b>	<b>3 310</b>	<b>2 721</b>	<b>589</b>	<b>82.2%</b>	<b>3 692</b>	<b>3 653</b>
Compensation of employees	2 913	(289)	-	2 624	2 354	270	89.7%	2 946	2 941
Goods and services	820	(134)	-	686	367	319	53.5%	746	712
<b>Transfers and subsidies</b>	<b>-</b>	<b>134</b>	<b>-</b>	<b>134</b>	<b>133</b>	<b>1</b>	<b>99.3%</b>	<b>-</b>	<b>-</b>
Households	-	134	-	134	133	1	99.3%	-	-
<b>Payments for capital assets</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>7</b>	<b>9</b>	<b>43.8%</b>	<b>25</b>	<b>24</b>
Machinery and equipment	16	-	-	16	7	9	43.8%	25	24
<b>TOTAL</b>	<b>3 749</b>	<b>(289)</b>	<b>-</b>	<b>3 460</b>	<b>2 861</b>	<b>599</b>	<b>82.7%</b>	<b>3 717</b>	<b>3 677</b>

<b>1.2: Corporate Resource Management</b>									
<b>Current payments</b>	<b>9 597</b>	<b>882</b>	<b>-</b>	<b>10 479</b>	<b>10 024</b>	<b>455</b>	<b>95.7%</b>	<b>8 610</b>	<b>8 554</b>
Compensation of employees	3 111	542	-	3 653	3 649	4	99.9%	3 318	3 286
Goods and services	6 486	340	-	6 826	6 375	451	93.4%	5 292	5 268
<b>Transfers and subsidies</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
Departmental agencies and accounts	1	-	-	1	-	1	-	1	-
<b>Payments for capital assets</b>	<b>253</b>	<b>-</b>	<b>-</b>	<b>253</b>	<b>80</b>	<b>173</b>	<b>31.6%</b>	<b>505</b>	<b>382</b>
Machinery and equipment	154	-	-	154	72	82	46.8%	406	382
Software and other intangible assets	99	-	-	99	8	91	8.1%	99	-
<b>Payment for financial assets</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>9</b>	<b>1</b>	<b>90.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>9 851</b>	<b>892</b>	<b>-</b>	<b>10 743</b>	<b>10 113</b>	<b>630</b>	<b>94.1%</b>	<b>9 116</b>	<b>8 936</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

*for the year that ended 31 March 2019*

	2018/19							2017/18	
	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>1.3: Office of the Chief Financial Officer</b>									
<b>Current payments</b>	<b>6 282</b>	<b>(603)</b>	-	<b>5 679</b>	<b>5 394</b>	<b>285</b>	<b>95.0%</b>	<b>5 818</b>	<b>5 691</b>
Compensation of employees	3 893	(253)	-	3 640	3 635	5	99.9%	3 139	3 031
Goods and services	2 389	(350)	-	2 039	1 759	280	86.3%	2 679	2 660
<b>Transfers and subsidies</b>	<b>26</b>	-	-	<b>26</b>	<b>26</b>	-	<b>100.0%</b>	-	-
Households	26	-	-	26	26	-	100.0%	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>24</b>	<b>23</b>
Machinery and equipment	-	-	-	-	-	-	-	24	23
<b>TOTAL</b>	<b>6 308</b>	<b>(603)</b>	-	<b>5 705</b>	<b>5 420</b>	<b>285</b>	<b>95.0%</b>	<b>5 842</b>	<b>5 714</b>
<b>Programme 2: Public Sector Innovation</b>									
<b>Sub programme</b>									
1. Research and Development	4 233	-	-	4 233	3 842	391	90.8%	3 624	3 532
2. Solution Support and Incubation	3 741	13	-	3 754	3 633	121	96.8%	3 405	3 315
3. Enabling Environment	8 148	(13)	-	8 135	7 853	282	96.5%	8 351	7 348
<b>TOTAL</b>	<b>16 122</b>	-	-	<b>16 122</b>	<b>15 328</b>	<b>794</b>	<b>95.1%</b>	<b>15 380</b>	<b>14 195</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>15 892</b>	<b>(196)</b>	-	<b>15 696</b>	<b>14 919</b>	<b>777</b>	<b>95.0%</b>	<b>15 301</b>	<b>14 118</b>
<b>Compensation of employees</b>	<b>9 508</b>	-	-	<b>9 508</b>	<b>9 153</b>	<b>355</b>	<b>96.3%</b>	<b>8 957</b>	<b>8 788</b>
Salaries and wages	8 591	(108)	-	8 483	8 168	315	96.3%	7 997	7 832
Social contributions	917	108	-	1 025	985	40	96.1%	960	956
<b>Goods and services</b>	<b>6 384</b>	<b>(196)</b>	-	<b>6 188</b>	<b>5 766</b>	<b>422</b>	<b>93.2%</b>	<b>6 344</b>	<b>5 330</b>
Administrative fees	169	(91)	-	78	75	3	96.2%	155	51
Advertising	214	93	-	307	306	1	99.7%	167	152

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

**for the year that ended 31 March 2019**

	2018/19							2017/18	
	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
Minor assets	16	(12)	-	4	-	4	-	4	4
Catering: Departmental activities	70	7	-	77	60	17	77.9%	146	145
Communication (G&S)	155	(16)	-	139	119	20	85.6%	160	148
Computer services	716	(698)	-	18	18	-	100.0%	7	-
Consultants: Business and advisory services	172	510	-	682	680	2	99.7%	-	-
Contractors	950	136	-	1 086	1 070	16	98.5%	1 092	959
Consumable supplies	242	(51)	-	191	162	29	84.8%	240	234
Consumable: Stationery, printing and office supplies	147	(41)	-	106	80	26	75.5%	97	33
Property payments	-	-	-	-	-	-	-	481	591
Travel and subsistence	1 692	83	-	1 775	1 724	51	97.1%	1 888	1 468
Training and development	82	6	-	88	68	20	77.3%	139	75
Operating payments	519	(133)	-	386	333	53	86.3%	697	579
Venues and facilities	1 240	11	-	1 251	1 071	180	85.6%	1 071	891
<b>Transfers and subsidies</b>	-	<b>16</b>	-	<b>16</b>	<b>16</b>	-	<b>100.0%</b>	-	-
<b>Households</b>	-	<b>16</b>	-	<b>16</b>	<b>16</b>	-	<b>100.0%</b>	-	-
Social Benefits	-	16	-	16	16	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>230</b>	<b>180</b>	-	<b>410</b>	<b>393</b>	<b>17</b>	<b>95.9%</b>	<b>70</b>	<b>68</b>
<b>Machinery and equipment</b>	<b>62</b>	<b>180</b>	-	<b>242</b>	<b>240</b>	<b>2</b>	<b>99.2%</b>	<b>70</b>	<b>68</b>
Other machinery and equipment	62	180	-	242	240	2	99.2%	70	68
<b>Software and other intangible assets</b>	<b>168</b>	-	-	<b>168</b>	<b>153</b>	<b>15</b>	<b>91.1%</b>	-	-
<b>Payment for financial assets</b>	-	-	-	-	-	-	-	<b>9</b>	<b>9</b>
<b>TOTAL</b>	<b>16 122</b>	-	-	<b>16 122</b>	<b>15 328</b>	<b>794</b>	<b>95.1%</b>	<b>15 380</b>	<b>14 195</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

*for the year that ended 31 March 2019*

	2018/19							2017/18	
	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>2.1: Research and Development</b>									
<b>Current payments</b>	<b>4 233</b>	<b>(83)</b>	<b>-</b>	<b>4 150</b>	<b>3 760</b>	<b>390</b>	<b>90.6%</b>	<b>3 616</b>	<b>3 525</b>
Compensation of employees	3 058	-	-	3 058	2 712	346	88.7%	2 879	2 774
Goods and services	1 175	(83)	-	1 092	1 048	44	96.0%	737	751
<b>Transfers and subsidies</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Households	-	16	-	16	16	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>67</b>	<b>66</b>	<b>1</b>	<b>98.5%</b>	<b>8</b>	<b>7</b>
Machinery and equipment	-	67	-	67	66	1	98.5%	8	7
<b>TOTAL</b>	<b>4 233</b>	<b>-</b>	<b>-</b>	<b>4 233</b>	<b>3 842</b>	<b>391</b>	<b>90.8%</b>	<b>3 624</b>	<b>3 532</b>
<b>2.2: Solution Support and Incubation</b>									
<b>Current payments</b>	<b>3 511</b>	<b>(51)</b>	<b>-</b>	<b>3 460</b>	<b>3 355</b>	<b>105</b>	<b>97.0%</b>	<b>3 384</b>	<b>3 294</b>
Compensation of employees	2 826	13	-	2 839	2 836	3	99.9%	2 719	2 715
Goods and services	685	(64)	-	621	519	102	83.6%	665	579
<b>Payments for capital assets</b>	<b>230</b>	<b>64</b>	<b>-</b>	<b>294</b>	<b>278</b>	<b>16</b>	<b>94.6%</b>	<b>12</b>	<b>12</b>
Machinery and equipment	62	64	-	126	125	1	99.2%	12	12
Software and other intangible assets	168	-	-	168	153	15	91.1%	-	-
<b>Payment for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9</b>
<b>TOTAL</b>	<b>3 741</b>	<b>13</b>	<b>-</b>	<b>3 754</b>	<b>3 633</b>	<b>121</b>	<b>96.8%</b>	<b>3 405</b>	<b>3 315</b>
<b>2.3: Enabling Environment</b>									
<b>Current payments</b>	<b>8 148</b>	<b>(62)</b>	<b>-</b>	<b>8 086</b>	<b>7 804</b>	<b>282</b>	<b>96.5%</b>	<b>8 301</b>	<b>7 299</b>
Compensation of employees	3 624	(13)	-	3 611	3 605	6	99.8%	3 359	3 299
Goods and services	4 524	(49)	-	4 475	4 199	276	93.8%	4 942	4 000
<b>Payments for capital assets</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>49</b>	<b>49</b>	<b>-</b>	<b>100.0%</b>	<b>50</b>	<b>49</b>
Machinery and equipment	-	49	-	49	49	-	100.0%	50	49

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**APPROPRIATION STATEMENT**

*for the year that ended 31 March 2019*

	2018/19							2017/18	
	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>TOTAL</b>	8 148	(13)	-	8 135	7 853	282	96.5%	8 351	7 348

## NOTES TO THE APPROPRIATION STATEMENT

for the year that ended 31 March 2019

1. Details of transfers and subsidies as per Appropriation Act (after virement):

**Details of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A) to the Annual Financial Statements.**

2. Details of specifically and exclusively appropriated amounts voted (after virement):

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

3. Details on payments for financial assets

**Details of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.**

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Administration</b>	19 908	18 394	1 514	8%
<b>Public Sector Innovation</b>	16 122	15 328	794	5%

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
<b>Compensation of employees</b>	19 425	18 791	634	3%
<b>Goods and services</b>	15 739	14 267	1 472	9%
Transfers and subsidies				
<b>Departmental agencies and accounts</b>	1	-	1	100%
<b>Households</b>	176	175	1	1%
Payments for capital assets				
<b>Machinery and equipment</b>	412	319	93	23%
<b>Intangible assets</b>	267	161	106	40%
Payments for financial assets				
	10	9	1	10%

**Compensation of employees:** An amount of R18.8 million was spent during the 2018/2019 financial year (96.74 percent of the compensation budget). An amount of R633 000 remained unspent at yearend as the result of four (4) vacant posts (salary levels 15, two levels 11's and one level 7);

## NOTES TO THE APPROPRIATION STATEMENT

for the year that ended 31 March 2019

An amount of R14.2 million was spent on **Goods and Services** for the same period; (90.65 percent of the goods and services budget). The unspent amount in this economic classification can be explained as follows:

**Programme 1: Administration**

- Payment for MS Licence was not invoiced as anticipated (R432 000);
- Order from training with NSG was only received in April 2019, and not in 2018/2019 as anticipated (R128 000);
- Lease payment amounting to R333 000 was not paid as anticipated, due to the relocation to the Batho Pele House;
- Other operational savings due to the vacant posts amounted to approximately R65 000 (travelling, communication, stationery, etc.); and
- Funding projected for venues and facilities normally used for planning sessions were not used (R100 000) due to the implementation of cost containment initiatives.

**Programme 2: Public Sector Innovation**

- The expenditure of venues and facilities were reduced by R180 000 due to the implementation of cost containment measures;
- The travelling on the replication project was reduced due to the replication that took place in Gauteng and not in the provinces as anticipated (R51 000);
- The printing of the CPSI Innovation Journal (R53 000) was not incurred due to the delay in the procurement processes;
- Catering in this programme indicated a saving of R17 000; which resulted from a reduction in the catering expenditure for people visiting the MMIC; and
- Other operational savings due to the vacant post amounted to approximately R150 000 (travelling, communication, stationery, etc.).

**STATEMENT OF FINANCIAL PERFORMANCE**

for the year that ended 31 March 2019

	Note	2018/2019 R'000	2017/2018 R'000
<b>REVENUE</b>			
Annual appropriation	1	36 030	34 055
Departmental revenue	2	13	24
Aid assistance	3	3 081	3 407
<b>TOTAL REVENUE</b>		<b>39 124</b>	<b>37 486</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	18 791	18 046
Goods and services	5	14 267	13 970
Aid assistance	3	2 146	3 287
<b>Total current expenditure</b>		<b>35 204</b>	<b>35 303</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	175	-
Aid assistance	3	63	-
<b>Total transfers and subsidies</b>		<b>238</b>	<b>-</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	319	497
Intangible assets	8	161	-
<b>Total expenditure for capital assets</b>		<b>480</b>	<b>497</b>
<b>Payments for financial assets</b>	6	9	9
<b>TOTAL EXPENDITURE</b>		<b>35 931</b>	<b>35 809</b>
<b>SURPLUS FOR THE YEAR</b>		<b>3 193</b>	<b>1 677</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		2 308	1 533
Annual appropriation		2 308	1 533
Departmental revenue and NRF Receipts	13	13	24
Aid assistance	3	872	120
<b>SURPLUS FOR THE YEAR</b>		<b>3 193</b>	<b>1 677</b>



**CENTRE FOR PUBLIC SERVICE INNOVATION**

**STATEMENT OF FINANCIAL POSITION**

**as at 31 March 2019**

	<i>Note</i>	2018/2019 R'000	2017/2018 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>3 207</b>	<b>1 681</b>
Cash and cash equivalents	9	2 983	1 391
Prepayments and advances	10	218	272
Receivables	11	6	18
<b>TOTAL ASSETS</b>		<b>3 207</b>	<b>1 681</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>3 207</b>	<b>1 681</b>
Voted funds to be surrendered to the Revenue Fund	12	2 308	1 533
Payables	14	27	28
Aid assistance repayable	3	-	111
Aid assistance unutilised	3	872	9
<b>TOTAL LIABILITIES</b>		<b>3 207</b>	<b>1 681</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL</b>		<b>-</b>	<b>-</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**STATEMENT OF CHANGES IN NET ASSETS**

*for the year ended 31 March 2019*

<b>NET ASSETS</b>		<b>2018/2019</b>	<b>2017/2018</b>
	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
<b>Capitalisation reserves</b>			
Opening balance		-	-
Closing balance		-	-
<b>Recoverable revenue</b>			
Opening balance		-	-
Closing balance		-	-
<b>Retained funds</b>			
Opening balance		-	-
Closing balance		-	-
<b>Revaluation reserves</b>			
Opening balance		-	-
Closing balance		-	-
<b>TOTAL</b>		-	-

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**CASH FLOW STATEMENT**

*for the year that ended 31 March 2019*

	Note	2018/2019 R'000	2017/2018 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>39 124</b>	<b>37 486</b>
Annual appropriated funds received	1	36 030	34 055
Departmental revenue received	2	13	24
Aid assistance received	3	3 081	3 407
Net decrease in working capital		65	412
Surrendered to Revenue Fund		(1 546)	(711)
Surrendered to RDP Fund/Donor		(120)	(4 705)
Current payments		(35 204)	(35 303)
Payments for financial assets		(9)	(9)
Transfers and subsidies paid		(238)	-
<b>Net cash flow available from operating activities</b>	15	<b>2 072</b>	<b>(2 830)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(480)	(497)
<b>Net cash flows from investing activities</b>		<b>(480)</b>	<b>(497)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		1 592	(3 327)
Cash and cash equivalents at beginning of period		1 391	4 718
<b>Cash and cash equivalents at end of period</b>	16	<b>2 983</b>	<b>1 391</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

*for the year that ended 31 March 2019*

<b>Summary of significant accounting policies</b>	
<p>The financial statements were prepared in accordance with the following policies, which were consistently applied in all material aspects, unless otherwise indicated. Management concluded that the financial statements fairly present the department's primary and secondary information.</p> <p>The historical cost convention was used, except where otherwise indicated. Management used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information was disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the 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.</p>	
<b>1</b>	<p><b>Basis of preparation</b> The financial statements were prepared in accordance with the MCS.</p>
<b>2</b>	<p><b>Going concern</b> The financial statements were prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b> Amounts were presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b> Unless otherwise stated, financial figures were rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Comparative information</b></p>
<b>5.1</b>	<p><b>Prior period comparative information</b> Prior period comparative information was presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements were reclassified, to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
<b>5.2</b>	<p><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.</p>
<b>6</b>	<p><b>Revenue</b></p>
<b>6.1</b>	<p><b>Appropriated funds</b> 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>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year that ended 31 March 2019**

	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.
<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>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 recognised 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 recognised 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 recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>7.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised, 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 recognised 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>
<b>7.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised 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>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

*for the year that ended 31 March 2019*

	<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>	<b>Aid Assistance</b>
<b>8.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor, are recognised as a payable in the statement of financial position.</p>
<b>8.2</b>	<p><b>Aid assistance paid</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>9</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
<b>10</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments (not expensed) to non-governmental entities are made in advance due to a contractual obligation, and are expensed on receipt of appropriated funds from the relevant Aid Assistant, where applicable. Prepayments (expensed) to suppliers are made from budgeted funds and recognised from the first day of the next month of which the payment was processed for the duration of the prepaid good or service. The expenditure related to the prepayments is expensed at the end of each quarter of the financial year.</p>
<b>11</b>	<b>Financial assets</b>
<b>11.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year that ended 31 March 2019**

	At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written off.
<b>12</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>13</b>	<b>Capital Assets</b>
<b>13.1</b>	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be reliably determined. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost, and are not currently subject to depreciation or impairment.  Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.  Additional information on immovable assets not reflected in the assets register, is provided in the notes to financial statements.
<b>13.2</b>	<b>Movable capital assets</b> Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value, as at the date of acquisition.  Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.  All assets acquired prior to 1 April 2002, or a later date as approved by the Office of the Account-General (OAG), may be recorded at R1.  Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.  Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
<b>13.3</b>	<b>Intangible assets</b> Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value, as at the date of acquisition.  Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year that ended 31 March 2019**

	<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>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities, thereby incurring future expenditure that will result in the outflow of cash.</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 for recovery.</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. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impracticable to determine, in which case reasons therefore are provided in the notes.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written off as irrecoverable.</p>
<b>17</b>	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management were applied retrospectively in accordance with the MCS requirements, except to the extent that it is</p>



**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year that ended 31 March 2019**

	<p>impracticable to determine the period-specific effects or the cumulative effect of the changes in policy. In such instances, the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with the MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error occurred, in accordance with the 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>27</b>	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
<b>30</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**1. Annual Appropriation**

Programmes	2018/19			2017/18	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/not received R'000	Final Appropriation R'000	Appropriation Received R'000
Administration	19 908	19 908	-	18 675	18 675
Public Sector Innovation	16 122	16 122	-	15 380	15 380
<b>Total</b>	<b>36 030</b>	<b>36 030</b>	<b>-</b>	<b>34 055</b>	<b>34 055</b>

**2. Departmental revenue**

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services other than capital assets	2.1	5	5
Transactions in financial assets and liabilities	2.2	8	19
<b>Departmental revenue collected</b>		<b>13</b>	<b>24</b>

**2.1. Sales of goods and services other than capital assets** 2

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

**2.2. Transactions in financial assets and liabilities** 2

Receivables		3	-
Other Receipts including Recoverable Revenue		5	19
<b>Total</b>		<b>8</b>	<b>19</b>

**3. Aid assistance**

Opening Balance		120	4 705
Transferred from statement of financial performance		872	120
Paid during the year		(120)	(4 705)
<b>Closing Balance</b>		<b>872</b>	<b>120</b>

**3.1. Analysis of balance by source**

Aid assistance from RDP		872	120
<b>Closing Balance</b>		<b>872</b>	<b>120</b>

**3.2. Analysis of balance**

Aid assistance unutilised		872	9
Aid assistance repayable		-	111
<b>Closing Balance</b>		<b>872</b>	<b>120</b>

**3.3. Aid assistance expenditure per economic classification**

Current		2 146	3 287
Transfers and subsidies		63	-
<b>Total aid assistance expenditure</b>		<b>2 209</b>	<b>3 287</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

	Note	2018/19 R'000	2017/18 R'000
<b>4. Compensation of employees</b>			
<b>4.1. Salaries and Wages</b>			
Basic salary		12 090	11 901
Performance award		250	230
Service Based		10	-
Compensative/circumstantial		458	43
Periodic payments		-	65
Other non-pensionable allowances		3 939	3 728
<b>Total</b>		<b>16 747</b>	<b>15 967</b>
<b>4.2. Social Contributions</b>			
<b>Employer contributions</b>			
Pension		1 457	1 528
Medical		584	549
Bargaining Council		3	2
<b>Total</b>		<b>2 044</b>	<b>2 079</b>
<b>Total compensation of employees</b>		<b>18 791</b>	<b>18 046</b>
Average number of employees		34	36
<b>5. Goods and services</b>			
Administrative fees		113	89
Advertising		306	172
Minor assets	5.1	31	9
Catering		92	171
Communication		320	331
Computer services	5.2	1 046	904
Consultants: Business and advisory services		1 014	484
Contractors		1 270	965
Audit cost – external	5.3	1 110	1 783
Consumables	5.4	387	541
Operating leases		4 365	3 707
Property payments	5.5	417	968
Travel and subsistence	5.6	2 230	2 144
Venues and facilities		1 071	898
Training and development		86	109
Other operating expenditure	5.7	409	695
<b>Total</b>		<b>14 267</b>	<b>13 970</b>
<b>5.1. Minor assets</b>			
<b>Tangible assets</b>	5	<b>31</b>	<b>9</b>
Machinery and equipment		31	9
<b>Total</b>		<b>31</b>	<b>9</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

		2018/2019	2017/2018
	Note	R'000	R'000
<b>5.2. Computer services</b>	<b>5</b>		
SITA computer services		599	479
External computer service providers		447	425
<b>Total</b>		<b>1 046</b>	<b>904</b>
<b>5.3. Audit cost – External</b>	<b>5</b>		
Regularity audits		1 110	1 783
<b>Total</b>		<b>1 110</b>	<b>1 783</b>
<b>5.4. Consumables</b>	<b>5</b>		
<b>Consumable supplies</b>		<b>230</b>	<b>331</b>
Uniforms and clothing		-	64
Household supplies		60	39
IT consumables		6	-
Other consumables		164	228
<b>Stationery, printing and office supplies</b>		<b>157</b>	<b>210</b>
<b>Total</b>		<b>387</b>	<b>541</b>
<b>5.5. Property payments</b>	<b>5</b>		
Municipal services		383	612
Property management fees		19	31
Property maintenance and repairs		1	-
Other		14	325
<b>Total</b>		<b>417</b>	<b>968</b>
<b>5.6. Travel and subsistence</b>	<b>5</b>		
Local		1 835	1 551
Foreign		395	593
<b>Total</b>		<b>2 230</b>	<b>2 144</b>
<b>5.7. Other operating expenditure</b>	<b>5</b>		
Professional bodies, membership and subscription fees		-	6
Other		409	689
<b>Total</b>		<b>409</b>	<b>695</b>
<b>6. Payments for financial assets</b>			
Debts written off	6.1	9	9
<b>Total</b>		<b>9</b>	<b>9</b>
<b>6.1. Debts written off</b>			
<b>Other debt written off</b>			
Damage to vehicles		9	9
<b>Total debt written off</b>		<b>9</b>	<b>9</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

	Note	2018/2019 R'000	2017/2018 R'000
<b>7. Transfers and subsidies</b>			
Households	Annexure 1A	175	-
<b>Total</b>		<b>175</b>	<b>-</b>
<b>8. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>319</b>	<b>497</b>
Machinery and equipment	25.1	319	497
<b>Intangible assets</b>	26.1	<b>161</b>	<b>-</b>
Software		161	-
<b>Total</b>		<b>480</b>	<b>497</b>
<b>8.1. Analysis of funds utilised to acquire capital assets – 2018/2019</b>			
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	319	-	319
Machinery and equipment	319	-	319
Intangible assets	161	-	161
Software	161	-	161
<b>Total</b>	<b>480</b>	<b>-</b>	<b>480</b>
<b>8.2. Analysis of funds utilised to acquire capital assets – 2017/2018</b>			
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	497	-	497
Machinery and equipment	497	-	497
<b>Total</b>	<b>497</b>	<b>-</b>	<b>497</b>
<b>8.3. Finance lease expenditure included in Expenditure for capital assets</b>			
		2018/19	2017/18
	Note	R'000	R'000
<b>Tangible assets</b>	25		
Machinery and equipment		79	90
<b>Total</b>		<b>79</b>	<b>90</b>
<b>9. Cash and cash equivalents</b>			
Consolidated Paymaster General Account		2 978	1 386
Cash on hand		5	5
<b>Total</b>		<b>2 983</b>	<b>1 391</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

		2018/2019	2017/2018
	<i>Note</i>	R'000	R'000
<b>10. Prepayments and advances</b>			
Travel and subsistence		218	-
Prepayments (Not expensed)	10.1	-	272
<b>Total</b>		<b>218</b>	<b>272</b>

**10.1. Prepayments (Not expensed)**

	<i>Note</i>	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services	10	272	(324)	-	52	-
<b>Total</b>		<b>272</b>	<b>(324)</b>	<b>-</b>	<b>52</b>	<b>-</b>

**10.2. Prepayments (Expensed)**

	<i>Note</i>	Balance as at 1 April 2018	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Goods and services	10	18	(273)		277	22
Capital assets		63	(65)		153	151
<b>Total</b>		<b>81</b>	<b>(338)</b>	<b>-</b>	<b>430</b>	<b>173</b>

***The balance as at 1 April 2018 was has been correctly included to disclose expensed prepayments in terms of Chapter 9 Paragraph 5.2.2.***

**11. Receivables**

		2018/2019	Total	2017/2018	Total
	<i>Note</i>	Current R'000	Non-current R'000	Current R'000	Non-current R'000
Recoverable expenditure	11.1	5	-	5	17
Staff debt	11.2	1	-	1	-
Fruitless and wasteful expenditure	11.3	-	-	-	-
<b>Total</b>		<b>6</b>	<b>-</b>	<b>6</b>	<b>-</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year that ended 31 March 2019

	Note	2018/2019 R'000	2017/2018 R'000
<b>11.1. Recoverable expenditure (disallowance account)</b>	<b>11</b>		
Damages to rented vehicles		-	12
Tax debts by former employees		5	5
<b>Total</b>		<u>5</u>	<u>17</u>
<b>11.2. Staff debt</b>	<b>11</b>		
Subsistence debts		1	1
<b>Total</b>		<u>1</u>	<u>1</u>
<b>11.3. Fruitless and wasteful expenditure</b>	<b>11</b>		
Opening balance		-	-
Less amounts recovered		(2)	-
Transfers from note 22 Fruitless and Wasteful Expenditure		2	-
<b>Total</b>		<u>-</u>	<u>-</u>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

		2018/19	2017/18
	Note	R'000	R'000
<b>12. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		1 533	687
Transfer from statement of financial performance		2 308	1 533
Paid during the year		(1 533)	(687)
Closing balance		<u>2 308</u>	<u>1 533</u>
<b>13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Transfer from statement of financial performance		13	24
Paid during the year		(13)	(24)
Closing balance		<u>-</u>	<u>-</u>
<b>14. Payables – current</b>			
Clearing accounts	14.1	27	28
<b>Total</b>		<u>27</u>	<u>28</u>
<b>14.1. Clearing accounts</b>			
Salaries: Income Tax		25	3
Clearing accounts - service bonus payable		-	25
Salaries: Pension		2	-
<b>Total</b>		<u>27</u>	<u>28</u>
<b>15. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		3 193	1 677
Add back non cash/cash movements not deemed operating activities		(1 121)	(4 507)
(Increase)/decrease in receivables		12	(8)
Decrease in prepayments and advances		54	398
Increase/(decrease) in payables – current		(1)	22
Expenditure on capital assets		480	497
Surrenders to Revenue Fund		(1 546)	(711)
Surrenders to RDP Fund/Donor		(120)	(4 705)
<b>Net cash flow generated by operating activities</b>		<u>2 072</u>	<u>(2 830)</u>
<b>16. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		2 978	1 386
Cash on hand		5	5
<b>Total</b>		<u>2 983</u>	<u>1 391</u>
<b>17. Commitments</b>			
Current expenditure			
<b>Approved and contracted</b>		<u>1 619</u>	<u>1 534</u>
Capital expenditure			
<b>Approved and contracted</b>		<u>-</u>	<u>115</u>
<b>Total Commitments</b>		<u>1 619</u>	<u>1 649</u>



**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**Connectivity cost for DSL lines, website and domain services - contract ending 2020/03/25**

**Travel Management Services - contract ending 2020/11/30**

**Hosting of a PABX Solution - contract ending 2021/03/14**

**18. Accruals and payables not recognised**

**18.1. Accruals**

Listed by economic classification	R'000	R'000	2018/19	2017/18
	30	30+	R'000	R'000
	Days	Days	Total	Total
Goods and services	136	-	136	199
<b>Total</b>	<b>136</b>	<b>-</b>	<b>136</b>	<b>199</b>
			<b>2018/2019</b>	<b>2017/2018</b>
<b>Listed by programme level</b>	<b>Note</b>		<b>R'000</b>	<b>R'000</b>
Programme 1: Administration			81	190
Programme 2: Public Sector Innovation			55	9
<b>Closing balance</b>			<b>136</b>	<b>199</b>

**18.2. Payables not recognised**

Listed by economic classification	R'000	R'000	2018/19	2017/18
	30	30+	R'000	R'000
	Days	Days	Total	Total
Goods and services	2	-	2	-
Transfers and subsidies	63	-	63	-
<b>Total</b>	<b>65</b>	<b>-</b>	<b>65</b>	<b>-</b>
			<b>2018/2019</b>	<b>2017/2018</b>
<b>Listed by programme level</b>	<b>Note</b>		<b>R'000</b>	<b>R'000</b>
Programme 2: Public Sector Innovation			65	-
<b>Total</b>			<b>65</b>	<b>-</b>

**19. Employee benefits**

Leave entitlement	539	1 100
Service bonus	538	557
Performance awards	281	271
Capped leave commitments	73	68
<b>Total</b>	<b>1 431</b>	<b>1 996</b>

**Included in the leave entitlement is negative leave amounting to R35,456.11 as at 31 March 2019 relating to vacation leave taken in advance by employees**

**20. Lease commitments**

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**20.1. Operating leases**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
<b>2018/2019</b>					
Not later than 1 year	-	-	-	-	-
Later than 1 year, and not later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	-	-
<b>2017/2018</b>					
Not later than 1 year	-	-	3 666	-	3 666
Total lease commitments	-	-	3 666	-	3 666

*The lease agreement with the Department of Public Works ended on 28 February 2019. The CPSI has occupied office space at the DPWSA, at no cost to the CPSI.*

**20.2. Finance leases \*\***

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
<b>2018/2019</b>					
Not later than 1 year	-	-	-	59	59
Total lease commitments	-	-	-	59	59
<b>2017/18</b>					
Not later than 1 year	-	-	-	103	103
Later than 1 year, and not later than 5 years	-	-	-	81	81

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

Total lease commitments	-	-	-	<b>184</b>	<b>184</b>
-------------------------	---	---	---	------------	------------

***There are two contracts in place for the hiring of two photocopier machines, ending October and December 2019 respectively.  
One data contract is in place, which is due to end in March 2020.***

	Note	2018/2019 R'000	2017/2018 R'000
<b>21. Irregular expenditure</b>			
Opening balance		754	169
Add: Irregular expenditure - relating to prior year		-	378
Add: Irregular expenditure - relating to current year		28	207
<b>Irregular expenditure awaiting condonation</b>		<b>782</b>	<b>754</b>

	Note	2018/2019 R'000	2017/2018 R'000
<b>Analysis of awaiting condonation per age classification</b>			
Current year		28	207
Prior years		754	547
<b>Total</b>		<b>782</b>	<b>754</b>

**21.1. Details of irregular expenditure – added current year (relating to current and prior years)**

Incident	Disciplinary steps taken/criminal proceedings	2018/2019 R'000
Failure to comply with procurement procedure. One case was confirmed as irregular expenditure due to non-compliance to Treasury Regulations to obtain three quotations for goods or services.	Investigation to determine liability was concluded. Proposal for consequence management was submitted to the Accounting Officer before the request to the National Treasury for condonation.	25
Failure to comply with procurement procedure. Three cases were confirmed as irregular expenditure due to non-compliance with to the Cash Management Policy which prescribes that normal petty cash requests should not exceed R750.00 per case	A verbal warning was issued.	3
<b>Total</b>		<b>28</b>

Following the issuing of the National Treasury Instruction 2 of 2019/2020, the irregular expenditure relating to internal policies should be de-recognised. A request to remove the expenditure amounting to R7 000 (R4 000 for 2017/2018 and R3 000 for 2018/2019) will be submitted for approval by the accounting officer in the 2019/2020 financial year.

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

		<i>Note</i>	2018/2019 R'000	2017/2018 R'000
<b>22.</b>	<b>Fruitless and wasteful expenditure</b>			
<b>22.1.</b>	<b>Reconciliation of fruitless and wasteful expenditure</b>			
	Opening balance		8	-
	Fruitless and wasteful expenditure – relating to current year		8	8
	Less: Amounts transferred to receivables for recovery	11.3	(2)	-
	Closing balance		<u>14</u>	<u>8</u>
		<i>Note</i>	2018/2019 R'000	2017/2018 R'000
<b>22.2.</b>	<b>Analysis of awaiting resolution per economic classification</b>			
	Current		14	8
	Total		<u>14</u>	<u>8</u>
<b>22.3.</b>	<b>Analysis of current year's (relating to current and prior years) fruitless and wasteful expenditure</b>			
	<b>Incident</b>		<b>2018/2019 R'000</b>	
	Fruitless and wasteful expenditure was incurred by issuing an official order to a supplier for services that could not be rendered	Disciplinary steps taken/criminal proceedings Expenditure could have been avoided if confirmation was obtained from the Department of Public Works before the order was issued.	8	
	<b>Total</b>		<u>8</u>	
<b>23.</b>	<b>Related party transactions</b>			
		<i>Note</i>	2018/2019 R'000	
	<b>In-kind goods and services received</b>			
	• The DPSA advises the CPSI on technical and procedural issues related to personnel security checks, vetting and security awareness		-	
	• The DPSA provides messenger services to the CPSI, twice a week		-	
	• The DPSA provides technical and procedural advice to the CPSI on ICT management		-	
	• The CPSI uses the virtual private network of the DPSA		-	
	• The DPSA provides internal labour relations functions and services to the CPSI		-	
	• The DPSA provides internal employee wellness services to the CPSI		-	
	• The DPSA assists the CPSI with technical and procedural advice on human resource management and development		-	

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

• The DPSA provides the CPSI with technical and procedural advice on matters pertaining to financial management and administration and SCM	-
• The DPSA provides internal audit and risk management services to the CPSI	-
• The DPSA provides legal functions and services to the CPSI	
• Since 25 February 2019, the DPSA has provided after-hour security services to the CPSI	-
• Since 25 February 2018, the DPSA has provided frontline reception services to the CPSI	-
• Since 25 February 2019, the CPSI has utilised the DPSA's network infrastructure that is installed in the server room on the 5 <sup>th</sup> Floor of the Batho Pele Building	-
• Since 25 February 2019, the CPSI has utilised the offices on the ground floor and the first floor of the Agrivaal Building, as well as allocated store rooms	-
<b>Total</b>	<u><u>-</u></u>

***The CPSI has a related party relationship with each of the public sector entities that falls within the portfolio of the MPSA. This includes the NSG, the PSC, the DPSA and the GEMS. During the period under review, all transactions entered into with these entities were at arm's length. The CPSI has a MoU on shared services with the DPSA, that are rendered to the CPSI at no cost, as set out above. The MOU will be revised in the 2019/20 financial year to determine the value of the cost relating to office accommodation and security services.***

**24. Key management personnel**

	No. of Individuals	2018/2019 R'000	2017/2018 R'000
<b>Executive Director</b>	2	1 390	1 741
<b>Executive Management</b>	4	5 242	4 739
<b>Total</b>		<u><u>6 632</u></u>	<u><u>6 480</u></u>

***During the period under review, the CPSI's Executive Director was seconded to DPSA, leaving an Acting Executive Manager. The Executive Director's contract ended on 30 September 2018. An acting Executive Director was seconded from DPSA from 1 October 2018 for the remainder of the financial year.***

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**25. Movable tangible capital assets**

Movement in movable tangible capital assets per asset register for the year that ended 31 March 2019

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	<b>7 277</b>	-	<b>240</b>	<b>25</b>	<b>7 492</b>
<b>Computer equipment</b>	1 975	-	166	-	2 141
<b>Furniture and office equipment</b>	3 221	-	49	-	3 270
<b>Other machinery and equipment</b>	2 081	-	25	25	2 081
Total movable tangible capital assets	<b>7 277</b>	-	<b>240</b>	<b>25</b>	<b>7 492</b>

Movable tangible capital assets under investigation	Number	Value R'000
<b>Machinery and equipment</b>	<b>5</b>	<b>67</b>

***Assets were lost. Legal advice on determine possible negligence from employees outstanding***

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**25.1. Additions**

Additions to movable tangible capital assets per asset register for the year that ended 31 March 2019

	<b>Cash*</b>	<b>Non-cash**</b>	<b>(Capital Work in Progress current costs and finance lease payments) R'000</b>	<b>Received current, not paid (Paid current year, received prior year) R'000</b>	<b>Total R'000</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
MACHINERY AND EQUIPMENT	319	-	(79)	-	240
<b>Computer equipment</b>	166	-	-	-	166
<b>Furniture and office equipment</b>	49	-	-	-	49
<b>Other machinery and equipment</b>	104	-	(79)	-	25
Total Additions to Movable Tangible Capital Assets	<b>319</b>	<b>-</b>	<b>(79)</b>	<b>-</b>	<b>240</b>

**25.2. Disposals**

Disposals of movable tangible capital assets per asset register for the year that ended 31 March 2019

	<b>Sold for cash</b>	<b>Non-cash disposal</b>	<b>Total disposals</b>	<b>Cash Received Actual R'000</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
MACHINERY AND EQUIPMENT	-	25	25	-
<b>Other machinery and equipment</b>	-	25	25	-
Total Disposal of Movable Tangible Capital Assets	<b>-</b>	<b>25</b>	<b>25</b>	<b>-</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**25.3. Movement for 2017/18**

**Movement in tangible capital assets per asset register for the year ended 31 March 2018**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	7 071	-	372	166	7 277
<b>Computer equipment</b>	1 703	-	303	31	1 975
<b>Furniture and office equipment</b>	3 346	-	10	135	3 221
<b>Other machinery and equipment</b>	2 022	-	59	-	2 081
Total Movable Tangible Capital Assets	<b>7 071</b>	<b>-</b>	<b>372</b>	<b>166</b>	<b>7 277</b>

**25.4. Minor assets**

Movement in minor assets per the asset register for the year ended as at 31 March 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
<b>Opening balance</b>	-	-	-	965	-	965
<b>Value adjustments</b>	-	-	-	15	-	15
<b>Additions</b>	-	-	-	30	-	30
Total Minor Assets	-	-	-	<b>1 010</b>	-	<b>1 010</b>
<b>Number of minor assets at cost</b>	-	-	-	584	-	584
Total Number of Minor Assets	-	-	-	584	-	584



**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**Movement in minor assets per the asset register for the year that ended at 31 March 2018**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
<b>Opening balance</b>	-	-	-	1 095	-	1 095
Additions	-	-	-	4	-	4
Disposals	-	-	-	134	-	134
<b>Total Minor Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>965</b>	<b>-</b>	<b>965</b>
<b>Number of minor assets at cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>555</b>	<b>-</b>	<b>555</b>
<b>Total Number Of Minor Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>555</b>	<b>-</b>	<b>555</b>

**26. Intangible Capital Assets**

**Movement in intangible capital assets per asset register for the year that ended 31 March 2019**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	504	-	161	-	665
<b>Total Intangible Capital Assets</b>	<b>504</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>665</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**26.1. Additions**

Additions to intangible capital assets per asset register for the year that ended 31 March 2019

	Cash	Non-cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Software	161	-	-	-	<b>161</b>
Total Additions To Intangible Capital Assets	<u>161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>161</b></u>

**26.2. Movement for 2017/2018**

Movement in intangible capital assets per asset register for the year that ended 31 March 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	504	-	-	-	504
Total Intangible Capital Assets	<u>504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>504</u>

**27. Immovable Tangible Capital Assets**

Movement in immovable tangible capital assets per asset register for the year that ended 31 March 2019

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
Buildings And Other Fixed Structures	806	-	-	806	-
<b>Non-residential buildings</b>	<u>806</u>	<u>-</u>	<u>-</u>	<u>806</u>	<u>-</u>
Total immovable tangible capital assets	<u>806</u>	<u>-</u>	<u>-</u>	<u>806</u>	<u>-</u>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**27.1. Disposals**

**Disposals of immovable tangible capital assets per asset register for the year that ended 31 March 2019**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
Buildings And Other Fixed Structures	-	806	806	-
<b>Non-residential buildings</b>	-	806	806	-
<b>Total Disposals Of Immovable Tangible Capital Assets</b>	-	806	806	-

**Movement for 2017/2018**

**Movement in immovable tangible capital assets per asset register for the year that ended 31 March 2018**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Buildings And Other Fixed Structures	806	-	-	-	806
<b>Non-residential buildings</b>	806	-	-	-	806
<b>Total Immovable Tangible Capital Assets</b>	806	-	-	-	806

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

**ANNEXURE 1A  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H Employ S/Benefits: Leave Gratuity	-	-	175	175	175	100%	-
<b>TOTAL</b>	-	-	<b>175</b>	<b>175</b>	<b>175</b>	-	-

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

ANNEXURE 1B

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/2019	2017/2018
		R'000	R'000
<b>Received in kind</b>			
AAPAM	Sponsorship towards the travelling expenses for the adjudication of the competition for the AAPAM award for innovation management	25	43
Datacentrix	Sponsorship towards the hosting of the CPSI public call for entries	-	35
Capitec Bank	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	-	8
Govchat	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	10	-
GEMS	Sponsorship towards the GEMS Health Award category in the Annual CPSI Public Sector Innovation Awards Programme	50	-
Ikasi Solutions	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	10	-
MTN and Blackberry	Sponsorship towards the hosting of the Annual CPSI Public Sector Innovation Awards Programme	5	-
UNDP	Sponsorship towards the hosting of SADC UNPAN Workshops	130	270
UNDP	Sponsorship towards the hosting of sector-specific workshops	-	120
United Nations Development Programme	Sponsorship towards travelling expenses for promotion of foresight in the Eastern Cape	-	5
United Nations Development Programme	Sponsorship towards background study on funding innovation	-	300
United Nations Development Programme	Sponsorship towards travelling expenses for CPSI's participation in the Empowered Futures Programme	35	-
<b>TOTAL</b>		<b>265</b>	<b>781</b>

**CENTRE FOR PUBLIC SERVICE INNOVATION**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year that ended 31 March 2019**

ANNEXURE 1C  
STATEMENT OF AID ASSISTANCE RECEIVED

<b>NAME OF DONOR</b>	<b>PURPOSE</b>	<b>OPENING BALANCE R'000</b>	<b>REVENUE R'000</b>	<b>EXPENDITURE R'000</b>	<b>PAID BACK ON/BY 31 MARCH R'000</b>	<b>CLOSING BALANCE R'000</b>
<b>Received in cash</b>						
The Kingdom of the Belgium Government	Tirelo Bosha Public Service Improvement Programme	111	324	324	111	-
European Union	Unlocking Public Service Innovation	9	2 757	1 885	9	872
<b>TOTAL</b>		<b>120</b>	<b>3 081</b>	<b>2 209</b>	<b>120</b>	<b>872</b>