



PUBLIC PROTECTOR  
SOUTH AFRICA

Accountability • Integrity • Responsiveness

# PUBLIC PROTECTOR

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## ANNUAL REPORT 2019/2020



A large, stylized graphic of the number '25' in a light yellow color. The '2' is composed of a thick, curved stroke, and the '5' is composed of a thick, straight stroke. Below the '25' is the word 'YEARS' in a bold, sans-serif font, followed by the phrase 'OF PROTECTING THE PUBLIC' in a smaller, bold, sans-serif font.

# 25 YEARS OF PROTECTING THE PUBLIC

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# PART A:

## GENERAL INFORMATION



## 1. GENERAL INFORMATION

REGISTERED NAME:	PUBLIC PROTECTOR
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WEBSITE ADDRESS:	www.pprotect.org
EXTERNAL AUDITORS:	Auditor-General South Africa (AGSA)
BANKERS:	Standard Bank

## LETTER TO THE SPEAKER

The Hon Ms Thandi Modise  
Speaker of the National Assembly of South Africa  
Parliament Building  
Parliament Street  
PO Box 15  
CAPE TOWN

Dear Honourable Speaker

It is an honour to submit the Annual Report of the Public Protector South Africa in terms of section 181 (5) of the Constitution of the Republic of South Africa 1996. The report covers the period 1 April 2019 to 31 March 2020.

The report provides an account of how the office performed in implementing its constitutional mandate and its specific commitments in the year under review. It also captures our key declarations for the year ahead.

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

Yours sincerely



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**ADV. BUSISIWE MKHWEBANE**

**PUBLIC PROTECTOR OF THE REPUBLIC OF SOUTH AFRICA**

**30 OCTOBER 2020**

## 2. LIST OF ABBREVIATIONS/ACRONYMS

AGO	African Global Operations
AGSA	Auditor-General South Africa
AJSD	Administrative Justice and Service Delivery
AOMA	African Ombudsman and Mediators Association
AORC	African Ombudsman Research Centre
APP	Annual Performance Plan
BAC	Bid Adjudication Committee
BBBEE	Broad Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoE	Compensation of employees
CPS	Cash Paymaster Services
CTMM	City of Tshwane Metropolitan Municipality
DG	Director General
EXCO	Executive Committee
DPCI	Directorate for Priority Crime Investigation
DPWI	Department of Public Works and Infrastructure
GEPF	Government Employees Pension Fund
GGI	Good Governance and Integrity
GPAA	Government Pensions Administration Agency
GRAP	Generally Recognised Accounting Practice
HoD	Head of Department
HR	Human resources
ID	Identity document
IPID	Independent Police Investigative Directorate
IT	Information Technology
MANCO	Management Committee
MBF	Mantelli's Biscuit Factory
MEC	Member of the Executive Council
MICT-SETA	Media, Information and Communication Technology Sector Education and Training Authority



MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
NCAAC	Northern Cape Department of Sport, Arts, and Culture
NDP	National Development Plan
NDPP	National Director of Public Prosecutions
NHBRC	National Home Builders Registration Council
NPA	National Prosecuting Authority
NPR	National Population Register
NSIT	National Specialised Investigation Team
NWPG	North West Provincial Government
OHS	Occupational health and safety
OIGI	Office of the Inspector-General of Intelligence
PAA	Public Audit Act
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Access to Justice Act
PDA	Protected Disclosures Act
PFMA	Public Finance Management Act
PII	Provincial Investigations and Integration
PPA	Public Protector Act
PPPFA	Preferential Procurement Policy Framework Act
PSA	Public Service Act
PSC	Public Service Commission
RDP	Reconstruction and Development Programme
SAA	South African Airways
SANDF	South African National Defense Force
SAPS	South African Police Service
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SASSETA	Safety and Security Sector Education and Training Authority
SAWS	South African Weather Service
SCM	Supply Chain Management
SETA	Sector Education and Training Authority
SIU	Special Investigating Unit
UCT	University of Cape Town

### 3. FOREWORD BY THE PUBLIC PROTECTOR

I am proud to present the Public Protector South Africa Annual Report for the 2019/20 financial year, a year which has proved to be the most successful yet in the institution's corporate governance history. Incidentally, we report this in the year we celebrate our 25th year anniversary.

For the first time since its establishment in 1995, this institution has received a clean audit report. So elusive has this accomplishment been that we had to put it in our Annual Performance Plan as a target. The closest the institution came to such a feat in recent years was in the 2017/18 and 2018/19 financial years when it received back-to-back unqualified audits with findings.



We have also done quite well on the management of our financial affairs as you will see in the report. To a large extent, this success is attributable to the stability that we have established in our financial management branch. More than that, it was the unwavering discipline with which we implemented our Clean Audit strategy.

But corporate governance is not the only area where we have outdone ourselves. This report shows that we achieved 79% of our performance targets. This marks a steady improvement when held against the preceding two years during which we managed 72% and an underwhelming 50% of our performance targets respectively.

For instance, in 2019/20 we exceeded our target of finalising at least 7 000 matters in our caseload by nearly 5 000. The achievement of this target had a positive effect on a related target of finalizing investigation reports. The objective was to finalise 56 reports. We more than doubled it, finalising a record 137 reports. This means 81 more reports were finalised. Summaries of selected reports, all of which were impactful in their respective ways, and a sample of matters settled by way of alternative dispute resolution methods can be found in pages 27 to 61.

We also finalised 95% of our caseload within the set turnaround times. Early Resolution matters must be finalised within six months, Administrative Justice and Service Delivery matters must be put to bed within 12 months while the more complex Good Governance and Integrity matters must be wrapped up in 24 months.

We further exceeded our target on systemic investigations and/or interventions in that we identified and investigated three instead of the planned two. Such investigations are critical because they target recurring governance and delivery issues, with a view plugging the systemic gaps so that the system can function smoothly as it was designed to.

As has been the case in the last four years, every little thing we did to give effect to our constitutional mandate was informed by the Public Protector Vision 2023, through which we seek take the services of this institution to the grassroots communities – informal settlement, farm, hostel, rural village and township dwellers.

The vision remains anchored on eight pillars, namely:

1. Enhancing access to our services;
2. Engaging communities in their mother tongues for effective communication;
3. Increasing our footprint;
4. Leveraging stakeholder relations to advance our interests through MOUs;
5. Projecting an image of a stronghold for the poor as we should be;
6. Ensuring that people are well-versed in their rights;
7. Persuading organs of state to have effective in-house complaints resolution means to offload some of the burden from our shoulders; and
8. Inspiring people to be their own liberators.

Spurred on by the success of the period under review, we will redouble our efforts to roll out this Vision and to maintain if not improve on the high standard we have now set for ourselves - both in administration and in the core function. While we are alive to the reality that it is not going to be easy, regression is also not an option.

Our only source of worry is the dwindling resources that we will have at our disposal over the next years. Like many other institutions, crippling budget cuts have befallen us as the country tries to recover from the recession. We anticipate a cut of up to R209.4million between 2020/21 and 2023/24. The bulk of it is sadly on the compensation of employees.

For years, our mantra has been that resources which are disproportionate to the demand for services are our greatest stumbling block. Accordingly, the slashing of our budget - while understandable within the context of a depressed economy - does not bode well for the fight against maladministration and improper conduct in state affairs and will have a devastating impact on our efforts to take the services of this institution to the grassroots.

This grim reality has given us more reason to continue imploring organs of state to make an effort to establish in-house complaint-handling units in line with the 7th Pillar of Vision 2023. Successfully implemented, this approach could significantly reduce the number of complaints we get, thereby freeing investigators' hands to focus on complex matters and improve on the quality of investigations. What is more, it could significantly reduce service delivery protests if properly implemented.

Linked to this is the process of amending the Public Protector Act, which remains on course. If successful, the amendment could see organs of state whose conduct gets reported to the Public Protector paying us for the investigations in much the same way as auditees pay the Auditor-General for audit work. Absent an alternative, we pin our hopes on such innovations to possibly augment our budget in the future.

The difficulties we face aside, the successes we have registered could not have come at a better time. This year we celebrate the milestone of 25 years of protecting the public from maladministration. We wish the institution many more years of cushioning the people of this country and, in particular, grassroots communities from abuse of state power, abuse of public resources and undue delays in the provision of public services, to mention but a few maladies.

I wish to thank the Deputy Public Protector, Adv. Kholeka Gcaleka, whose arrival has energised us to keep our eyes on the prize despite the rough seas we are traversing. In the same vein, I wish to express gratitude to the PPSA staff led by Acting Chief Executive Officer Ms. Yalekile Lusibane. They are the foot soldiers who make the institution shine. I would further like to thank our Internal Audit team for pointing us to our blind spots.

Lastly, I am grateful to all our stakeholders including Parliament, all spheres of government and the public we serve for the support and the constructive criticism, without which we would not be where we are today. We are indebted to all of you and depend on your continuous backing.

Here is to another 25 years of impactful investigative work and the entrenchment of good governance in all state affairs for an improved quality of life for all.

Thank you.



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**ADV. BUSISIWE MKHWEBANE**  
**PUBLIC PROTECTOR**  
**30 OCTOBER 2020**

## 4. ACTING CHIEF EXECUTIVE OFFICER'S OVERVIEW

I am pleased to present the 2019/20 annual report of the PPSA. The institution has recorded great improvement in its performance while having achieved a clean audit for the first time since its establishment. The notable improvement in institutional performance from the previous financial year to the year under review documented in this report demonstrates our commitment to improving the lives of the people that the Constitution of the Republic has entrusted us with protecting.

In the current financial year, the accumulated deficit has reduced significantly from R2,6 million to R1,0 million. During the 2019/20 financial year, the institution spent R3,1 million from the budget for capital acquisitions. PPSA's compensation of employees (CoE) expenditure stands at R252,8 million, with the investigations branch accounting for R183,1 million representing 72% of total CoE expenditure. The amount of R113,6 million includes depreciation, actuarial losses, finance costs and other goods and services general expenses such as office rental, legal fees and Annual Performance Plan (APP) targets.



The clean audit attained by the institution is testament to the work done that resulted in improved internal control systems. Non-compliance issues such as payment of suppliers outside the prescribed 30 days have been resolved, with the current average time to payment standing at 9,2 days compared to 33 days in the prior year. Unlike the previous financial year, current assets now exceed current liabilities. Some of the fruitless and wasteful expenditure from previous financial years was dealt with during the year under review and has reduced significantly from an opening balance of R2,8 million to R746 000.

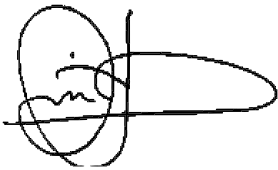
The institution takes consequence management seriously and ensured that matters such as possible abuse of the Supply Chain Management (SCM) system, theft, fraud, improper conduct and allegations of financial misconduct were investigated. Prior year irregular expenditure has been investigated and management is currently awaiting feedback regarding condonement from National Treasury.

There are certain things that the institution could not carry out due to budgetary challenges such as the provision of security services to provincial and regional offices, filling of vacant positions and not being able to acquire an electronic Case Management System. Though training of employees took place, some of it was offered free of charge by stakeholders. The specialised training we required could not take place as a result of these budgetary constraints. PPSA is thankful for the contribution of R20,6 million received from the Department of Justice. This assisted in reversing the deficit which could otherwise have been recorded in our books.

All financial and non-financial events after the reporting date have been accounted for as per the requirements of Generally Recognised Accounting Practice (GRAP) standards in the audited Annual Financial Statements (AFS), note 31. There were no requests to roll over money allocated to PPSA as the institution spent all the allocated budget.

Adequate SCM processes and systems are in place. Despite capacity challenges, the unit was able to support the institution's operations adequately. Capacity challenges were mitigated by the two interns allocated to the unit through the Safety and Security Sector Education and Training Authority (SASSETA) contract with PPSA. SCM also assisted in ensuring that some APP targets were achieved. The unit was in a position to finalise 855 orders, publishing five tenders of which three were concluded and two were deferred to the next financial year as the office was closed from 24 March 2020 due to the Covid-19 pandemic. There were no unsolicited bid proposals for the year under review. The staff within SCM are continually trained to maintain the effectiveness of controls within this critical space.

In conclusion, I take this opportunity to thank all PPSA employees, the Audit Committee and the Executive Authority who immensely contributed to the achievements we celebrate.



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**MS YALEKILE LUSIBANE**  
**ACTING CHIEF EXECUTIVE OFFICER**  
**PUBLIC PROTECTOR SOUTH AFRICA**  
**30 OCTOBER 2020**

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the constitutional institution.

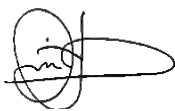
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully



**ACTING CHIEF EXECUTIVE OFFICER**

**YALEKILE LUSIBANE**

**DATE: 30 OCTOBER 2020**



**PUBLIC PROTECTOR**

**ADV. BUSISIWE MKHWEBANE**

**DATE: 30 OCTOBER 2020**

## 6. YEAR AT A GLANCE

**Clean Audit**

PPSA achieved a clean audit opinion from AGSA

**R322 626 000**



Total Budget Allocation



**9 1 1**

Non jurisdiction cases

**4 089**



Cases carried over from 2018/19

**11 643**



Cases finalised

**1 2 9 3**



Cases referred to other institutions

**2 3 7**



Outreach clinics

**3 353**

Cases carried



carried over to 2020/21



**357**

Total funded staff establishment

**15 245**



Cases handled in 2019/2020



**10 111**

New cases

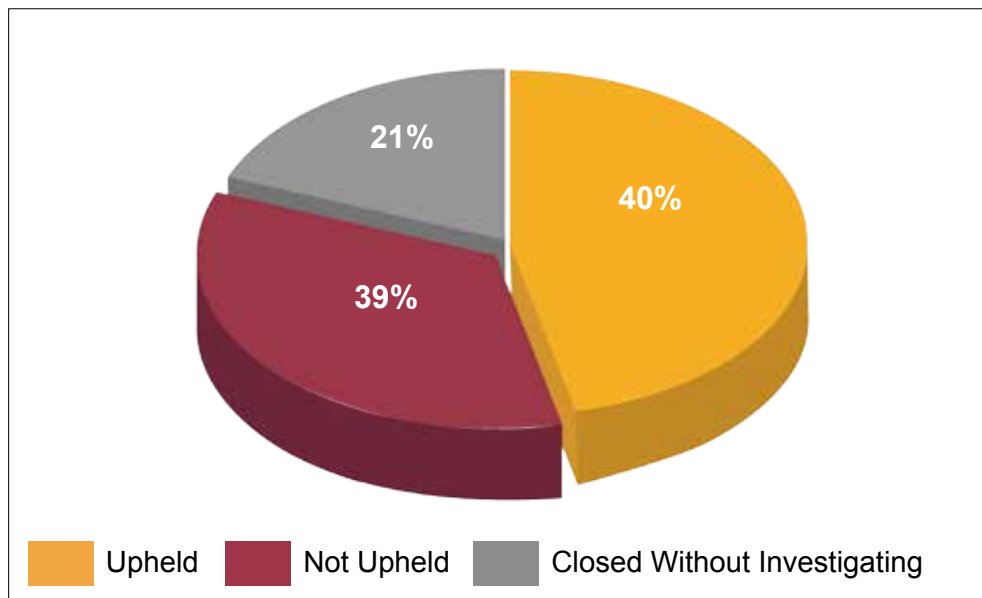
**Footprint**



1 National Office  
9 Provincial Offices  
8 Regional offices



## Percentage of complaints upheld/not upheld



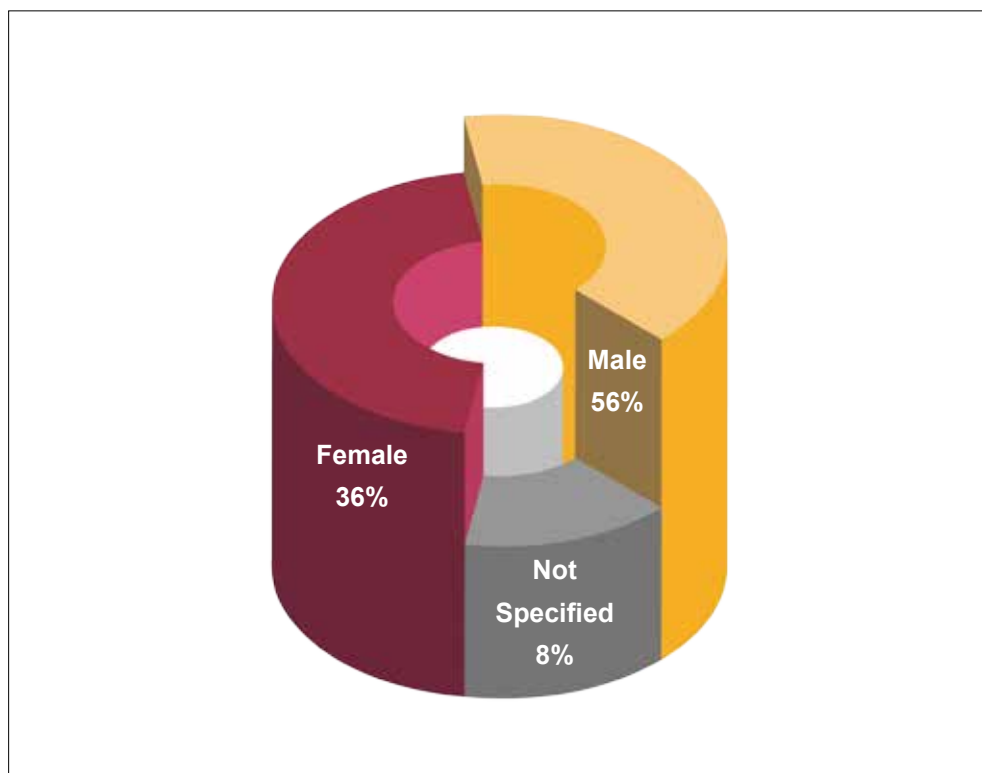
**Cases upheld:** When the office confirms the allegations of the complainant as substantiated

**Cases not upheld:** When the office does not confirm the allegations of the complainant

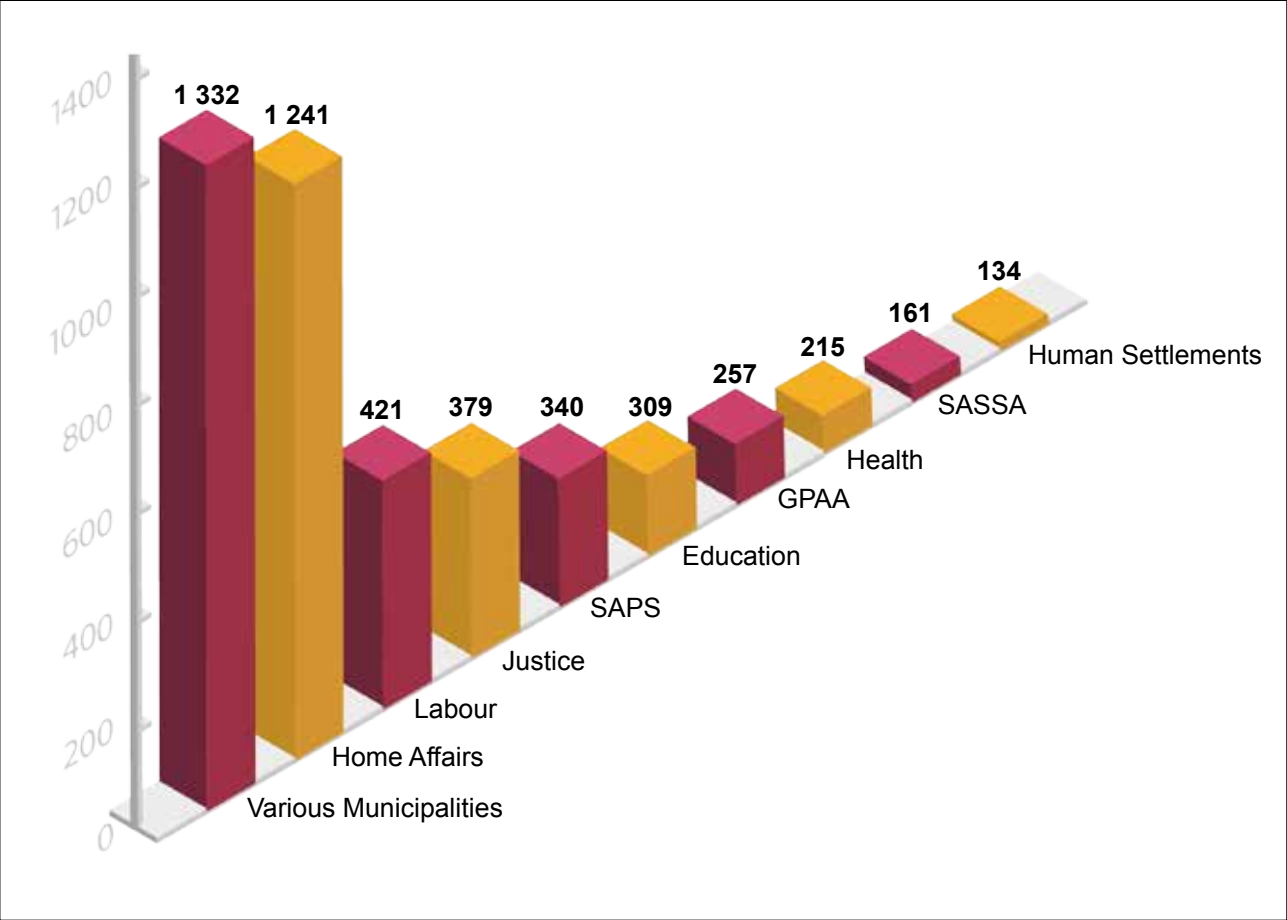
**Closed without investigating:** No jurisdiction matters; matters referred to other institutions; matters withdrawn by complainants; matters resolved by the parties before the office could conclude the investigation

## Accessibility Indicator

The chart below indicates gender percentage breakdown on complaints received



**Graph of Top 10 government institutions complained against for 2019/20 financial year**



## 7. STRATEGIC OVERVIEW

### 7.1 Vision

Empowered people and accountable public administration

### 7.2 Mission

To protect all persons against administrative injustices, improve service delivery and promote good governance in state affairs

### 7.3 Institutional Purpose Statement

A catalyst for change in pursuit of good governance.

### 7.4 Principles and Values

Anchored in the pursuit of proper conduct in state affairs and the Batho Pele principles, we seek to uphold and promote the principles of:

- Accountability
- Integrity
- Responsiveness (AIR)

Furthermore our institutional value system is articulated by PULE:

<b>Passion</b>	we will conduct our investigations with passion to ensure that no one suffers prejudice.
<b>Ubuntu</b>	we respect the constitutionally protected dignity of all those we interact with as we deliver services, manage our affairs and serve professionally with humanity, empathy, compassion, understanding and respect for every person's human rights.
<b>Leadership</b>	we intend to lead by example in how we conduct ourselves in the institution, from the lowest to the highest position
<b>Efficiency</b>	we will deal with our customers and stakeholders with a high level of professionalism, skill and good judgement while ensuring speed and responsiveness in the delivery of our services.

## 8. LEGISLATIVE AND OTHER MANDATES

### 8.1 Constitutional mandate

The Public Protector is an independent institution established by section 181 of the Constitution with a mandate to support and strengthen constitutional democracy and operating in a manner that is subject only to the Constitution and the law. The core mandate of the Public Protector is to support constitutional democracy, operating as a supreme administrative oversight body by investigating and rooting out improper conduct in all state affairs while providing services that are universally accessible to all.

#### Section 182 of the Constitution provides that:

The Public Protector has the power, as regulated by national legislation

1. To investigate any conduct in state affairs, or in the public administration in any sphere of government, that is alleged or suspected to be improper or to result in any impropriety or prejudice;
2. To report on that conduct; and
3. To take appropriate remedial action.

The Public Protector has the additional powers and functions prescribed by national legislation.

1. The Public Protector may not investigate court decisions.
2. The Public Protector must be accessible to all persons and communities.
3. Any report issued by the Public Protector must be open to the public unless exceptional circumstances, to be determined in terms of national legislation, require that a report be kept confidential.

### 8.2 Legislative mandates

The Public Protector's mandate is to strengthen constitutional democracy through support for the Constitution and the following key statutory mandate areas:

#### 8.2.1 Maladministration and related improprieties

- a) To implement the Public Protector Act 23 of 1994 through investigating maladministration or improper or prejudicial conduct, including abuse of power and abuse of state resources in all state affairs;
- b) To resolve administrative disputes or rectify any improper or prejudicial act or omission in administrative conduct through mediation, conciliation or negotiation; and
- c) To advise on appropriate remedies or on employing any other expedient dispute resolution means.

#### 8.2.2 Executive Ethics Enforcement

To enforce the Executive Members' Ethics Code as mandated by the Executive Members' Ethics Act 82 of 1998.

#### 8.2.3 Investigating Corruption

To investigate allegations of corruption as mandated by Section 6(4) (a) (iv) of the Public Protector Act, read with the Prevention and Combating of Corrupt Activities Act 12 of 2004.

#### 8.2.4 Protected Disclosures

To receive and address protected disclosures from whistle blowers as mandated by the Protected Disclosures Act 26 of 2000.

#### 8.2.5 Review of decisions of the National Home Builders Registration Council (NHBRC)

To review decisions of the National Home Builders Registration Council as mandated by the Housing Protection Measures Act 95 of 1998.

In addition, the following laws either recognise the inherent investigative powers of the Public Protector or assign some administrative role to the office:

- **Electoral Commission Act 51 of 1996** – The Public Protector must serve as a member of a panel that recommends a list of candidates to a National Assembly Committee that nominates Electoral Commissioners
- **National Archives and Record Service Act 43 of 1996** – The Public Protector must be consulted on investigations into the unauthorised destruction of records otherwise protected under this Act
- **National Energy Act 40 of 2004** – The protection (from civil or criminal liability, dismissal, disciplinary action, prejudice or harassment) of people who make to the Public Protector disclosures of health and safety risks or of failure to comply with a duty imposed by this Act.
- **Promotion of Equality and Prevention of Unfair Discrimination 4 of 2000** – recognises the Public Protector as an alternative forum to resolve equality disputes.
- **Promotion of Access to Information: Access to information disputes under the Promotion of Access to Information Act (PAIA) 2 of 2000.**
- **Public Finance Management Act 1 of 1999** – The Public Protector must receive a certificate from an accounting officer of an organ of state that has received donations or sponsorship from donors or sponsors who wish to remain anonymous, stating that the identity of the donor or sponsor has been revealed to them, that they have noted it and have no objection. This provision does not limit the Public Protector from supplying this information to his/her staff, and where she/he deems it in the public interest, to report on this.
- **Lotteries Act 57 of 1997** – The Public Protector receives bona fide confidential disclosures in respect of publishing any information in connection with any grant application or the grant itself.
- **Special Investigating Units and Special Tribunals Act 74 of 1996** – Referral of cases between the Public Protector and the SIU.
- **National Environmental Management Act 108 of 1999** – Records and annual reports on environmental conflict management referred to in the Act include proceedings by the Public Protector.

#### 8.3 Policy mandates

##### 8.3.1 The National Development Plan, 2030 (NDP)

Chapter 14 of the NDP states that corruption undermines good governance, and that poor governance “can critically undermine national development”. The NDP reiterates that it is crucial in an effective

and democratic state that political leaders and public officials account to the citizens for their actions. According to the NDP the country needs an anti-corruption system that “makes public servants accountable, protects whistle-blowers and closely monitors procurement.”

The NDP singles out four areas in which policies should be implemented towards an accountable state:

- a) Build a resilient anti-corruption system
- b) Strengthen accountability and responsibility of public servants
- c) Create a transparent, responsive and accountable public service
- d) Strengthen judicial governance and the rule of law.

The NDP calls for South Africa’s “anti-corruption arsenal”, including the Public Protector and the Auditor-General, “to have the resources, independence from political influence, and powers to investigate corruption, and their investigations should be acted upon”. The NDP highlighted that a functioning anti-corruption

system requires “sufficient staff and resources with specific knowledge and skills; special legislative powers; high level information sharing and co-ordination; and operational independence”. Independence entails insulating institutions from political pressure and interference. The NDP specifically states that -

“... competent, skilled institutions like the Public Protector and Special Investigating Unit need to be adequately funded and staffed and free from external interference.”

And further

“Strengthening the anti-corruption system requires increasing the agencies’ specialist resources. More capacity should be created for corruption investigations – more funding is required to employ skilled personnel and sophisticated investigative techniques”.

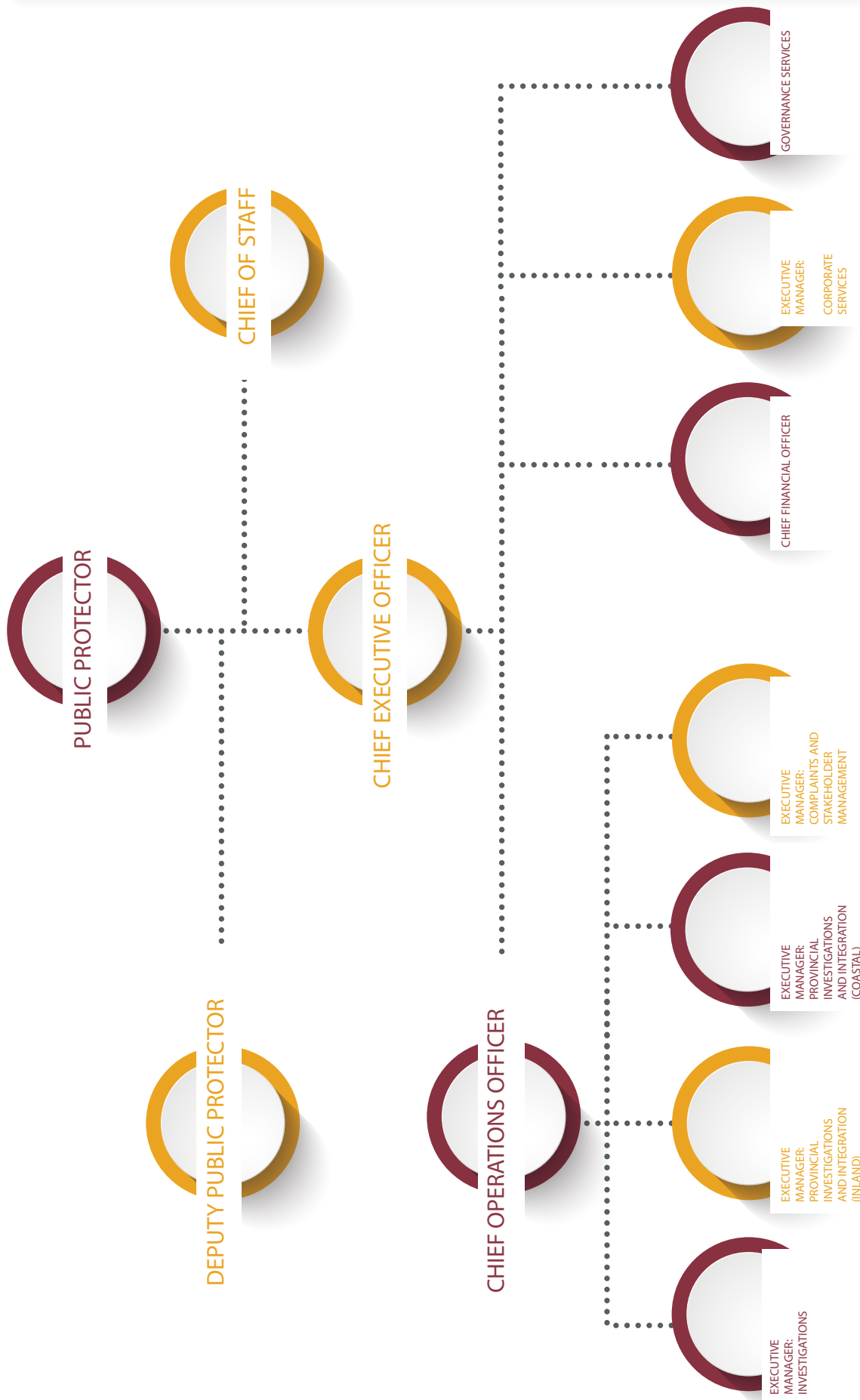
The following proposals of the NDP impact directly on the mandate areas of the Public Protector:

- a) Strengthen the multi-agency anti-corruption system
- b) Strengthen the protection of whistle-blowers
- c) Greater central oversight over the awarding of large tenders or tenders with long duration
- d) Empower the tender compliance monitoring office to investigate corruption and the value for money of tenders.

#### 8.3.2 The Sustainable development Goals (Goal 16: Peace, Justice and Strong Institutions)

Promoting peace and justice is one of 17 Global Goals that make up the 2030 Agenda for Sustainable Development. Peace, stability, human rights and effective governance based on the rule of law are regarded as important conduits for sustainable development. Goal 16, contains several sub-priorities which are relevant to the role and mandate of the Public Protector, including reducing corruption; developing effective, accountable, and transparent institutions; ensuring inclusive, participatory, and representative decision-making; and ensuring access to information.

## 9. ORGANISATIONAL STRUCTURE





## PART B: PERFORMANCE INFORMATION





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

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

Refer to page 96 of the Report of the Auditors Report, published as Part E: Financial Information.

## **2. SITUATIONAL ANALYSIS**

### **2.1. Service delivery environment**

The institution achieved 79% of its planned targets, an improvement from 72% in the previous financial year. In terms of the institution's performance on its core mandate relating to investigations, four out of six planned targets were achieved or exceeded. Targets exceeded were the 11 643 cases finalised, the 137 investigation reports finalised, and the three systemic investigations identified. The two targets not achieved were: finalisation of 95% of cases within turnaround times against the planned 100% and 86% of 2 years and older cases which were finalised against the planned target of 100%.

There was an increase in the demand for services as evidenced by the number of complaints we received in the 2019/20 financial year as opposed to what was received in the previous financial year. The increase in the number of complaints could possibly be attributed to outreach efforts by the institution.

### **2.2. Organisational environment**

The appointment of the Deputy Public Protector in February 2020 provided much needed investigative capacity following a two-month gap following the departure of the previous incumbent. For many years, PPSA was operating without an Internal Audit unit as this function was outsourced. A decision to establish an Internal Audit unit was implemented in the 2019/20 financial year. Having the unit has assisted the institution to tighten internal controls. This assisted in attaining the clean audit. Though the institution was stable in the first half of the year with the filling of all top management positions, the positions of Chief Executive Officer and Chief Operations Officer became vacant in the course of the year. To maintain stability in PPSA operations, the Chief Financial Officer took over the position of CEO in an acting capacity.

### **2.3. Key policy developments and legislative changes**

There were no major changes to relevant policies or legislation that might have affected PPSA operations during the period under review.

### **2.4. Strategic Outcome Oriented Goals**

This section details progress made by PPSA in achieving the strategic outcome oriented goals as reflected in the Strategic Plan.

#### **Strategic Outcome Oriented Goal 1: Prompt services delivered to all persons**

The nature of work carried out by PPSA in assisting complainants who have been ill-treated by

organs of state is often time sensitive. Some complaints may deal with learners who have not been issued with identity documents, thus disabling them from attending university, or may concern a person whose pension money has not been paid out and they could lose their house and car as a result. The institution has a classification system of cases with specific timeframes within which cases need to be finalised. Although the target has not been achieved, we were able to achieve over 95% adherence.

### **Strategic Outcome Oriented Goal 2:** Accessible Public Protector services

The constitutional injunction for PPSA to be accessible to all communities and persons is key to the work the institution has undertaken in the period under review. PPSA has used different modalities to ensure access to its services. First, PPSA is represented in all nine provinces through eighteen offices where people can walk in to lodge complaints or seek advice. It is acknowledged that eighteen offices are insufficient to serve the entire country. It is for this reason that outreach clinics that cover all district municipalities are used to reach more people.

The outreach clinics are conducted so that PPSA outreach officers inform and educate communities about the PPSA offering, enabling people to lodge complaints during these clinics. In the 2019/20 financial year, 237 clinics were conducted. Another way of reaching communities and persons is through Public Protector roadshows. The Public Protector visited all nine provinces to engage communities and government stakeholders. Community members were also given an opportunity to lodge complaints at these roadshows. Finally, PPSA utilised radio interviews to make people aware of the work PPSA carries out and how they could be assisted. To this end, 45 radio slots were utilised. PPSA is confident that it is on the right track in making its services accessible.

### **Strategic Outcome Oriented Goal 3:** An effective and efficient people driven organisation

The institution is constantly evolving and designing best ways to be effective and responsive to its mandate in the midst of challenges. Implementation of phase 2 of the institutional turnaround strategy involving the review and implementation of the organisational structure is an example of how an effective and efficient workforce is being maintained. The rationale for the review was to reorganise PPSA functions in a more efficient manner, thus ensuring that employees are utilised effectively. The organisational structure has been successfully reviewed, approved and implemented.

As PPSA is an integrity institution, it had planned to attain a clean audit outcome from the AGSA in the next financial year: the target was however achieved in period under review. In preparation for this, the institution implemented an approved clean audit strategy. The strategy was successfully implemented, leading to PPSA achieving a clean audit outcome in the year under review.

Under the same goal, PPSA resolved to reduce costs incurred through leasing office accommodation by adopting a strategy of leasing state-owned office accommodation. In the 2019/20 financial year, the target was to secure two such offices. Though accommodation was identified for the Thohoyandou and Umtata PPSA regional offices, the institution could not occupy them due to budgetary constraints. The plan is to renovate and occupy the Thohoyandou office in the next financial year.

### **Strategic Outcome Oriented Goal 4:** Oversight institutions and public complaints mechanisms strengthened

This goal, pertaining to the strengthening mechanisms to handle complaints in public institutions,

is aligned to Vision 2023's complaints resolution pillar. PPSA is constantly engaging with organs of state, supporting these bodies and encouraging them to establish mechanisms for resolving complaints from their respective clients. The more institutions establish these mechanisms to handle complaints, the more complaints to PPSA will reduce, thus freeing more investigators to deal with systemic investigations. PPSA entered into at least one bilateral agreement with an ombudsman or an organ of state in the past few years.

### 3. HIGHLIGHTS: ALTERNATIVE DISPUTE RESOLUTION MATTERS

#### **FRAUD: Victim of bogus marriage happy to have her life back**

An Mpumalanga woman's fraudulent marriage turned her and her children's lives into a living hell as she struggled for seven years to have the union annulled. Then the Public Protector's office in Nelspruit came to her aid. The single woman who has never been married got the shock of her life in 2012 when she learned that she was listed in the National Population Register (NPR) as married to someone she did not know.

She made the dreadful discovery while visiting her local Home Affairs office to collect a birth certificate for one of her children. A strange surname—that of her supposed husband—appeared on the document next to the child's first name. She immediately disputed the information on the NPR, assuring officials that she was unmarried and that the purported spouse was unknown to her. Although officials undertook to look into the matter, she continued to appear on the NPR as the stranger's wife. It was at that point in April 2019 that she decided to seek the Public Protector's help. She wanted the Public Protector to hold Home Affairs officials to account for the undue delay in finalising her case.

During the protracted back and forth between her and Home Affairs, she had to contend with the rejection of all her applications for public services as she was required to attach copies of both her and her supposed spouse's identity documents (IDs). Her application for a child grant was unsuccessful and so was a request by another of her children for a government educational bursary as the system showed that the stranger could afford to cater for the family's needs. She also recalled how she was once turned away from a public hospital to which she had been referred for a medical procedure. Referrals were for the benefit only of patients who could not afford private health care. As a supposedly "well-off" patient, she did not fall within the category of those who could undergo the procedure for free.

The Public Protector took the matter up with Home Affairs the same month the woman lodged her complaint. Later that month, the department requested a copy of her ID and an affidavit in which she had to state under oath that she had not consented to the marriage. Four months after entrusting the Public Protector with her grievance, the woman's bogus marriage to the stranger was nullified and her marital status as a single person restored. The department's own inquiry found the marriage to have been fraudulent.

Since then, the birth certificate of her child has been rectified to reflect the correct last name and the application for the child grant has succeeded. She also gets government services without question while her older child has been able to secure funding for university fees.

“I am thankful for the prompt relief I got from the Office of the Public Protector. My family’s dignity has been restored,” she said, urging the office to extend its assistance to more people who experience similar problems.

### **WATER PROVISION: Intervention ends Limpopo community’s five-year drought ordeal**

Seven Limpopo households have been reconnected to the municipal water supply, bringing an end to a 5-year period during which their taps ran dry after a road construction project interfered with the underground pipework supplying the homesteads.

In May 2019, Thivhudziswi Lukoto of Ngwenani Yaha Themeli outside Thohoyandou approached the Public Protector requesting the office to intervene in the matter. He said the situation had forced his 72-year-old mother to use her old age social grants to buy water from locals.

In a written complaint, Lukoto said his mother often had to push a wheelbarrow to go to buy water from other villagers. He added that six other families in her neighbourhood were affected. According to Lukoto, road construction workers cut the water pipeline supplying the section of the village occupied by his mother and neighbours. He tried in vain to have the problem resolved including through holding several meetings with officials from the Vhembe District Municipality.

The municipality responded to the Public Protector’s queries, indicating that water was only supplied to the village at a basic level and that there were no taps in yards. But a Public Protector inspection in loco found each household had a tap and a meter which were legally connected by the erstwhile Venda administration.

A settlement agreement, the terms of which included restoration of water supply to the affected households within a month, was signed by Lukoto and representatives of the municipality, with the Public Protector mediating.

“Thank you Public Protector for helping restore the dignity of the voiceless and poor people from my village,” an elated Lukoto said, confirming that all seven households now have water. In an email dated 21 November 2019, Lukoto thanked the Public Protector for the professionalism with which his complaint was handled. “I got a letter of acknowledgement promptly,” he said, adding that the investigator updated him every two weeks from the date of lodging the complaint.

### **HOUSING: Destitute Limpopo family gets house**

A Limpopo family of over 10 people, who lived in a crumbling one room mud house, now have a decent place to call home as a result of the Public Protector’s intervention.

The Matshela family’s plight was brought to the office’s attention in 2017 during the Public Protector’s visit to Marble Hall in Ephraim Mogale Local Municipality as part of the office’s commemoration of Women’s Month, prompting an undertaking from Sekhukhune District Executive Mayor, Cllr. Stan Ramaila to build them a house.

A member of the community reported the family’s living conditions in Tsimanyane village to the Public Protector during the event. The Public Protector followed up regularly with Cllr. Ramaila’s office until the house was delivered.

On receipt of the keys to her new house, an ecstatic Ms. Matshela said: “We have suffered for a long time, applying for an RDP house without success. Meanwhile God had prepared one for me. Today I occupy it.” The house boasts three bedrooms and is fully furnished with beds, a lounge suite and a kitchen unit.

### **WATER PROVISION: Granny can now drink and wash**

With the Public Protector’s help, water supply to the house of an indigent 98-year-old Limpopo granny has been restored two months after she was cut off by the Musina Local Municipality on the basis of unsubstantiated suspicions that her water meter had been tampered with.

The Public Protector also ensured that a debt of R13 435,00—made up of an R11 953,00 fine imposed on the woman for the alleged tampering and a further bill of R1 500 for the damaged meter—is written off as it was based on a false suspicion.

The nonagenarian approached the Public Protector on 11 June 2019, complaining that the municipality had cut off her water supply and accused her of tampering with the meter and pipes. This was despite the fact that she had reported the meter damages to the municipality soon after discovering the defects.

The woman informed the Public Protector that she was a bread winner in her family and had many mouths to feed with her old-age grant, including her children and grandchildren, whom she said were unemployed. She could thus not afford the R13 435,00 demanded by the municipality.

During the month her household was cut off, the woman drank and washed courtesy of a neighbour—at a fee.

When contacted for clarity, the manager responsible for water supply within the Musina municipal area was adamant that the water meter and pipes in question had been tampered with. According to her, water supply could only be restored on settlement of the bill.

During a preliminary investigation, the Public Protector established that the water meter was damaged on the night of 15 May 2019. The complainant reported the damage to the municipality the following day.

It was also established that municipal officials only showed up at the site of damage a week after the woman reported the incident. It was at that point that the water supply was cut on the basis that the meter and pipes had been interfered with.

The Public Protector embarked on an inspection in loco on 11 June 2019, the same day the complaint was lodged. It was confirmed that the meter was damaged and leaking. A temporary measure in the form of a piece of a rubber tubing had been used to plug the leakage.

It was further discovered that pictures of a damaged meter, which the municipality relied on as evidence of tampering, did not relate to the case at hand and that the meter depicted in the images was different to the one installed at the woman’s house.

In a subsequent alternative dispute resolution process, the Municipality admitted that it had failed to respond immediately when the woman reported the damage and that it acted irresponsibly and unfairly or without just cause when it cut water supply to the woman's house. The municipality acknowledged that its officials acted without providing the woman with an opportunity to state her side of the story, and apologised. It also undertook to fix the meter immediately at no charge, restore water supply and write off the R13 435,00 bill which it had slapped on the woman.

The matter was settled on 15 July 2019, two months after officials cut the supply to the woman's house.

### **SMALL BUSINESS: Two-year R2.3m bill settled after intervention**

A small business enterprise in Limpopo, which for two years was owed more than R2.3 million in an unpaid invoice, is now able to operate after the Public Protector saw to it that the bill was settled.

The company was appointed by the Vhembe District Municipality to render water reticulation services in and around Mhinga and Lambani villages during the 2015/16 financial year. It delivered on the project and this was confirmed by the Principal Agent on February 2017. An invoice of R2 312 958,06 was submitted but the municipality failed to pay.

When the second year went by without a word from the municipality, the complainant—through their lawyers—approached the Public Protector for her intervention. The Public Protector took up the matter. A series of written and telephonic enquiries were made to the Municipal Manager before escalation to the office of the Executive Mayor.

In the seven-month period during which the Public Protector pursued the matter, it appeared that the municipality was reluctant to respond to queries and was not keen to acknowledge the debt.

On 07 August 2019, following the Public Protector's persistence, the company was paid. The complainant confirmed receiving an amount of R2 312 958, 06.

### **WORKERS' COMPENSATION: Six-year wait for pay-out ends in smiles**

A 62-year-old Johannesburg nurse and chronic asthma patient, who, six years ago, contracted the respiratory disease in line of duty and immediately applied for compensation, has received over R200 000 in compensation benefits—three months after turning to the Public Protector for help.

The Charlotte Maxeke Academic Hospital staffer worked in the facility's gastro clinic area in 2012, where she, along with colleagues, used a chemical called cidex glutaraldehyde to disinfect and sterilise medical equipment. That same year she fell ill, with breathing difficulties. This was despite having used protective clothing such as a face mask, goggles and a gown. Colleagues rushed her to the hospital's casualty ward when she experienced respiratory problems. She was later diagnosed with asthma and has taken chronic asthma treatment since.

The woman approached the Public Protector in late March 2019, alleging that the Department of Labour had unduly delayed processing and finalising her compensation claim, which she lodged in 2013.



Following receipt of the complaint, over a three-month period between April and June 2019 the Public Protector corresponded with the Department of Labour on the matter. In its last communication to the Public Protector, the Department confirmed that the woman had been awarded compensation of R204 450,00 for permanent disability.

The thankful woman said: "I received excellent service from your office. Please do for others what you did for me."

### **MUNICIPAL BILL: Smiles all round as grossly inflated invoice dispute is resolved**

A Free State woman thanked the Public Protector after the office successfully intervened in a dispute over a municipal services bill which was nineteen times more that it ought to have been.

The woman approached the Public Protector in 2018 after she was slapped with a R97 984,90 water bill by the City of Mangaung. The bill related to a Bloemfontein property she owns and has rented out.

Up to that point, her normal monthly bill was just under R5000. Her water account was up to date until the day she received the abnormal bill.

In her complaint to the Public Protector, the woman indicated that her property used pre-paid electricity and that her water consumption account had been in good standing. She produced proof of payment to that effect and indicated that she had expected her bill to be the normal figure of less than R5000.

She also shared with the Public Protector evidence of her protracted communication with the City as she tried in vain to resolve the impasse.

The Public Protector held several meetings with officials and eventually engaged the City Manager. This led to the rectification of the woman's municipal account. The bill was revised to R4 969,42.

"I would like to thank you for your understanding and support in this regard. I really appreciate it. You and your team mean a lot to us," said the elated woman.

### **CHILD MAINTENANCE: Defaulting dad now pays**

A Free State woman who had been struggling with unpaid child maintenance for two years is pleased after the Public Protector came to her rescue.

The woman complained that she had approached the Department of Justice about the problem, all in vain.

The Public Protector approached the department, prompting the issuance of a court order, which was subsequently served on the employer of the defaulting father.

The woman later received arrear maintenance payments in instalments along with the monthly amounts.

### **PENSION: 41 years' worth of benefits released**

A retired former police officer in Free State, who lives with a disability, is in good spirits after the Public Protector helped him get 41 years' worth of pension benefits within a month of his complaint.

The GPAA had withheld the benefits after the man's wife filed for divorce.

The man turned to the Public Protector on April 01, 2019, alleging an undue delay on the part of the Government Employees Pension Fund (GEPF) in paying his pension benefits. He complained that his creditors were inundating him with endless phone calls, demanding that he meet and settle his financial obligations.

On investigation, the Public Protector established that the benefits had accrued to the man when he retired on December 31, 2018.

The Public Protector was of the view that divorce proceedings after the date of retirement could not be taken into account when the pension was calculated. The GPAA was informed that its interpretation of the Divorce and Pension Act was incorrect. It immediately commenced processing of the payment.

The pension arrears were paid on April 29, 2019 while the gratuity was paid a week later. In addition, the man now receives his monthly pension.

### **PENSION: Unduly delayed R1m in benefits finally paid out**

A 66-year-old former civil servant, who retired in 2013, has thanked the Public Protector for helping him receive more than R1 million in arrear pension benefits that had been outstanding for over five years.

The man, who boasts an uninterrupted 42 years of service, turned to the Public Protector in 2016, alleging irregularities in the payment of his pension benefits by the GPAA. He complained that, having worked for the government from 1971 to 2013, he was short-changed in that he only got pension benefits for the period 1986 to 2013 instead of the entire period of his government employment.

He explained that, although he had been transferred and seconded to different government departments and organs of state during his time in the public service, this did not amount to a break in service as he had never resigned.

On receipt of the complaint, the Public Protector interacted with all the role players including the departments that previously employed him and the GPAA, which confirmed that the man had only been paid for the period 1988 to 2013. It was also confirmed that the man never had a break in service and that he had been transferred and seconded to other organs of state during his years in the bureaucracy.

Before approaching the Public Protector, the man had knocked on many doors, enquiring and sending explanations nearly every month, with no end in sight.

In a letter dated 28 August 2018, GPAA confirmed to the Public Protector that it would recalculate the



pension benefits that were due to the man and pay the outstanding amount to him.

The Public Protector later received an emotional email from the man, in which he shared a copy of a letter from GPAA confirming the payment of arrear pension benefits to the amount of R1 035 519,40.

He wrote to the Public Protector: "From the bottom of my heart I must thank [the Public Protector] for the exceptional service to the public and specifically on my case."

#### **PENSION: Woman finally gets divorce settlement**

A Western Cape woman was full of praises for the Public Protector after the office helped get the GPAA to pay her a court-sanctioned divorce settlement of more than R500 000 expeditiously.

The woman approached the Public Protector on 11 November 2018, alleging that the GPAA had unduly delayed the processing and paying of her pension claim. Earlier, on 28 August 2018, she had obtained a divorce order from her former husband. In terms of the divorce decree, she was entitled to receive 50% from the former husband's pension fund.

On requesting the Public Protector's intervention, an inquiry into whether the GPAA indeed unduly delayed processing and paying out the claim was launched.

The investigation team approached the GPAA and put the woman's allegations to the Agency, attaching a copy of the divorce decree. The team asked whether the woman's claim had been received and, if so, why there had been the delay in processing it.

On receiving the correspondence, the GPAA undertook to look into the matter and respond. Within a month of the Public Protector engaging the GPAA, the woman wrote to the office, confirming that she had received the pension pay-out and expressing her gratitude.

In an email, she said: "[The Public Protector] went beyond my expectations in a public service officer. [The office] demonstrated leadership and a heart to serve, which left me in awe. I want to extend my appreciation that she gave an audience to my predicament and availed herself."

#### **4. REPORTS OF THE PUBLIC PROTECTOR FOR 2019/20 FINANCIAL YEAR**

In the year under review, we planned to finalise a total of 56 investigation reports. However by 31 March 2020 we had concluded 137, exceeding the target by 81.

Below are summaries of a select few of the reports arranged according the mandate areas of this institution including prejudicial conduct, undue delay in the provision of public services, abuse of power / unfair conduct, whistle-blower protection, procurement irregularities, corruption and executive ethics.

Copies of all 137 reports can be found on the PPSA website in line with section 182(5) of the Constitution, in terms of which any report issued by this institution must be open to the public unless exceptional circumstances require that it be kept confidential.

**Prejudicial conduct (the kind of conduct by organs of state which results in the complainants suffering improper prejudice)**

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
1	Report No. 32 of 2019/20 on an investigation into allegations of improper conduct and maladministration during the expropriation of the Winterveldt Plots and inadequate compensation for expropriated plots by the City of Tshwane Metropolitan Municipality (CTMM).	19 August 2019	The report deals with whether the CTMM failed to follow due process in the expropriation of the plots of the complainant as required by section 7(1), (3) and (4) of the Expropriation Act; whether the complainants were not adequately compensated by the CTMM for the expropriated land and whether the complainants were improperly prejudiced by the conduct of the CTMM.	<p>All allegations in the three issues identified for investigation are substantiated.</p> <p>The City Manager must ensure that letters of apology are issued to the complainant for the failure to follow due process in the expropriation of the plots as required by the Act; appoint a Property Valuer or an associated Property Valuer to re-evaluate the plots; and conduct an audit to identify the expropriated plots which have not been utilised by the CTMM for the purpose for which they were expropriated and consider returning the land to the complainants.</p> <p>Should the CTMM still wish to continue with the expropriation, due process should be followed. All CTMM employees dealing with expropriation should be properly qualified and trained to perform their functions effectively and efficiently.</p>
2	Report No. 33 of 2019/20 on an investigation into allegations of improper eviction by the City of Tshwane Metropolitan Municipality (CTMM) which resulted in the unlawful demolition of a building structure.	01 July 2019	The report deals with whether or not the CTMM improperly sought or purported to seek the eviction of occupiers of its land, resulting in the unlawful demolition of the complainant's building structure; whether or not the CTMM improperly failed to deal with the complainant's complaint regarding the demolition and whether the complainant was improperly prejudiced.	<p>The CTMM improperly evicted occupiers from its land which resulted in the unlawful demolition of the complainant's building structure and failed to deal with the complainant's complaint regarding the demolition. The complainant was improperly prejudiced.</p> <p>The City Manager must apologise in writing to the complainant for the CTMM's irregular eviction, which resulted in the demolition of his building structure.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				He must establish the amount of damages the complainant suffered because of the loss of his building structure and approve and effect payment relating to the damages.
3	Report No. 121 of 2019/20 on an investigation into allegations of an unlawful demolition of a house belonging to Mr. AF Mhlahla by the Gauteng Department of Housing and Human Settlements.	07 February 2020	The report deals with the razing of a house in Extension 18, Atteridgeville, west of Pretoria on 05 December 2017 allegedly by the "Red Ants" at the instance of the department. The complainant alleged that he built the house at his own expense on a stand allocated to him by the City of Tshwane Metropolitan Municipality.	The department unlawfully demolished the complainant's house. The complainant suffered improper prejudice as a result of the department's conduct. The department will rebuild Mr. Mhlahla's house. He has agreed to this. The parties agreed that the settlement agreement they signed constitutes the Public Protector's findings and remedial action.
4	Report No. 132 of 2019/20 on an investigation into allegations of abuse of power on the part of then Executive Mayor of the City of Tshwane Metropolitan Municipality, Kgosientsho Ramokgopa, and the erstwhile City Manager, Jason Ngobeni with regards to the	10 March 2020	The report deals with whether the City unduly delayed to finalize Mr Dyakala's disciplinary process and whether such a delay constituted maladministration. It also deals with whether or not there was maladministration on the part of the City in terms of the allocation of work to Messrs Dlamini Attorneys. In addition, it deals with whether the services provided to the City by Njabzen Media were within the scope of their contract and, if not, whether payment for the said services constituted maladministration.	The investigation was closed on the grounds that the first two allegations were not substantiated while no conclusion could be made on the last allegation on the basis that the relevant financial records relating to the contract cannot be traced.

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
	disciplinary process followed against former Chief Financial Officer at the City, Mr Andile Dyakala.			
<b>Undue delay (unjustifiable or uncalled for delays in the provision of public services).</b>				
<b>5</b>	Report No 63 of 2019/20 on an investigation into allegations of refusal and/or undue delay by the North West Provincial Government (NWPG) to pay for services rendered by Mr. Moletlanyi Moses Mokwena.	12 November 2019	The report deals with whether the NWPG unduly failed to pay Mr. Mokwena the amount allegedly owed to him and whether the conduct of the NWPG in the circumstances caused him to suffer any improper prejudice.unduly delayed the processing thereof and the payment of benefits to her.	Both allegations as reflected in the issues identified for investigation are substantiated. The Premier must write a letter of apology to Mr. Mokwena for the prejudice caused to him and his family. The Premier must further ensure that Mr. Mokwena receives a payment of R905 110.10 with interest calculated in terms of the Prescribed Rate Interest Act 55 of 1976 from the date of the last invoice submitted by the complainant.
<b>6</b>	Report No. 100 of 2019/20 on an investigation into allegations of unfair conduct by the Department of Telecommunications and Postal Services in deciding to contribute a maximum medical aid subsidy and not two-thirds government	27 January 2020	The report deals with allegations that the complainant and 13 others were employed by the Department of Post and Telecommunications, and that they voluntarily terminated their services and took severance packages between 1996 and 1997 to assist the government to achieve its objective under the Right-Sizing of the Public Service programme. When they exited the department, they were, in terms of the conditions of their severance packages, entitled to a post	<p>The department unfairly or improperly resolved to alter the conditions pertaining to medical scheme assistance to the complainant and others. The conduct of the department caused the complainant and others to suffer prejudice.</p> <p>The DG must take the necessary steps to address the adverse financial impact of the department's unfortunate decision to cap its contribution to the medical aid scheme of the complainant and his colleagues.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
	contribution towards the medical aid subsidy of Mr Dirk de Jongh and 13 other former employees of the erstwhile Department of Post, Telecommunications and Broadcasting.		<p>termination monthly medical aid subsidy to the value of two-thirds of their monthly membership fees, without any cap being placed on the maximum amount. Between May and June 2012, the employer's medical aid contributions to their medical aid funds were stopped, resulting in the suspension of their membership.</p> <p>When the subsidy resumed and their membership was restored, the employer's medical aid contribution was, in their view, unlawfully and improperly capped to a maximum of R1 014 per month instead of two-thirds of the membership fees.</p>	<p>The DG must do so by overseeing and implementing a proper process to reconcile and to calculate the difference in the actual medical aid subsidy paid to the complainant and others and the amount which two-thirds medical aid subsidy should have been for each of the affected parties to establish the shortfall.</p> <p>The DG must reimburse the affected parties of any of their own contributions towards their medical aid scheme since 01 December 1993 which exceeded one third of the total medical aid membership fees paid towards their medical aid schemes.</p> <p>The amount of shortfall must include the amount of interest at the prescribed rate of interest in terms of the Prescribed Rate of Interest Act for the periods the different interest rates in terms of the Act applies.</p>
7	Report No. 123 of 2019/20 on an investigation into allegations of undue delay, maladministration and improper conduct by the South African National Defence Force (SANDF), the SAPS and the	06 February 2020	<p>The report deals with the complaint of Ms P Pietersen, whose son, Lieutenant Pietersen, a member of the SANDF, collapsed while participating in an exercise marathon on 03 February 1998 and was rushed to a hospital in George, Western Cape, where he died the following day as a result of heatstroke. He was comatose at the time of his passing.</p> <p>The complainant alleged that the SAPS in</p>	<p>No determination was made on the alleged undue delay by the SAPS in investigating the death of the deceased. However, the SAPS failed to keep the complainant informed about progress in the investigation.</p> <p>The SANDF did not unduly delay the finalisation of the Military Board of Inquiry into the deceased's death but failed to communicate the findings to the complainant. This undue delay allegation is not substantiated. The SANDF failed to timeously report a claim for compensation to</p>



NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
	Compensation Fund with regard to an investigation into the death of Lieutenant Daniel Pietersen and the reporting, processing and payment of Compensation Fund benefits.		<p>Oudtshoorn investigated her son's death and promised to keep her abreast of progress but failed to do so. It was further alleged that the SANDF held a Military Board of Inquiry into her son's death and never informed her of the outcome.</p> <p>In addition, Ms Pietersen alleged that the SANDF failed to timeously report her claim for payment of compensation benefits to the Compensation Fund and that the Fund also failed to attend to the claim and unduly delayed the processing thereof and the payment of benefits to her.</p>	<p>the Compensation Fund and to submit comprehensive documents to the Fund for the processing and payment of benefits to the complainant.</p> <p>The Fund unduly delayed in processing the claim for compensation benefits and the complainant was unfairly prejudiced by the conduct of the SANDF, SAPS and the Fund. The National Commissioner of SAPS must consider amending the Standing Orders to provide for informing the next of kin of progress made in an inquest investigation.</p> <p>The National Commissioner of SAPS and the Chief of the SANDF respectively must apologise in writing to Ms Pietersen for the failure to keep her informed of progress in the inquest investigation and for the failure to inform her of the outcome of the Board of Inquiry into her son's death. The Compensation Commissioner must apologise in writing to Ms. Pietersen for the delay in processing and paying compensation benefits to her within a reasonable time.</p>
<b>Abuse of power / unfair conduct (unjustifiable exercise of public power/ unjust conduct)</b>				
8	Report No. 130 on an investigation into allegations of failure by the Mahikeng Local Municipality to complete the	24 February 2020	<p>The report deals with whether the municipality improperly failed to complete the construction of the access road since August 2011, whether the municipality irregularly paid the contractor for the incomplete construction of the road, resulting</p>	<p>All three allegations are substantiated. A period of eight years lapsed while the construction of the access road remained incomplete. The contractor was paid R4 439 436, 54 including 14% VAT. The erstwhile Head of the Department of Roads, Mr AP Kembo, certified that the account was correct, that the service was rendered and that the charges were fair and reasonable.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
	construction of a tarred access road, previously gravel, from Kaalpan to Nooitgedacht villages.		in irregular, fruitless and wasteful expenditure and whether, in the circumstances, the complainant and the community of Kaalpan village were prejudiced as a result of the conduct of the municipality.	<p>The municipality failed to provide the Public Protector with the names of the officials who inspected the road and who authorized the payment to the contractor.</p> <p>The community of Kaalpan has suffered prejudice as a result of the conduct of the municipality. The incomplete road is prone to flooding in rainy seasons. This poses a risk to the community and has the potential to cause damage to vehicles making use of the road.</p> <p>The Municipal Manager was directed to:</p> <p>Ensure that the report is tabled before council;</p> <p>Conduct an analysis of work still to be done on the road, determine the costs thereof and the timelines within which the project can be completed;</p> <p>Determine the amount overpaid to the contractor and initiate a legal process to claw back the excess amounts;</p> <p>Report to the Directorate for Priority Crime Investigation the activities of any official who inspected the road and authorised that the contractor be paid while the road was incomplete;</p> <p>Take internal disciplinary action against any official who inspected the road and approved payment for stages which were not completed and authorised payment to the contractor for the incomplete road construction;</p> <p>Provide the Public Protector with an action plan regarding the completion of the road following the assessment of outstanding work, the cost thereof and the appointment of a service provider; and</p> <p>Apologise in writing to the complainant and the community of Kaalpan village for the prejudice caused.</p>

NO	Report Name	Date	Summary of Complaint	Summary of the Findings and Remedial Action
9	Report No. 106 of 2019/20 on an investigation into systemic deficiencies relating to the supply of adequate water by the Ngaka Modiri Molema District Municipality to the communities in various local municipalities within its area of jurisdiction	28 December 2019	The report deals with whether, due to its systemic administrative deficiencies, the municipality improperly failed and/or omitted to ensure that local communities around its area of jurisdiction receive adequate water, and whether the local communities suffered any prejudice as a result of conduct of the municipality in the circumstances.	<p>The municipality failed and/or omitted to ensure that water consumers in its area of jurisdiction receive adequate water. Although the municipality has made an attempt to adhere to its constitutional obligations, the investigation revealed that most vulnerable groups within its area of jurisdiction did not enjoy access to clean and adequate water.</p> <p>Most of the challenges within the municipality relate to worn-out infrastructure, vandalised and/or dilapidated boreholes, lack of infrastructure, high costs of water distribution and poor management of water infrastructure.</p> <p>The municipality failed to prioritise the maintenance of water infrastructure specifically of areas that the investigation focused on such as Ramotshere Moiloa, Ratlou, Mahikeng and Ditsobotla.</p> <p>The municipality failed to ensure that water service equipment is regularly maintained and that old infrastructure is refurbished. It failed to prepare a Water Service Development Plan during the period from 2012 to 2019.</p> <p>Water consumers suffered prejudice as a result of the conduct of the municipality. The municipality is mostly rural and had for many years experienced water supply shortages, leaving communities with no option but to rely on water supplied through water tankers.</p> <p>In most of these areas, where water tankers are used, the storage tanks are not lifted above the ground; there are inordinate delays in refilling the tanks; water is not purified; and the tanks are not regularly cleaned. This leaves communities vulnerable to the use of contaminated water.</p> <p>The Municipal Manager was directed to ensure that the outstanding projects in Zeerust, Mokgola, Gopane, Braklaagte, Setlagole, Bakerville, Ga-Maloka, Itsoseng, Coligny and Lomanyaneng are completed.</p>



NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>The MEC of Cooperative Governance and Traditional Affairs was directed to monitor the process of drafting the Integrated Development Plan (IDP) and assist, coordinate or take appropriate steps to ensure the planning, drafting, adoption of or review of such plans.</p> <p>The Minister of Water and Sanitation must appoint a task team to assist the municipality and monitor the process of drafting the Water Service Plan, coordinate or take any appropriate steps to ensure the planning, drafting, adopting of or review of such plans.</p> <p>The Minister must further monitor the performance of the municipality and intervene where there is gross failure of delivery, non-compliance and the inability to hand over water service functions to different villages within its area of jurisdiction.</p>
10	Report No. 40 of 2019/20 on an investigation into allegations of improper failure by the University of Cape Town (UCT) to provide safety measures against	05 August 2019	The report deals with whether UCT failed to provide safety measures against the drowning of the deceased on 12 March 2016; whether UCT unduly delayed in investigating the drowning incident of the deceased; whether the SAPS improperly failed to investigate and report on the drowning of the deceased; whether the NPA unduly delayed in recommending the re-opening of an inquest into the death	<p>Out of all the allegations as reflected in the issues identified for investigation, only the one relating to whether the SAPS failed to investigate and report the drowning of Mr. Madiba is not substantiated.</p> <p>The Vice Chancellor of UCT must take effective and appropriate steps to ensure that UCT's rowing rules are submitted to Rowing South Africa within 30 working days from the date of the report to ensure compliance with the Rowing South Africa Code of Conduct and that workshops and training</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
	the drowning of Mr. Madiba, improper failure by the SAPS to investigate and report on the drowning incident and an undue delay by the National Prosecuting Authority (NPA) to recommend the re-opening of an inquest into the matter.		of the deceased; and whether the complainants suffered prejudice as a result of the conduct of UCT, the SAPS and the NPA in the circumstances.	<p>sessions on Rowing Rules must be rolled out to novice and potential rowers prior to subscription as registered club members. Proof of the workshop/training sessions must be tracked and monitored.</p> <p>It was also recommended to the Vice Chancellor that the university considers an ex gratia payment to the complainants for the loss of their son and expenses incurred by the deceased's immediate family to attend the memorial service at UCT.</p> <p>Lastly, the NDPP must consider submitting a recommendation to the Minister of Justice and Correctional Services within 30 working days from the date of this report, to consider the re-opening of the inquest into the matter in terms of section 17A of the Inquests Act 58 of 1959.</p>
11	Report No. 24 of 2019/20 on an investigation into allegations of maladministration and impropriety in the approval of Mr Ivan Pillay's early retirement with full pension benefits and subsequent retention by the	24 May 2019	The report deals with whether Minister Pravin Gordhan irregularly approved the early retirement of Mr. Ivan Pillay with full pension benefits and his subsequent retention at SARS in the same position.	<p>The Minister irregularly approved the early retirement of Mr. Pillay with full retirement benefits and his subsequent retention at SARS.</p> <p>Since neither Mr. Pillay's request for early retirement nor SARS Commissioner Mr. Magashula's recommendation to Minister Gordhan contemplated retirement, there was no retirement in fact and in law.</p> <p>Even if retirement had been contemplated and there was in fact a retirement, Minister Gordhan was not authorised by</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
	South African Revenue Service (SARS).			<p>section 16(2A) of the Public Service Act (PSA) to approve Mr. Pillay's early retirement request with full pension benefits as this section does not confer any power on the Minister to approve early retirement with full pension benefits.</p> <p>Mr. Pillay was not entitled to early retirement with full pension benefits under section 16(2A) of the PSA because the section makes no provision for such full retirement benefits.</p> <p>Minister Gordhan acted <i>ultra vires</i> in approving the retention of Mr. Pillay as the Minister was not authorised by law to do so.</p> <p>The President must take note of the findings in this report in so far as they relate to the erstwhile Minister of Finance, Mr. Gordhan and take appropriate disciplinary action against him for failing to uphold the values and principles of public administration entrenched in section 195 of the Constitution and the duty conferred on Members of the Cabinet in terms of section 92 (3) (a) of the Constitution to act in accordance with the Constitution.</p> <p>The Commissioner of SARS must set in motion steps to receive the money paid as actuarial deficit or penalty on behalf of Mr. Pillay by SARS to GEPP from the erstwhile Commissioner of SARS, Mr. Magashula and to ensure that SARS introduces as part of their recruitment processes, regulations, policies and practices which are clear and unambiguous relating to early retirement and staff retention.</p>

# Whistle-blower protection (cushioning complainants who blew the whistle on wrongdoing from suffering occupational detriment)

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
12	Report No. 1 of 2019/20 on an investigation into allegations of improper conduct and victimisation of the alleged whistle-blower, Mr Mpho Seero, by the City of Matlosana resulting in his unfair suspension.	17 April 2019	<p>The report dealt with allegations that then Acting Municipal Manager, Mr. Sipho Mabuda, improperly suspended the complainant following his submission of a protected disclosure to the Municipal Council regarding what he considered to be irregular procurement activities.</p> <p>These involved, among other things, an irregular expenditure of over R32 million between 2003 and 2013 at the Golden Excel Garage and an unauthorized expenditure of more than R16 million.</p> <p>They also involved irregular expenditure of R22 million on Municipal Infrastructure Grant projects and a violation of the SCM Regulation 36 by several senior officials, including Mr. Mabuda. The municipality disputed that Mr. Seero ever suffered an occupational detriment.</p>	<p>The municipality, through Mr. Mabuda, aided by a Mr. Ramagaga improperly suspended Mr. Seero, in retaliation for his protected disclosure. This amounted to an occupational detriment as envisaged in the Protected Disclosures Act. The suspension of Mr. Seero on the basis of premeditated charges was irrational, unreasonable and unfair and can justifiably be seen as a simulation that sought to get him out of the way by Mr Mabuda whom he had accused of corrupt activities.</p> <p>The accusation against Mr. Mabuda has since been attested to by Auditor-General Reports of the 2010/2011 and 2011/2012 financial years. The latter report also confirmed that payments amounting to more than R36 856 058 were made in contravention of SCM requirements. Mr. Seero was prejudiced by the municipality under the circumstances. He suffered immense and undue financial, emotional and social prejudice. This involved emotional pain and misery.</p> <p>Mr. Seero also suffered inconvenience to his family and concerns relating to the improperly handled disclosure, threatening his job security. He has since returned to work, but Ms Mpho Mathe was acting in his position. He reported to work daily, but was not assigned any duties which impacts on his career.</p> <p>The Municipal Manager must ensure that Mr. Seero is reinstated to his position of Chief Audit Executive. The Municipal Manager must also, in consultation with Mr. Seero, provide him with therapeutic support for emotional suffering as a result of the occupational detriment.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>In addition, the Municipal Manager must ensure that the report is tabled before Council and write a letter of apology to Mr. Seero for the prejudice caused to him and his family. Lastly, the Municipal Manager must ensure that a policy which deals with employees' protected disclosures in the workplace is developed to create a culture of openness and accountability without fear of reprisals or occupational detriment.</p>
13	Report No. 108 of 2019/20 on an investigation into allegations of improper conduct, maladministration, and improper application of the Protected Disclosures Act 23 of 2000 and victimisation of an employee by the NTP Radioisotopes SOC Ltd.	28 December 2019	<p>The report deals with whether the NTP improperly handled a protected disclosure duly made by the complainant in terms of the Act, and if so, whether such conduct contributed to the complainant's resignation and whether the complainant was prejudiced.</p>	<p>The NTP improperly handled a protected disclosure duly made by the complainant in terms of the Act. This contributed to the complainant's resignation. The complainant was exposed to occupational detriment, which led to his frustration, despair and psychological suffering, hence his resignation from work. He suffered immense financial, emotional and social prejudice.</p> <p>The Chairperson of the Board of Directors of NTP Radioisotopes must ensure that the complainant is provided with a written apology, is reinstated, and paid a full salary and benefits which would have been due to him had he not been dismissed. This must be paid with interest.</p> <p>The complainant must be compensated for financial losses incurred by virtue of incidental expenses related to his dismissal. The complainant must get therapeutic support if still required and be provided support through change management leadership intervention.</p>

## Procurement irregularities (the kind of conduct where organs of state fail to follow proper Supply Chain Management processes)

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
14	Report No. 111 of 2019/20 on an investigation into allegations of maladministration relating to the irregular awarding of a contract to Tracker Network PTY (Ltd) by the SAPS. This followed a complaint from Mr. Niemesh Singh in August 2013.	13 January 2020	The report deals with whether the process followed by the SAPS in concluding agreements with Tracker for the provision of the vehicle tracking system in SAPS vehicles was improper and whether the agreements entered into between the SAPS and Tracker resulted in the company improperly benefiting from the use of state resources.	<p>The process followed by the SAPS in concluding agreements with Tracker/Tracker Connect for the provision of the vehicle tracking system in vehicles belonging to SAPS was improper as was the process followed by the SAPS in concluding the agreements over the past 21 years. SAPS failed to meet the standards imposed in terms of section 217 of the Constitution and section 2 of the Preferential Procurement Policy Framework Act. This amounts to improper conduct and maladministration.</p> <p>It was also found that the agreements entered into between the SAPS and Tracker result in Tracker improperly benefiting from the use of state resources. The SAPS utilises its personnel, vehicles, infrastructure and aircraft in responding to the activation of stolen or hijacked vehicles of Tracker clients. In this regard, the National Commissioner of Police and respective SCM officials failed to comply with the PFMA.</p> <p>The National Commissioner to, among other things, take note of the report, taking into account the fact that the SAPS do not incur any cost for the supply, installation and use of the devices. SAPS must engage other service providers in the sector with determination in order to prevent possible monopolistic circumstances by one service provider over others.</p> <p>Such engagement should be undertaken to inform and guide service providers of their needs, specifically the technical specifications of the goods, works or services that are required. This would allow service providers to acquire or develop their technologies to meet the needs of the SAPS and enable them also to enter into such agreements with SAPS.</p>



NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>The National Commissioner to further consider establishing in-house capacity which will play a key role when the SAPS enters into agreements with the panel of service providers in order not to compromise national security, and safeguard sensitive information relating to SAPS Standard Operating Procedures, <i>modus operandi</i>, developments in and the sophistication of crime and the change in geographical approach to criminals. This should be reflected in the Service Level Agreement entered into with such service providers.</p>
15	Report No 41 of 2019/20 on an investigation into an allegation of procurement irregularities, irregular appointment and maladministration relating to the appointment of Ms TH Botha as Deputy Director: National Specialised Investigation Team (NSIT) by the Independent Police Investigative	09 September 2019	<p>The report deals with whether the IPID improperly followed procurement processes when it appointed Fidelity Security Services (Pty) Ltd (Fidelity) to provide the services of an Investigative Analyst for the interpretation of cellular and other data in criminal investigations;</p> <p>Whether the IPID improperly appointed Ms TH Botha as a Deputy Director: NSIT without following proper recruitment processes;</p> <p>Whether the IPID improperly suspended the complainant in retaliation against his</p>	<p>All allegations as reflected in the four issues identified for investigation are substantiated. The Acting Executive Director of the IPID must take appropriate steps to ensure that he takes disciplinary steps against all IPID officials who were responsible for violation of the Constitution, IPID Act, PDA Act, IPID Recruitment and Selection Policy, IPID SCM Policy and PSA Regulations which resulted in the irregular appointment of Ms Botha, irregular procurement of Fidelity's services, irregular, fruitless and wasteful expenditure and improper prejudice to the complainant.</p> <p>The Acting Executive Director must investigate and recover any irregular, unauthorised, fruitless and wasteful expenditure incurred by the IPID, from any person who is liable in law, in accordance with the process prescribed by the National Treasury.</p> <p>The Acting Executive Director must ensure that all IPID's officials who are involved in the SCM process, including all the senior management, attend a workshop on the Recruitment and Selection procedures and processes.</p>



NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
	Directorate (IPID).		<p>protected disclosure regarding alleged unethical conduct by Mr McBride and regarding the grievance against the alleged irregular appointment of Ms Botha, thereby amounting to an occupational detriment as envisaged in the Protected Disclosures Act, and</p> <p>Whether the complainant, IPID or any other person suffered prejudice as a result of the alleged improper appointment of Ms TH Botha in the circumstances.</p>	<p>The Acting Executive Director must ensure that he presents this report and the investigation report compiled by Adv Moloko to the Minister of Police for a decision to address the irregular appointment of Ms Botha and other findings contained in the Presidency report.</p> <p>The Acting Executive Director must ensure that the unauthorised, irregular as well as fruitless and wasteful expenditure is disclosed to the National Treasury.</p> <p>The Acting Executive Director must direct the CFO to amend the closing balance of the current financial statements to include the unauthorised, irregular as well as fruitless and wasteful expenditure in the 2019/2020 financial statements.</p> <p>The Acting Executive Director must ensure that the IPID develops a policy relating to the proper handling of protected disclosures/whistle-blowing lodged by its internal staff members. The policy should, amongst other things, address the manner in which such disclosures should be processed without victimising, disclosing the identity of the whistle-blower or subjecting him/her to occupational detriment.</p> <p>The Acting Executive Director must ensure that he initiates a judicial review process as prescribed in terms of sections 6 and 7 of the PAJA to set aside the appointment of Ms Botha on the basis that she was irregularly appointed to the newly created post that did not exist previously within the IPID structure nor was she subjected to a job evaluation process as required in terms of PSA Regulations.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
16	Report No. 109 of 2019/20 on an investigation into allegations of maladministration and procurement irregularities by the KwaZulu-Natal Department of Health.	13 January 2020	The report deals with whether the department improperly procured the mobile units, whether the department improperly procured and extended the services of Meditech SA and whether the department failed to consider the conflict of interest that existed between itself and Dr. JM Poo, a director at Meditech SA, when it appointed the company.	<p>The department improperly procured the mobile units. The processes followed to lease and consequently purchase the units were improper. They were not in accordance with section 217 of the Constitution and the PFMA. As a consequence, the department incurred in respect of both the leasing and purchasing of the units what amounts to irregular and/or fruitless and wasteful expenditure. This expenditure further amounts to fruitless and wasteful expenditure as envisaged in the PFMA to the tune of R32 million, and maladministration.</p> <p>The department procured the services of Meditech SA improperly. The extension of the subsequent contracts with substantial increase in the scope of work was also improper. In addition, the department failed to consider the conflict of interest that existed between itself and Dr. Poo when it appointed Meditech SA, of which Dr. Poo is a director.</p> <p>The MEC of Health must, among other things, ensure that the HOD considers the acts of maladministration and improper conduct referred to in this report and take appropriate disciplinary action against the officials of the department in respect of their conduct. The MEC must further ensure that the HOD through the Provincial Treasury takes steps to recover the expenditure incurred by the department as a result of fruitless and wasteful expenditure for the purchased mobile units.</p> <p>The HOD, on the other hand, must do all of the above, and, through the Provincial Treasury, evaluate the effectiveness of the department's internal controls on SCM processes with a view to taking corrective action to prevent a recurrence. The HOD must also report to the Provincial Treasury and the</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>Auditor-General particulars of the financial misconduct and the steps taken in connection with such misconduct.</p> <p>The DPCI must consider this report and establish if any acts of impropriety identified in the report amount to acts of criminality in terms of the Prevention and Combatting of Corrupt Activities Act.</p>
17	Report No. 120 of 2019/20 on an investigation into allegations of procurement irregularities and maladministration concerning the termination of a tender earlier awarded to Mantelli Biscuit Factory (MBF) by South African Airways' (SAA) catering subsidiary, AirChefs.	31 January 2020	<p>The report deals with allegations that MBF – a catering company supplying on-board meals to SAA, SA Express and Mango passenger carriers – submitted a bid in response to an advertised tender for the supply of “dry snacks”. The complainant alleged receiving an email from a Mr. Prishaan Grounder of AirChefs on 21 February 2014 with an attachment dated 17 February 2014 but signed a day later, in which the Acting Chief Executive of AirChefs, Mr. Martin Kemp, congratulated MBF on being the successful bidder to supply AirChefs with 365 000 units per month, costing over R4 million a year.</p> <p>He further alleged that he was later informed over the telephone – while</p>	<p>The decision by AirChefs to revise the letter of award of the tender and re-issue Mr. Mantelli's company with a different correspondence inviting him to form part of a panel of suppliers for snacks was irregular as the tender was for the provision of services and not an invitation to form part of a panel of service providers. The withdrawal of the tender award letter and issuing another saying something else was also irregular as AirChefs became <i>functus officio</i> the moment it awarded the tender. It could not withdraw the award without a court order.</p> <p>The complainant's company was improperly prejudiced in that it suffered financial loss or expenses incurred in preparing and submitting bid documents as well as other costs relating to meetings, travel, accommodation, exchange of correspondence with SAA, procuring a legal opinion and representation in the longstanding dispute with the national carrier.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
			<p>enquiring about the finalisation of the agreement and the handover – that MBF had not actually been awarded the tender but rather that the company would merely be a preferred supplier for biscuits.</p>	<p>The Chairperson of the SAA Board must take cognisance of the findings, ensure that there is a written apology to the complainant and see to it that the complainant is reimbursed for all the proven out-of-pocket expenses.</p> <p>The Chairperson must further ensure that the CEOs of AirChefs and SAA consider the report in so far as it relates to the gaps identified in the National Treasury and Indyebo reports and address the gaps, as well as consider the acts of maladministration and improper conduct referred to in the report and take appropriate disciplinary action against any official implicated. The CEOs must do the same.</p>
<b>Corruption/ Improper conduct (the kind of conduct envisaged in the Prevention and Combatting of Corrupt Activities Act 12 of 2004)</b>				
18	Report No. 146 of 2019/20 on an investigation into allegations of irregular award of a tender for cleaning services by Constitution Hill in Gauteng to called Rabbi Solutions (PTY) Ltd.	30 March 2020	<p>The report deals with the alleged award of a tender for cleaning services to Rabbi Solutions due to the owner, Ms Kedibone Dorothy Senne's close relationship with Constitution Hill's Facilities and Operations Manager, Mr Themba Ntuli. It was alleged that Rabbi Solutions was four months old when it was awarded the tender in August 2016 and thus did not have the requisite experience. The tender was advertised in</p>	<p>Constitution Hill did not irregularly or improperly award the tender in question to Rabbi Solutions even though the company concerned lacked the requisite experience as no tender was ever awarded. However, it appears from the evidence, that Rabbi Solutions was irregularly and improperly appointed for the job. Mr Ntuli was personally aligned or linked to Rabbi or Ms Senne. This amounted to a conflict of interest. The complainant suffered prejudice.</p> <p>The CEO of Constitution Hill must ensure that all members of the Bid Evaluation Committee involved</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
			<p>June 2016 and Rabbi Solutions submitted tender documents in July 2016. According to Mr. Maleho, the documents were completed and compiled with the assistance of Mr Ntuli.</p>	<p>in the appointment of Rabbi Solutions should be subjected to an internal investigation and disciplinary steps must be taken against them for their improper conduct relating to the violation of procurement policies.</p> <p>The CEO must further ensure that within ninety working days of the date of this report, all officials involved in procurement processes, should attend a workshop on the Public Finance Management Act and the Constitution Hill SCM Policy as well as the code of conduct SCM practitioners and Public Service Regulations governing procurement.</p>
19	Report No. 92 of 2019/20 on an investigation into allegations of improper conduct and maladministration relating to the misappropriation of public funds by the Northern Cape Department of Sport, Arts and Culture and the Northern Cape Arts and Culture Council (NCACC).	21 January 2020	<p>The report dealt with whether the department requested the NCACC to make a payment of R1.6 million to Traffic Events to organise a festival in December 2016; whether the NCACC made a payment of R1 million to Traffic Events in December 2016 to organise the festival that never took place; and whether the conduct of the department and of the NCACC was improper, constituted maladministration and resulted in the misappropriation of funds.</p>	<p>The department requested the NCACC to make a payment of R1.6million directly to Traffic and Events Management company to arrange the festival on the basis that the council would be refunded. Traffic and Events Management was paid R1million.</p> <p>The payment was made into the bank account of the company in terms of a Memorandum of Agreement between the council and the company. The festival has not taken place and the R1million paid in vain to Traffic and Events Management was not recovered by the council.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>The Head of Department, Ms. Ruth Palm, did not act in the best interests of both the NCACC and the department in terms of the expending of resources as required of an accounting officer by the PFMA.</p> <p>MEC Berenice Sinexve was directed to ensure that the NCACC recovers the R1million paid to Traffic and Events Management. The matter was referred to the DPCI for further investigation into possible criminal conduct by the parties involved.</p> <p>The MEC must also take action against Ms. Palm in terms of the PFMA and the Public Service Act for her improper conduct.</p> <p>Further appropriate action must be taken against the NCACC, and the fruitless and wasteful expenditure must be reported to the Provincial Treasury.</p>



NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
20	Report No. 73 of 2019/20 on an investigation into allegations of improper conduct, corruption, conflict of interest and irregular appointment of an employee by the former CEO of Media, Information and Communication Technology Sector Education and Training Authority (MICT-SETA)	15 November 2019	<p>The report deals with whether Mr Mopaki is personally aligned or linked to the private companies that are contracted to the institution, and, if true, whether that amounted to a conflict of interest; whether MICT-SETA and, in particular Mr Mopaki, irregularly appointed Ms Sibandze to positions of Manager and Senior Manager: Corporate Services which were never advertised as required by the SETA Recruitment and Selection Policy; whether Mr Jabu Sibeko, the Senior Manager: Learning Programmes, and Mr. Earnest Nemughavhini, the Manager: Learning Programme, improperly aided Mr Mopaki to siphon off the MICT-SETA's funds to private companies linked to him; and whether the conduct of Mr Mopaki resulted in prejudice to the MICT-SETA or to any other person in the circumstances.</p>	<p>With the exception of the allegation that Mr Sibeko, the Senior Manager: Learning Programmes, and Mr Nemughavhini, the Manager: Learning Programme, improperly aided Mr Mopaki to siphon off the MICT-SETA's funds to private companies linked to him, the rest are substantiated.</p> <p>The current CEO of MICT-SETA must take appropriate steps to ensure that all irregular expenditure incurred by MICT-SETA is disclosed to the National Treasury and the Auditor-General in connection with the irregular appointment of Ms Sibandze to both positions of Manager and Senior Manager: Corporate Services within MICT-SETA.</p> <p>The CEO must disclose all irregular expenditure incurred by MICT-SETA to the National Treasury and the Auditor-General in connection with the irregular procurement process involving Lylacorp, Network Infraco and Bandwidth Technologies which companies are all linked to Mr. Mopaki through an undeclared familial relationship with Mr. Mashigwane.</p> <p>The CEO must take appropriate steps to ensure that all MICT-SETA officials involved in SCM, Recruitment and Selection processes including all senior management attend a workshop on Procurement Policy, Recruitment and Selection and related legal prescripts.</p>



NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>The MICT-SETA must develop a policy relating to the declaration of conflict of interest among all its staff members for each financial year. The policy should, among other things, address the manner in which the declaration must be processed and the consequences for failure to disclose any conflict of interest.</p> <p>Lastly, the Directorate for Priority Crime Investigation (DPCI) must consider initiating an investigation into the link with and possible money laundering offences between Mr. Mopaki and the companies which are/were contracted to MICT-SETA and are registered as Mr. Mashigwane's companies.</p>
21	Report No. 124 of 2019/20 on an investigation into allegations of maladministration, corruption and entrenchment of monopolies in the 25-year-long contract between Transnet and Anglo subsidiary, Kumba (Pty) Ltd. The contract was allegedly signed by Ms Maria Ramos in 2005.	11 March 2020	The report deals with whether the 25-year contract entered into between Kumba and Transnet provided a monopolistic opportunity for Kumba such that Black Economic Empowerment firms would find it impossible to get an allocation in the national asset, in this case a railway line to export their products, as the contract provides for a 75% allocation to Kumba and it furthermore granted the company the first right of refusal to 85% of	<p>Neither of these allegations were substantiated. Accordingly, no remedial action was taken. However, with regard to the need that the rail line be principally used for the benefit of the populace, it is hoped that Transnet will ensure that their long-term strategic supplier relationship objectives with emerging miners and BEE miners are in line with socio-economic transformation objectives, with a view to ensuring that these miners are accommodated by Transnet for the transformation of the sector and for the benefit of all South Africans.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
			<p>capacity in the event Transnet was able to provide this.</p> <p>It also deals with whether, in 2008, a few months before Ms Ramos resigned as CEO, the contract between Transnet and Kumba was revised and virtually all penalty clauses deleted, thus giving Kumba a license to operate with impunity.</p>	
<b>Executive Ethics (the kind of ethical conduct expected of Members of the Executive such as Presidents, Deputy Presidents, Ministers, Premiers etc.)</b>				
<b>22</b>	Report No. 36 of 2019/20 on an investigation into allegations of a violation of the Executive Ethics Code by Minister Pravin Gordhan, MP as well as allegations of maladministration, corruption and improper conduct by SARS.	05 July 2019	<p>The report deals with, among other things, whether Mr Pravin Gordhan violated the Executive Ethics Code by deliberately misleading the National Assembly in failing to disclose that he had met with a member of the Gupta family since taking office and whether, during his tenure as Commissioner of SARS, the receiver of revenue established an intelligence unit in violation of South African Intelligence prescripts. The intelligence unit was confirmed by a SARS investigation report compiled by Adv. Muzi Sikhakhane SC.</p>	<p>Mr Gordhan violated the Executive Ethics Code by deliberately misleading the National Assembly in failing to disclose that he had met with a member of the Gupta family since taking office. During his tenure as the Commissioner of SARS, he established an intelligence unit in violation of the South African Intelligence prescripts.</p> <p>SARS failed to follow proper procurement processes in the procurement of intelligence equipment which the intelligence unit utilised for gathering intelligence. SARS failed to follow proper recruitment processes in appointing employees who worked for the intelligence unit.</p> <p>The intelligence unit carried out irregular and unlawful</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>intelligence operations. Mr Pillay was appointed to the position of Deputy SARS Commissioner and subsequently as SARS Commissioner, whilst he did not possess the necessary qualifications.</p> <p>The President must take note of the findings in this report in so far as they relate to the erstwhile Minister of Finance, Mr Gordhan and take appropriate disciplinary action against him for his violation of the Constitution and the Executive Ethics Code.</p> <p>The Speaker must refer Mr Gordhan's violation of the Code of Ethical Conduct and Disclosure of Members' Interests for Assembly and Permanent Council Members to the Joint Committee on Ethics and Members' Interests for consideration in terms of the provisions of paragraph 10 of the Parliamentary Code of Ethics.</p> <p>The Minister of State Security must implement in totality the Office of the Inspector-General of Intelligence (OIGI) report dated 31 October 2014, ensure that all intelligence equipment utilised by the SARS intelligence unit is returned, audited and placed in the custody of the State Security Agency and avail a declassified copy of the OIGI report dated 31 October 2014.</p> <p>The NPA should finalise the court process pertaining to the criminal proceedings currently underway against the implicated former SARS officials as the matter has been remanded several times already.</p> <p>The police must investigate the criminal conduct of Messrs Gordhan, Pillay and officials involved in the SARS intelligence unit, including Mr Magashula's conduct of lying under oath.</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
23	Report No. 37 of 2019/20 on an investigation into allegations of violation of the Executive Ethics Code through an improper relationship between President Cyril Ramaphosa and African Global Operations (AGO), formerly known as Bosasa.	19 July 2019	<p>The report deals with whether, during a question session in Parliament on 06 November 2018, the President deliberately misled the National Assembly about a donation by AGO to his CR17 campaign for the presidency of the governing party thereby breaching the Code and whether in the process he exposed himself to a risk of a conflict between his official duties and private interests or used his position to enrich himself and his son through businesses owned by AGO in violation of the Code.</p> <p>It also deals with whether there were improper relations between him and his family on the one side and AGO on the other due to the</p>	<p>The President deliberately misled the National Assembly. He conceded as much in a later correspondence with the Speaker of the Assembly. He should have allowed himself sufficient time to formulate a well-informed response.</p> <p>The President exposed himself to a situation involving the risk of a conflict between his official responsibilities and his private interests or used his position to enrich himself and his son through businesses owned by AGO. The campaign pledges towards the CR17 campaign were a kind of sponsorship and were benefits of a material nature to the President, which benefited him in his personal capacity. Some of the money collected through the campaign went into the Ramaphosa Foundation Trust Account. At the time of the donations, he was Deputy President and Member of Parliament, and was therefore bound by the Code of Ethical Conduct and Disclosure of Members' Interest for Assembly and Permanent Council Members to declare such financial interest. His failure to disclose the financial interest that accrued to him constituted a violation of the Code and amounted to conduct that is inconsistent with his office.</p> <p>The allegation that there were improper relations between him and his family on the one side and AGO on the other due to the nature of the R500 000 donation passing through several intermediaries instead of being a straight forward donation to the CR17 campaign thus raising the suspicion of money laundering has merit and has been referred to the National Director of Public Prosecutions (NDPP).</p> <p>The Speaker must refer the President to the Joint Committee on Ethics and Members' Interests for consideration and demand publication of all donations received by the President. The NDPP to take note of the recommendations contained in the report and conduct further investigation into the <i>prima facie</i> evidence of money laundering</p>

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
			R500 000 donation passing through several intermediaries instead of being a straight forward donation to the CR17 campaign thus raising the suspicion of money laundering.	The National Commissioner of the South African Police must investigate criminal conduct against Mr. Gavin Watson for violation of section 11(3) of the Public Protector Act 23 of 1994 for lying under oath.
24	Report No 78 of 2019/20 on an investigation into allegations of violation of the Executive Members' Ethics Code, by the former Minister of Social Development Ms Bathabile Dlamini, MP.	23 September 2019	The report deals with whether the former Minister deliberately or misled the National Assembly when she delivered her Budget Vote speech in which she made an undertaking on behalf of SASSA to take over the management and control of the payment process that was performed by CPS, from April 2017 and in doing so, violated the Executive Code of Ethics, could not be substantiated  In Black Sash Trust v Minister of Social Development and Others [2017] ZACC 8, March 2017, Froneman J held in his judgement that since April 2016 the responsible functionaries of SASSA have been aware that it could not comply with the undertaking to the Constitutional Court that it would be able to pay social grants from 1 April 2017, however confirming that former Minister Dlamini only became aware of SASSA's inability to make such payments in October 2016.  According to the Project Manager at the time, Ms Mvulane, the first legal opinion was only sought on 17 May 2016 and received in June 2016. The work-streams were activated around the same time and commenced in July 2016. Therefore, during the Budget Vote Speech on 4 May 2016, these responsible functionaries were also of the view, that SASSA was capable of taking over the control and	It was found that allegation that the former Minister of Social Development, Ms Bathabile Dlamini deliberately misled the National Assembly when she delivered her Budget Vote speech in which she made an undertaking on behalf of SASSA to take over the management and control of the payment process that was performed by CPS, from April 2017 and in doing so, violated the Executive Code of Ethics, could not be substantiated  In Black Sash Trust v Minister of Social Development and Others [2017] ZACC 8, March 2017, Froneman J held in his judgement that since April 2016 the responsible functionaries of SASSA have been aware that it could not comply with the undertaking to the Constitutional Court that it would be able to pay social grants from 1 April 2017, however confirming that former Minister Dlamini only became aware of SASSA's inability to make such payments in October 2016.  According to the Project Manager at the time, Ms Mvulane, the first legal opinion was only sought on 17 May 2016 and received in June 2016. The work-streams were activated around the same time and commenced in July 2016. Therefore, during the Budget Vote Speech on 4 May 2016, these responsible functionaries were also of the view, that SASSA was capable of taking over the control and

NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
				<p>management of the payments of social grants by 1 April 2017. It was only after receiving the legal opinion in June and the first report in October 2016 on the work-streams that all hope crumbled.</p> <p>Even though no findings were made against former Minister Bathabile Dlamini on a violation of the Executive Ethics Code in connection with the allegation that she misled the National Assembly, note should be taken that the Constitutional Court in <i>Black Sash Trust v Minister of Social Development and Others</i> [2018] ZACC 36, September 2018, pursuant to the outcome of the Ngoepe Inquiry into whether the former Minister should be held personally liable for SASSA's failure to comply with the Constitutional Court order, pronounced that the former Minister be held liable for the cost of the application in her personal and official capacity and for the National Director of Public Prosecutions to consider whether former Minister Dlamini lied under oath</p> <p>Based on the information and evidence obtained during the investigation, no finding could be made on the allegation that the former Minister of Social Development, Ms. Bathabile Dlamini deliberately misled the National Assembly and contravened the Executive Ethics Code, when she delivered her Budget Vote speech on 4 May 2016.</p>



NO	Report Name	Date	Summary of Complaint and Issues	Summary of the Findings and Remedial Action
25	Report No. 143 on an investigation into allegations of a violation of the Executive Ethics Code by the Member of Health in the Executive Council (MEC) for Health in the Western Cape Provincial Government, Dr. Nomafrrench Mbombo.	12 March 2020	The report deals with whether the MEC received any benefit/gift and/or sponsorship for or in respect of a birthday party that was held in her honour on or about 6 September 2016 and, if so, whether the MEC failed to disclose the benefit/gift and/or sponsorship in terms of the Executive Ethics Code and, if so, whether the MEC acted in breach of the Code.	<p>The MEC did not receive any benefit gift or sponsorship as contemplated by the Executive Ethics Code for or in respect of the function that was held at the Radisson Blue Hotel in Cape Town on 10 September 2016.</p> <p>The allegations were found to be unsubstantiated. The investigation was closed.</p>



## 5. CASELOAD AND STATISTICS FOR THE 2019/20 FINANCIAL YEAR

BRANCH	BROUGHT FORWARD FROM 2018/19	RECEIVED			TOTAL WORK LOAD	INTERNAL TRANSFERS		FINALISED				CARRIED OVER TO 2020/21
		WITHIN JURISDICTION	NO JURISDICTION	TOTAL RECEIVED		RECEIVED	SENT OUT	JURISDICTION	NO JURISDICTION	REFERRAL TO OTHER BODIES	TOTAL FINALISED	
Complaints and Stakeholder Management (CSM)	0	1236	545	1781	1781	0	0	359	545	877	1781	0
Administrative Justice and Service Delivery (AJSD)	881	1364	0	1364	2261	16	48	1541	7	13	1561	652
Good Governance and Integrity (GGI)	218	163	0	163	413	32	0	135	0	0	135	278
Provincial Investigations and Integration (PII)	83	73	0	73	179	23	12	148	0	0	148	19
EASTERN CAPE	346	897	4	901	1263	16	5	864	0	0	864	394
FREE STATE	276	585	19	604	1037	157	22	677	63	40	780	235
GAUTENG	89	1041	117	1158	1260	13	43	985	0	0	985	232
KWAZULU-NATAL	387	748	25	773	1447	287	46	949	70	61	1080	321
LIMPOPO	193	474	10	484	759	82	10	638	12	0	650	99
MPUMALANGA	292	213	52	256	668	111	17	436	16	14	466	185
NORTHERN CAPE	287	372	4	376	700	37	6	398	16	0	414	280
NORTH WEST	342	1059	1	1060	1499	97	27	1262	6	84	1352	120
WESTERN CAPE	695	975	134	1109	1978	174	13	1074	149	204	1427	538
TOTAL	4089	9200	911	10111	15245	1045	249	9466	884	1293	11643	3353

## 6. PERFORMANCE INFORMATION

### 6.1 SUMMARY OF OVERALL PERFORMANCE IN THE 2019/20 FINANCIAL YEAR

TARGETS	2018/19	2019/20
Number of planned targets during the financial year	18	15
Number of targets achieved	13	11
Number of targets not achieved	5	3 (1 target N/A)
<b>Percentage level of performance</b>	<b>72%</b>	<b>79%</b>

### 6.2 PROGRAMME PERFORMANCE

#### 6.2.1 PROGRAMME 1: ADMINISTRATION

The purpose of the programme is to enable PPSA to operate in an efficient environment, though with limited resources, and to comply with applicable laws and regulations whilst supported by improved business processes and systems. The programme also aims to enhance the institution's human resource and skills base. Strategic objectives applicable under programme 1 are: "Implement an institutional effectiveness turnaround approach to improve efficiencies", "Obtain clean audit", and "Secure office accommodation".

**KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS**

NO	Strategic objective	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
1	Implement an institutional effectiveness turnaround approach to improve efficiencies	Percentage of development and implementation of a turnaround strategy	N/A	Approval and 100% implementation of phase 2 of the turnaround strategy (organisational structure)	<b>ACHIEVED</b> The funded organisational structure was 100% implemented	N/A	N/A
2	Obtain clean audit	Obtain clean audit	<b>NOT ACHIEVED</b> Clean audit strategy was developed. An unqualified audit opinion was obtained with no matters of emphasis. Number of audit findings were reduced by 11%	Review and implement the approved clean audit strategy	<b>ACHIEVED</b> The clean audit strategy was reviewed and 100% implemented	N/A	N/A
3	Secure office accommodation	Number of state-owned office accommodation secured	<b>ACHIEVED</b> PPSA engaged DPW to avail a list of vacant state-owned buildings that PPSA could potentially acquire. As a result of the engagements, DPW made available a list of state owned proposed precinct	Secure 2 state-owned office accommodation	<b>NOT ACHIEVED</b> Two state-owned buildings identified in Umtata and Thohoyandou were not secured and occupied	Two identified state-owned buildings were not secured	Due to budgetary constraints, the PPSA could not renovate and occupy the two buildings. Renovation of one building will be completed in the 2020/21 financial year.

The funded organisational structure, which was 100% implemented, contributed towards the institution's workflow processes and enabled employees to synchronise their work thus creating an efficient and effective institution/workplace. The clean audit strategy was reviewed and implemented at 100% and the institution has for the first time received a clean audit report from the Auditor-General South Africa. The objective of securing office accommodation as a cost saving measure was not realised by the institution as two identified state-owned buildings were not occupied by the end of the financial year under review. This was due to budgetary constraints as the buildings needed to be renovated before occupation. The renovations will be completed in the following financial year. The achievements under this programme have contributed towards an effective and efficient PPSA.

### Strategy to overcome areas of under performance

Although the target was to secure state-owned office accommodation and the objective was not achieved due to budgetary constraints, the institution will renovate and occupy the Thohoyandou office in the 2020/21 financial year.

### Changes to planned targets

No in-year changes were made to planned targets and performance indicators

### Linking performance with budgets

The budget of the Administration Programme mainly consists of contractual obligations, i.e. cleaning services, rental: buildings, parking, security, information technology etc. The overspending is as a result of the inclusion of non-cash expenditures, i.e. rental services in kind, depreciation and actuarial losses.

	2018/2019			2019/2020		
Programme/ activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	132 893	129 472	3 421	150 878	174 073	- 23 195
Total	<b>132 893</b>	<b>129 472</b>	<b>3 421</b>	<b>150 878</b>	<b>174 073</b>	<b>- 23 195</b>

**Note:** Included in the budget amounts for the year under review, there is additional R20 million allocation received from DoJCD

## 6.2.2 PROGRAMME 2: INVESTIGATIONS

The purpose of the programme is to ensure the finalisation of all investigations with speed and the required quality. Strategic objectives applicable under programme 2 are: "Investigate and finalise reports promptly" and "Promote a culture of good governance".

**KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS**

NO	Strategic objective	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
4	Investigate and finalise reports promptly	Number of cases finalised	N/A	Finalise 7000 cases per annum	<b>EXCEEDED</b> A total of 11 643 cases were finalised	N/A	Target exceeded due to additional capacity of interns who assisted in finalising more cases than planned
5	Investigate and finalise reports promptly	Number of investigation reports finalised and published	<b>EXCEEDED</b> 46 formal reports were finalised	Finalise and publish 56 investigation reports by 31 March 2020	<b>EXCEEDED</b> A total of 137 investigation reports were finalised	81 more reports were finalised	The target was exceeded due to the successful implementation of the backlog project
6	Investigate and finalise reports promptly	Percentage of adherence to turnaround times in finalisation of cases	<b>NOT ACHIEVED</b> 99% (4757/4803) of cases were finalised within the following turnaround times: ER: 6 months (as at 1 April 2018) SD: 12 months (as at 1 April 2018) GGI: 24 months (as at 1 April 2017)	Finalise 100% of cases within the following turnaround times: ER: 6 months (as at 1 April 2019) SD: 12 months (as at 1 October 2018) GGI: 24 months (as at 1 October 2017)	<b>NOT ACHIEVED</b> 95% (7112/ 7515) of cases were finalised within turnaround times	5% (403) of cases were not finalised within turnaround times	Complexity of cases and capacity constraints are the main reasons for the non-achievement of the target

NO	Strategic objective	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
7	Investigate and finalise reports promptly	Percentage of 2 years and older cases finalised	<b>NOT ACHIEVED</b> 77% (560/729) of 2 years and older cases were finalised by 31 March 2019	Finalise 100% of 2 years and older cases by 31 March 2020	<b>NOT ACHIEVED</b> 86% (457/532) of 2 years and older cases were finalised	14% (75) of 2 years and older cases were not finalised	Complexity of cases and capacity constraints are the main reasons for the non-achievement of the target
6	Investigate and finalise reports promptly	Investigation and finalisation of systemic investigations/ interventions	<b>NOT ACHIEVED</b> 6 systemic investigations/ interventions identified in previous financial years were finalised	Identify and investigate 2 systemic investigations/ interventions	<b>EXCEEDED</b> 3 system investigations were identified and investigations are ongoing	1 additional systemic investigation was identified	Service delivery lapses that were identified by the PPSA prompted the third systemic investigation
8	Promote a culture of good governance	Number of dialogues held with organs of State on systemic challenges	<b>EXCEEDED</b> 13 dialogues were held with organs of State on systemic challenges	10 dialogues held with organs of State on systemic challenges by 31 March 2020	<b>ACHIEVED</b> 10 dialogues were held with organs of State on systemic challenges	N/A	N/A

The finalisation of 11 643 cases, 137 finalised investigation reports, 3 identified and on-going investigation and 10 dialogues held have contributed towards prompt services delivered to all persons and institutions in order to promote and maintain good governance. The finalisation of cases within turnaround times and finalisation of 2 years and older cases were not met and this was mainly due to the complexity of cases and capacity constraints.

### Strategy to overcome areas of under performance

In the next planning cycle, management will review the targets that were not achieved to ensure that they are aligned with the PPSA's capacity to deliver on them.

### Changes to planned targets

No in-year changes were made to planned targets and performance indicators.

### Linking performance with budgets

The biggest cost driver under the investigative programme relates to payments for compensation of employees, which accounts for 96% of the budget for the Investigative Programme. The remaining 4% relates to the funding of operations and contractual obligations in the provinces.

	2018/2019			2019/2010		
Programme/ activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investigations	181 784	180 908	876	178 666	178 665	1
Total	<b>181 784</b>	<b>180 908</b>	<b>876</b>	<b>178 666</b>	<b>178 665</b>	<b>1</b>

## 5.2.3 PROGRAMME 3: STAKEHOLDER MANAGEMENT

The purpose of stakeholder management is to ensure that PPSA services are accessible to all persons and communities we serve. Furthermore, the aim of the programme is to play a leading role in strengthening ombudsman institutions both in South Africa and the rest of Africa. The strategic objective applicable under the programme is "Ease of access to Public Protector Services"



**KEY PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS**

NO	Strategic objective	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
10	Ease of access to Public Protector services	Number of outreach clinics conducted across the country	<b>EXCEEDED</b> 277 outreach clinics were conducted across the country	Conduct 208 clinics across the country by 31 March 2020	<b>EXCEEDED</b> 237 outreach clinics were conducted across the country	29 more outreach clinics were conducted	The target was exceeded due to collaborations with other stakeholders at no cost to PPSCA
11	Ease of access to Public Protector services	Number of Public Protector roadshows (including national events) conducted	<b>ACHIEVED</b> 9 Public Protector Roadshows were conducted <b>EXCEEDED</b> 7 national events were conducted	Conduct 9 Public Protector roadshows (including national events) by 31 March 2020	<b>ACHIEVED</b> 9 Public Protector roadshows (including national events) were conducted	N/A	N/A
12	Ease of access to Public Protector services	Number of radio slots conducted	<b>EXCEEDED</b> The following radio slots were conducted per province: EC: 20 FS: 7 GP: 4 KZN: 5 LP: 9 MP: 4 NC: 4 NW: 6 WC: 5	Conduct 2 radio slots per province per annum	<b>EXCEEDED</b> A total of 45 radio slots were conducted as follows: EC: 9 FS: 5 GP: 2 KZN: 4 LIMP: 11 MP: 5 NC: 2 NW: 5 WC: 2	27 additional radio slots were conducted	Free slots by radio stations enabled PPSCA to conduct more clinics than anticipated

NO	Strategic objective	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
13	Strengthen the role of ombudsman institutions and assist to establish internal complaints handling mechanisms within organs of state	Number of bilateral agreements entered into annually	<b>ACHIEVED</b> A bilateral agreement (MOU) was entered into with the Tax Ombud	Enter into 1 bilateral agreement with an ombudsman institution or assist an organ of state to strengthen its internal complaints handling mechanisms by 31 March 2020	<b>ACHIEVED</b> PPSA entered into 1 bilateral agreement with CCMA	N/A	N/A
14	Strengthen the role of ombudsman institutions and assist to establish internal complaints handling mechanisms within organs of state	Percentage of AORC board meetings chaired by the Public Protector	<b>ACHIEVED</b> The Public Protector chaired 100% (2/2) of AORC Board meetings	Public Protector to chair 100% of scheduled AORC board meetings by 31 March 2020	<b>NOT APPLICABLE</b> No AORC Board meetings were scheduled during the period under review	N/A	N/A
15	Strengthen the role of ombudsman institutions and assist to establish internal complaints handling mechanisms within organs of state	Percentage of AOMA meetings attended by the Public Protector	<b>ACHIEVED</b> The Public Protector attended 100% (1/1) of AOMA EXCO meetings	Public Protector to attend 100% of scheduled AOMA meetings by 31 March 2020	<b>ACHIEVED</b> The Public Protector attended and chaired 100% (2) AOMA EXCO meetings	N/A	N/A

The attainment of the target for outreach clinics conducted across the country, roadshows including national events and radio slots contributed towards the objective of ease of access to the Public Protector's office. The communities are aware of the service offerings of the institution and are able to lodge complaints across 9 provinces. The bilateral agreement between PPSA and CCMA contributed towards the objective of strengthening the role of ombudsman institutions.

### Changes to planned targets

No in-year changes were made to planned targets and performance indicators

### Linking performance with budgets

Spending on the Complaints and Stakeholder programme relates to the Public Protector's Roadshows and outreach clinics, the aim of which is to achieve the objective of taking the services of the Public Protector to the communities, especially at the grassroots.

	2018/2019			2019/2020		
Programme/ activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Complaints and Stakeholder Management	12 685	12 086	599	13 683	13 190	0
<b>Total</b>	<b>12 685</b>	<b>12 086</b>	<b>599</b>	<b>13 683</b>	<b>13 683</b>	<b>0</b>

## 7. REVENUE COLLECTION

	2018/19			2019/20		
Sources of Revenue	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
Government Transfers	326 581	326 728	- 147	321 430	346 702	- 25 272
Finance income	643	2 314	- 1 671	1 050	3 490	- 2 440
Other income	138	3 128	- 2 990	146	7 669	- 7 523
Revenue in kind	-	9 580	- 9 580	-	10 151	- 10 151
<b>TOTAL</b>	<b>327 362</b>	<b>341 750</b>	<b>- 14 388</b>	<b>322 626</b>	<b>368 013</b>	<b>- 45 387</b>

Government transfers exceeded the budget with R25.3 million as a result of additional transfers from the Department of Justice and Constitutional Development of R20.6 million and a SASSETA

income relates to reversal of provisions concerning performance bonuses from prior years. Revenue in kind relates to payments made by the Department of Public Works for rental on behalf of PPSA. Other income streams include recoveries of legal fees and gains on disposal of assets and liabilities

### 7.1. Capital investment

PPSA made capital investments in the year under review to the value of R3.1 million. These include procurement of vehicles for its Provincial and Regional offices (R2.8 million), procurement of office equipment (R5 600) and IT equipment (263 622). The variance is as a result of procuring 13 vehicles instead of 22 vehicles as originally planned.

	2018/2019			2019/2020		
Programme/ activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Capital expenditure	-	-		4 652	3 117	1 535
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 652</b>	<b>3 117</b>	<b>1 535</b>

# PART C: GOVERNANCE



## 1. INTRODUCTION

This section deals with matters that are related to the governance of PPSA.

## 2. PORTFOLIO COMMITTEE

The Portfolio Committee on Justice and Correctional Services is a structure of the National Assembly where the Public Protector accounts on PPSA plans as well as its performance. Two briefing sessions were held with the Portfolio Committee on Justice and Correctional Services: on 10 July 2019, PPSA presented its 2019/20 Annual Performance Plan and on 18 October 2019, the 2018/19 Annual Report.

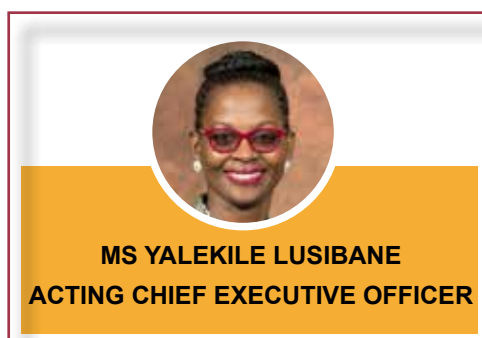
## 3. EXECUTIVE AUTHORITY

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



## 4. EXECUTIVE COMMITTEE

A committee consisting of the CEO and executive managers sits at least once a month to assist the Public Protector with organisational performance monitoring, review and decision making.



## 5. COMMITTEES

Committee	No. of meetings held	No. of members	Name of members
Executive Authority EXCO	10	5	Adv. Busisiwe Mkhwebane (Chairperson) Adv. Kholeka Gcaleka Ms Yalekile Lusibane Mr Sibusiso Nyembe Mr Tshiamo Senosi
Dashboard	10	8	Adv. Busisiwe Mkhwebane (Chairperson) Adv. Kholeka Gcaleka Ms Yalekile Lusibane Mr Sibusiso Nyembe Adv. Stoffel Fourie Ms Nelly Thejane Ms Nthoriseng Motsitsi Ms Ponatshego Mogaladi
Executive Committee (EXCO)	8	8	Ms Yalekile Lusibane (Chairperson) Mr Tshiamo Senosi Adv. Stoffel Fourie Ms Nelisiwe Thejane Ms Nthoriseng Motsitsi Mr Futana Tebele Mr Sibusiso Nyembe Ms Ponatshego Mogaladi
Audit Committee	5	4	Ms Princess Mangoma (Chairperson: Non-Executive) Ms Miseria Nyathi Mr Stanley Ngobeni Mr Luyanda Mangquku
Risk Management Committee	4	6	Mr Jack Mnguni (Chairperson: Non-Executive) Adv. Stoffel Fourie Ms Nelly Thejane Ms Nthoriseng Motsitsi Mr Futana Tebele Ms Ponatshego Mogaladi

## 6. RISK MANAGEMENT

PPSA has a Risk Management Policy and Risk Management Strategy and both are updated annually. Risk assessments are conducted annually at the beginning of the financial year on both operational and strategic levels. Strategic and Operational Risk Registers with action plans to mitigate the identified risks are monitored regularly.



PPSA Risk Management Committee is chaired by a Non-Executive independent person. Risk Management Committee Meetings are held quarterly and Risk Management Committee quarterly reports are presented to MANCO, EXCO and the Audit Committee. Quarterly Risk Management Committee reports are presented to Audit Committee quarterly ordinary meetings. The Chairperson of the Risk Management Committee is cordially invited to ordinary Audit Committee meetings to report on risk management activities.

There has been an immense improvement in the control environment of the organisation and some can be attributed directly to the contribution made by Risk Management. The quarterly monitoring of risk action plans and risk reports presented to all the oversight committees has improved the control environment.

## **7. INTERNAL AUDIT AND AUDIT COMMITTEE**

Internal audit is key to the functioning of PPSA as it provides independent, objective assurance and consulting services designed to add value and improve the institution's operations. Furthermore, it helps PPSA to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes. An internal audit plan was approved by the Audit Committee and was implemented as envisaged.

### **Summary of audit work done:**

- Annual and Three Year Rolling Internal Audit Plan implemented
- Functionally reported at the Audit Committee meetings
- Audit Steering Committee and MANCO meetings attended
- AG Findings Implementation Schedule reviewed
- Liaison maintained with Auditor General.

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

- Audit of Performance Information (Quarter 1 to Quarter 4)
- Human Resource Management and Development
- Investigations
- Follow up – Review
- Asset Management Review
- Interim Financial Statements
- Supply Chain Management Review

### **Key activities and objectives of the audit committee**

The Audit Committee was operating in terms of written terms of reference, which stipulate its membership, authority and responsibilities. The terms of reference must be reviewed at least annually to ensure relevance.

The audit committee was able, to amongst others, review the following:

- the effectiveness of the internal control systems
- the effectiveness of the internal audit function
- the risk areas of the institution's operations to be covered within the scope of internal and

external audits

- the adequacy, reliability and accuracy of the financial information provided to management and other users of such information
- accounting and auditing concerns identified as a result of internal and external audits
- the institution's compliance with legal and regulatory provisions
- the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations
- adequacy and effectiveness of Information Technology (IT) governance.

**Challenges noted by the Audit Committee:**

- The PPSA has limited financial and human resources
- Lack of funding affects issues of capacity throughout the PPSA including Internal Audit
- Budget and capacity constraints impact negatively on the implementation of risk mitigating controls
- The position of the CEO is still in the process of being filled.

**The table below discloses relevant information on the Audit Committee members**

<b>Name</b>	<b>Qualifications</b>	<b>Internal or external</b>	<b>If internal, position in the public entity</b>	<b>Date appointed</b>	<b>Date Resigned</b>	<b>No. of Meetings attended</b>
Ms Princess Mangoma (Chairperson)	B.Compt BCom Honours CIA CISA	External	N/A	01 March 2018 as chairperson (01 December 2017 as member)	N/A	5
Ms. Miseria Nyathi	BCom Honours (Finance) Masters in Business Administration	External	N/A	01 January 2018	N/A	4
Mr Stanley Ngobeni	BCom Accounting B.Compt Honours (CTA) Masters in Commerce -Taxation Masters in Business Administration Higher Diploma in Computer Auditing Registered Government Auditor (RGA)	External	N/A	01 March 2018	N/A	4
Mr Luyanda Mangquku	Chartered Accountant (SA) Master's in Business Leadership Advanced Company Law I & II Honours Bachelor in Accounting Sciences and Commerce.	External	N/A	December 2019	N/A	1

## 8. COMPLIANCE WITH LAWS AND REGULATIONS

PPSA complies with amongst other laws, the Constitution, PPA, PFMA and PPPFA. A compliance checklist has been developed as a tool to monitor compliance with applicable laws and regulations regularly. The checklist is updated on a quarterly basis. In addition, a compliance function was established in June 2014 to drive and regularly monitor compliance with all laws and regulations.

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

- Risk Management Committee
- Labour Relations Consultative Forum
- Executive Committee
- Audit Committee
- Management Committee

## 9. FRAUD AND CORRUPTION

Twelve anti-fraud and corruption awareness workshops were held across the country in all provincial offices and Head Office. A total of 183 PPSA staff members attended the anti-fraud workshops. Anti-fraud and corruption messages were beamed at Head Office TV monitors for visitors and employees to see. Anti-fraud and corruption placards were distributed across the provincial and regional offices.

PPSA has approved a Whistle Blowing Policy and awareness of the policy and of the Anti-Fraud Hotline has been created during the anti-fraud and corruption awareness workshops. The institution has an agreement with PSC to utilise their National Anti-Fraud Hotline due to financial constraints. All suspected fraud and corruption cases are reported through this line and PSC will forward the reported cases to PPSA. In the year under review, no complaints were received.

## 10. MINIMISING CONFLICT OF INTEREST IN SUPPLY CHAIN MANAGEMENT

PPSA relies on the standard bidding document (SBD 4) which is completed by all bidders when they respond to either the Request for Quotations (RFQ) or Request for Bid (RFB) which is the declaration of interest form. The document allows the bidders to indicate the names of the shareholders, directors, trustees and also to declare if any of its shareholders, directors, and trustees have been employed by the state.

In terms of Clause 2.9 of the SBD 4 bidders are required to declare the following:

“Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?”

In terms of Clause 2.10 of the SBD 4 bidders are further required to declare the following:

“Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?”

Upon receipt of the bid documents either in the form of RFQ or RFB documents, SCM is in a position to establish whether there is any conflict of interest or not. The bidder's declaration forms are also verified against the National Treasury Central Supplier Database report which also verifies whether

the bidder's shareholders, directors and trustees are or are not employed by the state.

a. Below are other measures which are currently in place:

- i. The Bid Specification Committee (BSC) signs the declaration of confidentiality forms during the first meeting in order to commit that the tender process is fair, equitable, competitive and cost effective and also to ensure the confidentiality of the entire bidding process.
  - ii. There is segregation of duties as the members of the Bid Evaluation Committee (BEC) do not form part of the Bid Adjudication Committee (BAC) to ensure that each committee takes decisions independently without influencing each other.
  - iii. The third measure is that during the evaluation and adjudication of the bids the members of the Bid Evaluation and Bid Adjudication Committees declare during the meeting sittings and the entire process is recorded and minuted.
- b. To date and to the best knowledge of the relevant officials there has never been an incident where it was established that there is any conflict of interest.

## **11. CODE OF CONDUCT**

The PPSA has a Code of Conduct which regulates professional relationships and the conduct of employees from an ethical point of view, both in their individual conduct and in their relationship with other employees and the public. Compliance with the Code is expected of all employees to enhance professionalism and help to ensure confidence in and the integrity of the institution. Any non-compliance with the Code of Conduct is addressed through both progressive and formal discipline depending on the seriousness of the contravention.

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

Management have taken significant steps to improve Health and Safety involvement and supervision within PPSA. However, there is a significant need for further development and a greater investment of financial resources, time, effort and commitment throughout the organisation is required. PPSA has Occupational Health and Safety (OHS) representatives for all offices who report on a monthly basis on operational issues for implementation. First aid boxes are available in all offices, while emergency evacuation drills are conducted.

## **13. SOCIAL RESPONSIBILITY**

The PPSA staff gave their time doing gardening and provided warm meals for senior citizens at Sinomonde Old Age Centre in KwaMlakalaka village near King Williams Town as part of the 2019 Nelson Mandela International Day. Centre management used the opportunity to bring their challenges to the Public Protector's attention. The Public Protector registered all the service delivery issues raised, including those relating to the Department of Home Affairs and undertook to intervene.

## 14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

#### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the institution.

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

- Audit of Performance Information (Quarter 1 to Quarter 4)
- Human Resource Management and Development
- Investigations
- Follow up – Review
- Asset Management Review
- Interim Financial Statements
- Supply Chain Management Review

The following were areas of concern for the reviews undertaken for the period ending 31 March 2020:

- Investigations
- Registration, assessment and investigations turnaround times were not adhered to
- Audit of Performance Information
- Submitting inaccurate statistics to Strategic Support Unit.
- Supply Chain Management
- Inadequate management of contracts awarded to service providers
- Human Resource Management and Development
- Inefficiencies noted with regards to recruitment and selection
- Asset Management Review
- Useful life of an asset was incorrectly recorded on the Fixed Asset Register

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

The institution has submitted quarterly reports to the Executive Authority.

### Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the institution.

### Auditor's Report

We have reviewed the institution's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the external auditor 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.



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**Ms Princess Mangoma**  
**Chairperson of the Audit Committee**  
**Public Protector South Africa**  
**30 September 2020**



## 16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the PPSA applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion on measures that have been taken to comply
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	All PPSA Request for Quotations (RFQ) or Requests for Bids are awarded as per the Preferential Procurement Policy Framework of 2017
Developing and implementing a preferential procurement policy?	Yes	All PPSA Request for Quotations (RFQ) or Requests for Bids are awarded as per the Preferential Procurement Policy Framework of 2017
Determining qualification criteria for the sale of state-owned enterprises?	No	There was no project which was handled which falls under this category.
Developing criteria for entering into partnerships with the private sector?	No	There was no project which was handled which falls under this category.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	There was no project which was handled which falls under this category.

## **PART D:** **HUMAN RESOURCE MANAGEMENT**



## 1. INTRODUCTION

### Overview of HR matters at the institution

The Human Resources (HR) Unit ensures that PPSA utilises its human resources in an efficient and effective manner. This is achieved through working with various units of the institution ensuring that a conducive environment is created for all to work optimally so that the institution achieves its constitutional mandate. This should be seen against the financial challenges faced by the institution.

The HR Unit at PPSA has operated fairly well given the challenges faced by the institution. The HR Unit provides the following services to the whole of PPSA: Recruitment and Selection, Human Resources Development, Employee Wellness, Labour Relations, Human Resources Administration, Performance Management, Policy Development and Organisational Development.

The HR Unit at PPSA has established relations with other public institutions in order to transfer and share skills. Such partnership will go a long way to address gaps resulting from budgetary constraints.

### Set HR priorities for the year under review and the impact of these priorities

The priorities were to review the organisational structure to ensure that it is aligned to the current needs of the institution. The reviewed organisational structure eliminated inefficiencies to ensure that work processes are more efficient and effective.

Given the financial constraints of the institution, it was important to come up with innovative ways of increasing capacity in the institution. Through the MoU with the SASSETA, PPSA was able to appoint 74 interns who gained valuable experience for their future careers on the one hand and contributed to reducing work pressures from the under capacitated units on the other hand.

Notwithstanding the budgetary constraints the institution is facing, employees still need to be trained to ensure good performance. The institution approached other public institutions who were willing to train our staff pro bono. This has gone a long way in motivating and skilling our staff to carry out their responsibilities with confidence.

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

Workforce planning during the year under review focused on increasing capacity in the core branches, that is, investigations. The objective was to increase the number of investigators to reduce the workload of current investigators. A number of assistant investigators were promoted to investigator positions during the year under review. That went a long way to alleviating pressure on current investigators.

Insourcing of the internal audit function was also critical to improving the effectiveness of our internal controls. Two internal auditors were appointed. Although the unit is still in its infancy, its impact is already visible in the institution.

PPSA has adopted competitive conditions of service which will enable the institution to attract and retain skills.

### **Employee performance management framework**

The PPSA employee performance management system plays a critical role in motivating employees through acknowledging and rewarding their efforts. This contributes to the overall performance of various PPSA units and ultimately organisational performance. The employee performance management system is linked to the Strategic Plan and the Annual Performance Plan of the institution to ensure integrated performance from individual employees up to organisational performance.

### **Employee wellness programmes**

Employees experience challenges both personally and professionally. It is critical for PPSA to ensure that its employees are in a healthy state so that they perform optimally. Due to financial constraints, PPSA could not provide an effective employee wellness programme. However, workshops were conducted by service providers, for example GEMS and SARS, for employees to assist them in addressing factors that negatively affect them.

### **Policy development**

PPSA policies regulate systems and processes of the institution. The Policy Committee is responsible for ensuring that PPSA policies are up to date and are aligned to best practices and legislation. HR policies are up to date and they provide guidance to both management and employees on how to deal with various workplace matters.

### **Highlight achievements**

The reviewed PPSA Organisational Structure was approved. The approved structure eliminated inefficiencies that were identified in the previous organisational structure.

The insourcing of the internal audit function will go a long way to improving internal controls in the institution. Although the unit is less than a year old, its impact can be seen already. Internal controls have improved drastically since the establishment of the unit.

The partnerships established with various public institutions to assist PPSA with training interventions will go a long way to ensuring PPSA staff have the requisite skills to perform their responsibilities with confidence, thus ensuring that PPSA achieves its constitutional mandate. Training interventions on scarce skills such as forensic investigations, mediation, research, records management, to mention just a few, will go a long way towards improving not only the performance of the employees but also that of the institution.

### **Challenges faced by the institution**

Budgetary constraints remain the key challenge to the institution as it affects every facet of PPSA. The inability to fill vacant positions has serious implications for the institution as a whole. Current employees feel overwhelmed by work pressures and that leads to demotivation.

### **Future HR plans/goals**

The institution is faced with a number of HR related challenges which inform future HR Plans. One of these challenges is the capacity in the Legal Service Unit. Because of under capacity in the unit, a lot of litigation is outsourced resulting in huge expenses the institution cannot afford. One of the ways of addressing this challenge is to capacitate the unit so that litigation can be done by PPSA staff. That will go a long way in reducing unaffordable expenses incurred through legally related matters.

The internal audit unit is still in its infancy. It also needs to be supported and expanded to ensure continuous improvement of internal controls at PPSA.

PPSA is embarking on a work study process which will review work processes in the core functions to ensure that the institution does more with less given its budgetary challenges. The intervention will look at work processes, job profiles, structural issues and alignment of units among other factors.

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

### *Personnel Cost by programme/ activity/ objective*

Programme/ activity/ objective	Total Expenditure for PPSA (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	174 073	68 543	19%	69	993
Investigations	178 665	171 462	47%	249	689
Outreach and Media Relations	13 683	12 813	3%	19	674

### *Personnel cost by salary band*

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	17 007	7%	8	2 126
Senior Management	37 077	15%	28	1 324
Professional qualified	161 209	64%	203	794
Skilled	4 240	2%	20	212
Semi-skilled	33 285	13%	78	427
Unskilled				
<b>TOTAL</b>	<b>252 818</b>	<b>100%</b>	<b>337</b>	<b>750</b>

## Performance Rewards

Programme//activity/objective	Performance reward	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	121	17 007	1%
Senior Management	570	37 077	2%
Professionally qualified	5 386	161 209	3%
Skilled	243	4 240	6%
Semi-skilled	1 164	33 285	3%
Unskilled			
<b>TOTAL</b>	<b>7 485</b>	<b>252 818</b>	<b>3%</b>

## Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
Top Management	68 543	174	0,3%	189	0,92
Administration	171 462				
Stakeholder Management	12 813				

**Note:** The training budget is centralised under the Administration programme. The number of employees trained are as follows: Administration 50, Investigations 112, Stakeholder Management 27. The numbers include trainees as they received training as well. It is clear that the expenditure on training is less than the required 1%. However, more employees were trained as a result of partnerships with other organs of state at no cost to PPSA.

## Employment and vacancies

Programme//activity/ objective	2018/2019 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Administration	70	74	69	5	6.8%
Investigations	255	263	249	14	5.3%
Outreach & Media Relations	21	20	19	1	5%
<b>TOTAL</b>	<b>346</b>	<b>357</b>	<b>337</b>	<b>20</b>	<b>5.6%</b>

Programme//activity/ objective	2018/2019 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Top Management	10	10	8	2	20%
Senior Management	26	30	28	2	6.7%
Professionally qualified	210	216	203	13	6%
Skilled	20	20	20	0	0%
Semi-skilled	80	81	78	3	3.7%
Unskilled	0	0	0	0	0%
<b>TOTAL</b>	<b>346</b>	<b>357</b>	<b>337</b>	<b>20</b>	<b>5.6%</b>

Senior management posts are filled. Training interventions have been implemented with the assistance of stakeholders (some were free of charge) to ensure that supervisors are effective in managing their units. There are certain posts that were filled by internal staff, such as assistant investigators who were promoted to investigator positions. This went a long way towards motivating staff. It takes on average two months to fill a vacant position. PPSA has approved Conditions of Service.

## Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	10	1	3	8
Senior Management	26	4	2	28
Professionally qualified	210	11	18	203
Skilled	20	0	0	78
Semi-skilled	80	2	4	80
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>346</b>	<b>18</b>	<b>27</b>	<b>337</b>



### Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	13	48.1%
Dismissal	2	7.41%
Retirement	1	3.7%
Ill health	0	0%
Expiry of contract	2	7.41%
Other (Promotions)	9	33.3%
<b>TOTAL</b>	<b>27</b>	<b>100%</b>

### Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	None
Written Warning	8
Final Written warning	4
Dismissal	1

## Equity Target and Employment Equity Status

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	1	0	1	1	0
Senior Management	17	15	0	1	0	1	1	2
Professional qualified	94	90	5	8	2	5	2	5
Skilled	6	7	0	2	0	2	0	2
Semi-skilled	15	18	1	2	0	3	0	2
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>137</b>	<b>131</b>	<b>8</b>	<b>14</b>	<b>2</b>	<b>12</b>	<b>4</b>	<b>11</b>

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	6	2	0	1	0	1	0	1
Senior Management	7	9	0	1	0	1	2	2
Professional qualified	80	80	7	9	5	5	4	5
Skilled	10	9	0	2	1	2	1	2
Semi-skilled	53	50	7	8	2	3	1	2
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>156</b>	<b>150</b>	<b>14</b>	<b>21</b>	<b>8</b>	<b>12</b>	<b>8</b>	<b>10</b>

Levels	Staff with disabilities			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	3	4	0	1
Skilled	0	1	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>1</b>

# PPSA MANAGEMENT



Ms Ponatshego Mogaladi  
**Executive Manager:**  
Administrative Justice & Service  
Delivery



Ms Nelisiwe Thejane  
**Executive Manager: Provincial**  
Investigation & Integration  
(Inland)



Adv. Stoffel Fourie  
**Executive Manager:**  
Provincial Investigation &  
Integration (Coastal)



Ms Nthoriseng Motsitsi  
**Executive Manager:**  
Complaints & Stakeholder  
Management



Mr Tshiamo Senosi  
**Acting Chief Financial Officer**



Mr Futana Tebele  
**Acting Executive Manager:**  
Corporate Services



Mr Rodney Mataboge  
**Chief Investigator:**  
Good Governance & Integrity



Mr Abongile Madiba  
**Chief Investigator:**  
Good Governance & Integrity



Ms Lesedi Sekele  
**Chief Investigator:**  
Good Governance & Integrity



Adv. Johann Raubenheimer  
**Chief Investigator: Administrative**  
Justice & Service Delivery



Adv. Elsabe de Waal  
**Chief Investigator: Administrative**  
Justice & Service Delivery



Mr Sello Mothupi  
**Senior Manager:**  
Provincial Investigation &  
Integration



Mr Magapane Makaba  
**Senior Manager:**  
Risk Management



Ms Kgalalelo Masibi  
**Senior Manager:**  
Outreach



Mr Gumbi Tyelela  
**Senior Manager:**  
Human Resources  
Management & Development



Mr Baldwin Neshunzhi  
**Senior Manager:**  
Security Management



Ms Thabang Maswi  
**Senior Manager:**  
Supply Chain Management



Mr Sibusiso Nyembe  
**Chief of Staff**



Ms Sune Griessel  
Provincial Representative  
Western Cape



Ms Lethabo Mamabolo  
Senior Manager:  
Executive Support



Mr Oupa Segalwe  
Senior Manager:  
Communication & Acting  
Spokesperson



Ms Machebane Mothiba  
Senior Manager:  
Strategic Support



Ms Zoleka Mntuntum  
Senior Manager:  
Facilities Management



Mr Hombisa Caleni  
Senior Manager:  
Information & Communication  
Technology



Ms Winnie Manyathela  
Provincial Representative  
Gauteng



Mr Mlungisi Khanya  
Provincial Representative  
Northern Cape



Mr Sechele Keebine  
Provincial Representative  
North West



Mr Vusimuzi Dlamini  
Provincial Representative  
Eastern Cape



Adv Mashaba Matimolane  
Provincial Representative  
Limpopo



Mr Hamilton Samuel  
Provincial Representative  
Free State



Mr Botromia Sithole  
Provincial Representative  
Mpumalanga



Adv Mlandele Nkosi  
Provincial Representative  
KwaZulu-Natal

# **PART E:**

## **FINANCIAL INFORMATION**





## *Report on the audit of the financial statements*

### **Opinion**

1. I have audited the financial statements of the Public Protector South Africa set out on pages 101 to 151 which comprise the statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Protector South Africa as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no.1 of 1999) (PFMA).

### **Basis for opinion**

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the constitutional institution in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP 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.



7. In preparing the financial statements, the accounting officer is responsible for assessing the constitutional institution'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 constitutional institution or to cease operations, or has no realistic alternative but to do so.

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

8. 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.

9. 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**

10. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

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

12. 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 constitutional institution for the year ended 31 March 2020:

<i>Programme</i>	<b>Pages in the annual performance report</b>
Programme 2 – Investigations	65 – 68

13. 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.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for programme 2: Investigations.

## **Other matter**

15. I draw attention to the matter below.

### *Achievement of planned targets*

16. Refer to the annual performance report on pages 63 to 71 for information on the achievement of planned targets for the year and explanations provided for the under or over achievement of a number of targets.

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

### **Introduction and scope**

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

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

## ***Other information***

19. 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.

20. 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.

21. 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.

22. 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

23. 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

**30 September 2020**



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ***Annexure – Auditor-general’s responsibility for the audit***

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

### **Financial statements**

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the constitutional institution’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Public Protector South Africa to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a constitutional institution to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## General Information

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<b>Nature of business and principal activities</b>	Constitutional Institution
<b>Business address</b>	175 Lunnon Street Hillcrest Office Park 0083
<b>Postal address</b>	Private Bag X677 Pretoria 0001
<b>Bankers</b>	Standard Bank of South Africa
<b>Auditors</b>	Auditor General of South Africa

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Index

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The reports and statements set out below comprise the Annual Financial Statements for the period ended 31 March 2020 presented to the portfolio committee:

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CSM	Complaints and Stakeholder Management
PP	Public Protector
GEMS	Government Employees Medical Aid Scheme
GRAP	Generally Recognised Accounting Practice
PPSA	Public Protector South Africa
SASSETA	South African Security Sector Education Training Authority
IAS	International Accounting Standards
GEPF	Government Employee Pension Fund
DoJ	Department of Justice and Constitutional Development
MTEF	Medium Term Expenditure Framework
AORC	African Ombudsman Research Centre
USSASA	Universal Service and Access Agency of South Africa
SABS	South African Bureau of Standards
GGI	Good Governance and Integrity
AJSD	Administrative Justice and Service Delivery
PII	Provincial Investigation and Integration

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Responsibilities and Approval

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The Acting Chief Executive Officer (ACEO) is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and she is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the ACEO to ensure that the annual financial statements fairly present the state of affairs of the institution as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The ACEO acknowledges that she is ultimately responsible for the system of internal financial control established by the institution and places considerable importance on maintaining a strong control environment. To enable her to meet these responsibilities, the ACEO sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the institution and all employees are required to maintain the highest ethical standards in ensuring that the institution's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the institution is on identifying, assessing, managing and monitoring all known forms of risk across the institution. While operating risk cannot be fully eliminated, the institution endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The ACEO is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The ACEO has reviewed the institution's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, she is satisfied that the institution has or has access to adequate resources to continue in operational existence for the foreseeable future.

The institution is wholly dependent on the grant from the Department of Justice and Constitutional Development (DoJ) for continued funding of operations. The annual financial statements are prepared on the basis that the institution is a going concern and that the Public Protector South Africa (PPSA) has neither the intention nor the need to liquidate or curtail materially the scale of the institution.

Although the ACEO is primarily responsible for the financial affairs of the institution, she is supported by the entity's management and internal auditors.

The annual financial statements set out on pages 4 to 51, which have been prepared on the going concern basis, were approved on 30 September 2020 and were signed on by:



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**Acting Chief Executive Officer**  
**YY Lusibane**

**Date: 30 September 2020**  
**Hillcrest, Pretoria**



# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Assets</b>			
Current Assets			
Prepayments	6	1 003 723	1 068 293
Receivables from exchange transactions	7	869 999	838 536
Receivables from non-exchange transactions	8	630 198	-
Cash and cash equivalents	9	59 473 028	37 724 968
		<b>61 976 948</b>	<b>39 631 797</b>
Non-Current Assets			
Property, plant and equipment	3	11 333 299	11 945 162
Intangible assets	4	120 042	299 843
		<b>11 453 341</b>	<b>12 245 005</b>
<b>Total Assets</b>		<b>73 430 289</b>	<b>51 876 802</b>
<b>Liabilities</b>			
Current Liabilities			
Unspent conditional grants and receipts	10	149 658	818 999
Provisions	11	23 875 592	20 780 451
Payables from exchange transactions	12	27 455 408	17 395 028
		<b>51 480 658</b>	<b>38 994 478</b>
Non-Current Liabilities			
Employee benefit obligation	5	17 203 311	10 767 957
Provisions	11	5 785 191	4 745 199
		<b>22 988 502</b>	<b>15 513 156</b>
<b>Total Liabilities</b>		<b>74 469 160</b>	<b>54 507 634</b>
<b>Net Assets</b>		<b>(1 038 871)</b>	<b>(2 630 832)</b>
Accumulated surplus		(1 038 871)	(2 630 832)

\* See Note 28 & 27

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Recoveries of legal fees		1 090 882	615 088
Other income	13	6 537 510	2 343 930
Finance income	14	3 489 993	2 313 514
Gain on disposal of assets and liabilities		41 021	169 567
<b>Total revenue from exchange transactions</b>		<b>11 159 406</b>	<b>5 442 099</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and subsidies	15	346 702 445	326 728 001
Revenue - service in kind	16	10 151 149	9 580 002
<b>Total revenue from non-exchange transactions</b>		<b>356 853 594</b>	<b>336 308 003</b>
<b>Total revenue</b>		<b>368 013 000</b>	<b>341 750 102</b>
<b>Expenditure</b>			
Staff costs	17	(252 817 797)	(238 172 646)
Depreciation and amortisation		(3 807 730)	(3 668 268)
Finance costs	18	(834 047)	(517 922)
Debt Impairment	19	-	(34 153)
Actuarial losses		(5 179 656)	-
Administrative expenses	20	(78 500 259)	(52 165 537)
Other operating expenses	21	(25 281 550)	(27 017 979)
<b>Total expenditure</b>		<b>(366 421 039)</b>	<b>(321 576 505)</b>
<b>Surplus for the year</b>		<b>1 591 961</b>	<b>20 173 597</b>

\* See Note 28 & 27

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at 01 April 2018</b>	<b>(22 804 429)</b>	<b>(22 804 429)</b>
Changes in net assets		
Correction of error	889 655	889 655
Net income (losses) recognised directly in net assets	889 655	889 655
Surplus (Deficit) for the year	19 283 942	19 283 942
Total recognised income and expenses for the year	20 173 597	20 173 597
Total changes	20 173 597	20 173 597
<b>Restated* Balance at 01 April 2019</b>	<b>(2 630 832)</b>	<b>(2 630 832)</b>
Changes in net assets		
Surplus (Deficit) for the year	1 591 961	1 591 961
Total changes	1 591 961	1 591 961
<b>Balance at 31 March 2020</b>	<b>(1 038 871)</b>	<b>(1 038 871)</b>

\* See Note 28 & 27

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants		346 702 445	327 547 000
Interest income		3 489 993	2 313 514
Other receipts		1 138 552	93 532
		<u>351 330 990</u>	<u>329 954 046</u>
<b>Payments</b>			
Employee costs		(246 460 537)	(231 936 770)
Suppliers		(64 163 474)	(56 971 490)
Finance costs		(834 047)	(517 922)
Other operating expenses payments		(15 149 828)	(17 110 212)
		<u>(326 607 886)</u>	<u>(306 536 394)</u>
<b>Net cash flows from operating activities</b>	22	<b><u>24 723 104</u></b>	<b><u>23 417 652</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(3 117 010)	(292 881)
Proceeds from sale of property, plant and equipment	3	141 966	243 422
<b>Net cash flows from investing activities</b>		<b><u>(2 975 044)</u></b>	<b><u>(49 459)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21 748 060</b>	<b>23 368 193</b>
Cash and cash equivalents at the beginning of the year		37 724 968	14 356 775
<b>Cash and cash equivalents at the end of the year</b>	9	<b><u>59 473 028</u></b>	<b><u>37 724 968</u></b>

\* See Note 28 & 27

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Recovery of legal fees	-	-	-	1 090 882	1 090 882	1
Other income	146 000	-	146 000	6 537 510	6 391 510	2
Interest received - investment	1 050 000	-	1 050 000	3 489 993	2 439 993	3
<b>Total revenue from exchange transactions</b>	<b>1 196 000</b>	<b>-</b>	<b>1 196 000</b>	<b>11 118 385</b>	<b>9 922 385</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	321 430 000	-	321 430 000	346 702 445	25 272 445	4
Revenue - Service in Kind	-	-	-	10 151 149	10 151 149	5
<b>Total revenue from non-exchange transactions</b>	<b>321 430 000</b>	<b>-</b>	<b>321 430 000</b>	<b>356 853 594</b>	<b>35 423 594</b>	
<b>Total revenue</b>	<b>322 626 000</b>	<b>-</b>	<b>322 626 000</b>	<b>367 971 979</b>	<b>45 345 979</b>	
<b>Expenditure</b>						
Personnel	(257 122 274)	-	(257 122 274)	(252 817 797)	4 304 477	6
Depreciation and amortisation	(3 000 000)	-	(3 000 000)	(3 807 730)	(807 730)	7
Finance costs	-	-	-	(834 047)	(834 047)	8
Other expenses	(18 229 085)	-	(18 229 085)	(25 281 550)	(7 052 465)	9
Administrative expense	(44 274 641)	-	(44 274 641)	(78 500 259)	(34 225 618)	10
<b>Total expenditure</b>	<b>(322 626 000)</b>	<b>-</b>	<b>(322 626 000)</b>	<b>(361 241 383)</b>	<b>(38 615 383)</b>	
<b>Operating surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 730 596</b>	<b>6 730 596</b>	
Tangible and intangible assets	-	-	-	41 021	41 021	
(Loss on disposal of assets)	-	-	-	(5 179 656)	(5 179 656)	11
Actuarial gains/losses	-	-	-	(5 138 635)	(5 138 635)	
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 591 961</b>	<b>1 591 961</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 591 961</b>	<b>1 591 961</b>	

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. Management has, where appropriate used estimates and assessments in preparing the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Presentation currency

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

#### 1.2 Going concern assumption

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

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include: bonus provision, post-retirement benefits, leave provision, useful lives of assets and depreciation methods and asset impairment.

#### Leave and bonus provision

The liability for accumulated leave and bonus provision is recognised and measured at the estimated future cash flows to be made in respect of all employees at the reporting date.

#### Useful lives and depreciation methods and asset impairment

Depreciation and amortisation recognised on property and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use and expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the condition and use of the asset that informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

#### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The institution determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the institution considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 5.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Accounting Policies

### 1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

Item	Depreciation method	Average useful life
Furniture and Fixtures	Straight line	5 - 16 years
Motor Vehicles	Straight line	
□ Owned vehicles		5 years
□ Leased vehicles		Over lease term
Office Equipment	Straight line	
□ Owned office equipment		5 -8 years
□ Leased office equipment		Over lease term
Computer equipment	Straight line	4 - 8 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

### 1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

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



# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Accounting Policies

### 1.5 Intangible assets (continued)

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

An intangible asset is recognised when:

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

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

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

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

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight line	2 - 3 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.6 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date)
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

The constitutional institution will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the events have occurred.

The constitutional institution will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

## Accounting Policies

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### 1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity

A financial asset is:

- ☐ cash;
- ☐ a residual interest of another entity; or
- ☐ a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity

A financial liability is any liability that is a contractual obligation to:

- ☐ deliver cash or another financial asset to another entity; or
- ☐ exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

#### Classification

Financial instruments include cash and bank balances, receivables and trade payables. These financial instruments are generally carried at their estimated fair value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

## Accounting Policies

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### 1.7 Financial instruments (continued)

#### Subsequent measurement of financial assets and financial liabilities

##### Receivables from exchange transactions

Receivables from exchange transactions are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximate fair value due to the short period to maturity of these instruments.

##### Receivables from non-exchange transactions

Receivables from non-exchange transactions are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximate fair value due to the short period to maturity of these instruments.

##### Payables from exchange transactions

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

##### Cash and cash equivalents

Cash and cash equivalents are measured at fair value. The carrying amount approximates fair value due to the short period to maturity. Cash and cash equivalents comprise cash on hand and deposits held with banks, all of which are available for use by the PPSA unless otherwise stated.

##### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit

##### Impairment and uncollectability of financial assets

At the end of the reporting period, the entity assesses all financial assets, other than those carried at fair value, to determine whether there is objective evidence that a financial asset or group of financial assets had been impaired. For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default on payments are all considered indicators of impairment. Impairment losses are recognised as a reduction to the surplus. Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in the surplus.

## Accounting Policies

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### 1.7 Financial instruments (continued)

#### Derecognition

##### Financial assets

The entity derecognises a financial asset only when:

- ☐ the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- ☐ the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- ☐ the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

##### Financial Liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires.

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

### 1.8 Leases

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

#### Operating leases - lessee

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

### 1.9 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the constitutional institution with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-oriented entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets held for service delivery purposes.

## Accounting Policies

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### 1.9 Impairment of non-cash-generating assets (continued)

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation and amortisation.

A non-cash generating asset will be impaired when its carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of the non-cash generating asset's fair value less cost to sell and its value in use.

Value in use is the present value of the assets remaining service potential. This is determined by using the depreciated replacement cost.

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

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

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

### 1.10 Key Management Personnel

The key management of PPSA includes the Public Protector, the Deputy Public Protector, the Chief Executive Officer and the Executive Managers.

### 1.11 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:

- ☐ an entity's decision to terminate an employee's employment before the normal retirement date; or
- ☐ an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

## Accounting Policies

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### 1.11 Employee benefits (continued)

#### Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences are due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### Gratuity

In terms of the Public Protector's conditions of service, the Public Protector is entitled to a taxable lump sum gratuity on vacation of her office. The gratuity calculation is based on the basic salary and period of office. The provision raised in the Annual Financial Statements is the actual amount that is payable to the Public Protector on vacation of her office.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

## Accounting Policies

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### 1.11 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability, the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- ☐ current service cost;
- ☐ interest cost;
- ☐ the expected return on any plan assets and on any reimbursement rights;
- ☐ actuarial gains and losses;
- ☐ past service cost;
- ☐ the effect of any curtailments or settlements; and
- ☐ the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- ☐ any resulting change in the present value of the defined benefit obligation; and



## Accounting Policies

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### 1.11 Employee benefits (continued)

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- ☐ estimated future salary increases;
- ☐ the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- ☐ estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - ☐ those changes were enacted before the reporting date; or
  - ☐ past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### 1.12 Provisions and contingencies

Provisions are recognised when:

- ☐ the institution has a present obligation as a result of a past event;
- ☐ it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- ☐ a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the institution settles the obligation.

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

#### Contingent Liabilities

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

#### Contingent Assets

Contingent assets is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## Accounting Policies

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### 1.13 Commitments

Commitments are legal obligations entered into before the reporting date for future transactions that will normally result in the outflow of cash, to the extent that the amount has not been recognised in the financial statements.

Unrecognised contractual commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.14 Revenue from exchange transactions

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

#### Interest Income

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

#### Recoveries of legal fees

Relates to the cases whereby PPSA is taken for review mostly based on the investigation reports issued. PPSA then had to defend the cases to ensure that the reports which includes the remedial actions are protected and implemented. This is the main core of the institution. Once the case is in favour of PPSA then the amounts are recorded as recovery of legal fees.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

### 1.15 Revenue from non-exchange transactions

Revenue from non-exchange transactions constitutes transfer payments from the DoJ.

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

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

Services in kind relates to office buildings occupied by the PPSA but the rental is paid by the Department of Public Works and Infrastructure (DPWI) and is not recoverable from the institution.

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

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

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

## Accounting Policies

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### 1.15 Revenue from non-exchange transactions (continued)

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the institution satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the institution.

When, as a result of a non-exchange transaction, the institution recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### Services in-kind

Except for financial guarantee contracts, the institution recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the institution and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the institution's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the institution disclose the nature and type of services in-kind received during the reporting period.

### 1.16 Borrowing and Finance Cost

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

Finance costs is also derived from Post-employment medical aid benefits. The calculation is performed by an independent actuary based on the nominal and real zero coupon government bond yield curves constructed by Sanlam Investments as at 31 March 2020 (closest available date to the valuation date) to discount the expected future payments. Different discount and inflation rates (according to the yield curve) are therefore used for medical aid subsidies paid at different future durations.

### 1.17 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

### 1.18 Irregular expenditure

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

## Accounting Policies

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### 1.19 Surplus or deficit

Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

### 1.20 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the fiscal period from 01 Apr 2019 to 31 March 2020. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.21 Related parties

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

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

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

### 1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The institution will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The institution will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.23 Unspent conditional grants

This is represented as funds unspent at the end of the financial year on grants received from national government or any other external party that can only be spent for the condition for which it was received. The amount is recognised as a current liability until the conditions of the grant are met or the money is transferred back to the funder.

### 1.24 Prepayments

Are expenditures that have been paid for in the current reporting period, but for which economic benefits will not be consumed until future period. Prepayments are reported as current assets as the future economic benefits will be consumed within one year.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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### 2. New standards and interpretations

#### 2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the institution's accounting periods beginning on or after 01 April 2020 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<input type="checkbox"/> GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
<input type="checkbox"/> GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
<input type="checkbox"/> GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact

## Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 3. Property, plant and equipment

	2020		2019			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	9 399 006	(8 085 198)	1 313 808	9 630 819	(8 047 182)	1 583 637
Motor vehicles	4 400 836	(1 164 787)	3 236 049	1 553 048	(701 805)	851 243
Office equipment	5 076 783	(4 429 955)	646 828	6 461 306	(5 441 202)	1 020 104
IT equipment	18 480 961	(12 344 347)	6 136 614	18 329 312	(9 839 134)	8 490 178
<b>Total</b>	<b>37 357 586</b>	<b>(26 024 287)</b>	<b>11 333 299</b>	<b>35 974 485</b>	<b>(24 029 323)</b>	<b>11 945 162</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 583 637	-	(12 435)	(257 394)	1 313 808
Motor vehicles	851 243	2 847 788	-	(462 982)	3 236 049
Office equipment	1 020 104	5 600	(33 514)	(345 362)	646 828
IT equipment	8 490 178	263 622	(54 996)	(2 562 190)	6 136 614
	<b>11 945 162</b>	<b>3 117 010</b>	<b>(100 945)</b>	<b>(3 627 928)</b>	<b>11 333 299</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 891 055	19 549	(25 184)	(301 783)	1 583 637
Motor vehicles	1 117 099	-	-	(265 856)	851 243
Office equipment	1 240 009	153 400	(2 943)	(370 362)	1 020 104
IT equipment	10 965 443	119 932	(45 728)	(2 549 469)	8 490 178
	<b>15 213 606</b>	<b>292 881</b>	<b>(73 855)</b>	<b>(3 487 470)</b>	<b>11 945 162</b>

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand 2020 2019

### 3. Property, plant and equipment (continued)

### 4. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	892 666	(772 624)	120 042	1 074 517	(774 674)	299 843

#### Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	299 843	(179 801)	120 042

#### Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Computer software	480 641	(180 798)	299 843

### 5. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Opening Balance	(10 767 957)	(9 556 741)
Interest costs	(834 047)	(517 922)
Current service cost	(493 501)	(743 661)
Benefits paid	71 850	50 367
Actuarial gains or (losses)	(5 179 656)	-
	<b>(17 203 311)</b>	<b>(10 767 957)</b>

#### Net expense recognised in the statement of financial performance

Current service cost	(493 501)	(517 922)
Interest cost	(834 047)	(743 661)
Actuarial gains (losses)	(5 179 656)	-
Benefits paid	71 850	50 367
	<b>(6 435 354)</b>	<b>(1 211 216)</b>

#### Key assumptions used

Assumptions used at the reporting date:



# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand	2020	2019
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### 5. Employee benefit obligations (continued)

The PPSA follows a practice of subsidising the post-retirement medical aid (PRMA) contributions of its retired employees.

The calculations are performed by independent actuaries on yearly basis. The valuation for this financial year was completed on the 01 June 2020.

#### The PPSA has the following PRMA subsidy policy:

The PPSA follows a practice of subsidising the post-retirement medical aid (PRMA) contributions of its retired employees and the following policy is applicable:

The subsidies are limited to a maximum of R1 406 to principal members without dependent and R2 812 with principal members with dependents.

Effective from 1 April 2019, all current employees of the PPSA qualify for a PRMA subsidy provided that they will have been employed by the PPSA for a minimum of five uninterrupted years prior to retirement.

In the previous valuation, the policy was set to state that all former employees who joined before 1 January 2005, who had at least 2 years' service and were principal members of a registered medical scheme for at least 2 years were eligible for an employer subsidy of 75% of the employee's membership fees; or the maximum subsidy.

As a result of the change in subsidy policy, a significant number of additional active employees qualified for the benefit, which can be seen as a significant actuarial loss due to a change in data.

#### Discount rate

GRAP25 requires that the discount rate be set with regards to the market yield on government bonds at the reporting date. Where there is no deep market in government bonds with sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses the current market rates of the appropriate term to discount short term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. For the current valuation we used the nominal and real zero coupon government bond yield curves constructed by Sanlam Investments as at 31 March 2020 (closest available date to the valuation date) to discount the expected future payments. Different discount and inflation rates (according to the yield curve) are therefore used for medical aid subsidies paid at different future durations.

#### Rate of general price inflation

The actuaries assumed that inflation is determined by the difference between the nominal yield curve and the real yield curve.

#### Rate of medical aid contribution increases

The actuaries assumed that future medical inflation would exceed the rate of general inflation by 2% per annum.

#### Rate of maximum subsidy inflation

According to the Government Circular No. 15 of 2019, the maximum medical subsidy will be adjusted annually with the average Medical Price Index (MPI) of the preceding twelve months ending in August of the current year for implementation with effect from 1 January of the following year. Therefore we have assumed that the maximum subsidy amounts will also increase by general inflation plus 2%.

#### Mortality rates

##### Active employees:

PA (90) mortality tables with an age reduction of 3 years.

##### Pensioners:

PA (90) mortality tables with an age reduction of 2 years.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

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### 5. Employee benefit obligations (continued)

#### Sensitivity analysis

The assumptions used provide an estimate of the liability. Medical inflation is the key driver in the post-retirement medical aid calculations. The actuaries have tested the sensitivity of the results obtained by fixing the nominal interest rate curve and varying the medical inflation rate by 1% per annum in either direction of the valuation assumption that was used to calculate the defined benefit obligation, as illustrated below.

#### Sensitivity analysis

	Inflation + 1%	Inflation +2%	Inflation +3%
Defined benefit obligation closing balances	13 969 363	17 203 311	21 519 246
Current service and Interest cost	1 864 074	2 365 361	3 048 955

### 6. Prepayments

Prepaid expenditures	1 003 723	1 068 293
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Prepayments relates to the expenses that cuts across the two financial years starting from reporting period to the new financial year. The majority of these expenses relate to license fees.

### 7. Receivables from exchange transactions

Other receivables	712 250	676 048
Interest receivable	191 893	196 641
Provision for doubtful debts	(34 144)	(34 153)
	<b>869 999</b>	<b>838 536</b>

#### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. As at 31 March 2020, R 11 777 (2019: R 49 166) were past due but not impaired. Recoverability for the debt was performed and the debtors will be recovered.

The ageing of amounts past due but not impaired is as follows:

3 months past due	11 777	49 166
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#### Trade and other receivables impaired

As of 31 March 2020, trade and other receivables of R 34 144 (2019: R 34 153) were impaired and provided for.

The amount of the provision was R 34 144 as of 31 March 2020 (2019: R 34 153).

The ageing of these debts is as follows:

Over 6 months	34 144	34 153
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#### Reconciliation of provision for impairment of trade and other receivables

Opening balance	34 153	-
Provision for impairment	-	34 153
Impairment recovery gains	(9)	-
	<b>34 144</b>	<b>34 153</b>

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand	2020	2019
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### 8. Receivables from non-exchange transactions

Other receivables from non-exchange revenue	630 198	-
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The amounts relate to the cases which PPSA has won and subsequent to that the receivables are raised. The amount are from the final tax bills from court

The other difference is from carrying value of laptops disposed whom after investigations the employees are liable to pay back the money.

### 9. Cash and cash equivalents

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

Cash on hand	26 849	20 116
Bank balances	59 446 179	37 704 852
	<b>59 473 028</b>	<b>37 724 968</b>

The cash balance remains within the primary bank account of PPSA. An increase in cash balance for this current financial year is as a result of the approval of National Treasury's approval to retain cash from the 2018/19 financial year as well as extra cash received from DoJCD.

### 10. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

SASSETA Grant	149 658	818 999
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#### Movement during the year

Balance at the beginning of the year	818 999	-
Additions during the year	4 003 104	966 000
Income recognition during the year	(4 672 445)	(147 001)
	<b>149 658</b>	<b>818 999</b>

PPSA entered into a Memorandum of Agreement with SASSETA to train interns for a period of one year.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand 2020 2019

### 11. Provisions

#### Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	-	3 641 939	-	-	3 641 939
Accumulated leave	11 117 029	5 805 943	(1 628 454)	-	15 294 518
Performance awards	9 663 422	4 939 135	(7 484 592)	(2 178 830)	4 939 135
Gratuity	4 745 199	1 039 992	-	-	5 785 191
	<b>25 525 650</b>	<b>15 427 009</b>	<b>(9 113 046)</b>	<b>(2 178 830)</b>	<b>29 660 783</b>

#### Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Accumulated leave	13 355 476	1 929 396	(4 167 843)	-	11 117 029
Performance awards	7 750 137	9 663 422	-	(7 750 137)	9 663 422
Gratuity	3 635 762	1 109 437	-	-	4 745 199
	<b>24 741 375</b>	<b>12 702 255</b>	<b>(4 167 843)</b>	<b>(7 750 137)</b>	<b>25 525 650</b>

Non-current liabilities	5 785 191	4 745 199
Current liabilities	23 875 592	20 780 451
	<b>29 660 783</b>	<b>25 525 650</b>

The PP is entitled to a taxable lump sum gratuity when vacating the office as stated in the Judges' Handbook. The PP's term of office is a fixed term of seven (7) years. The current PP's term will officially end in 2023.

The accumulated leave provision relates to the employer's present obligation as a result of leave days which were not utilised by employees by the end of the financial year. In the event of termination of employment, employees' untaken leave days are payable to the extent that they are not forfeited. Untaken leave days are forfeited if they are not taken by the end of June of each year.

Employees of the PPSA are assessed annually in terms of the Performance Management and Development System. The final assessment process takes place after the financial year end. Provision is made for performance incentives at the end of the financial year.

Legal proceedings relate to cases whereby there are legal actions against PPSA and there is uncertainty of the timing or amount of the provision.

### 12. Payables from exchange transactions

Trade payables	2 687 425	2 870 070
Deferred operating leases	932 892	1 004 409
Salaries and allowances	6 152 769	3 800 667
Deposits received	14 264	-
COIDA levies accrual	-	328 547
Accrued services bonus	6 060 636	5 862 063
Creditors accrual	11 607 422	3 529 272
	<b>27 455 408</b>	<b>17 395 028</b>

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand	2020	2019
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### 12. Payables from exchange transactions (continued)

Salaries allowance for this current financial year increased as a result of the accrual of the PAYE amount that was paid after 31 March 2020 whereas on the previous years it was paid in March: it is for this reason that there were no accruals.

Creditors accruals mainly consists of legal fees accruals as at the end of the financial year.

### 13. Other income

Recovery of salaries	6 457 541	2 268 146
Recovery of bursaries	12 670	33 314
Parking and access cards	49 290	42 470
Other income	18 009	-
	<b>6 537 510</b>	<b>2 343 930</b>

Increase in recovery of salaries is mainly as a result of provision reversal from the previous year's performance awards and the current year provision which is far less than the reversal and resulted in the credit amount.

### 14. Finance Income

Interest revenue		
Finance Income	3 489 993	2 313 514

### 15. Revenue from non-exchange transactions (Grants)

#### Operating grants

Government transfers (DoJCD)	342 030 000	326 581 000
SASSETA grant	4 672 445	147 001
	<b>346 702 445</b>	<b>326 728 001</b>

#### Conditional and Unconditional

Included in the above are the following grants and subsidies received:

Conditional grants received	4 672 445	147 001
Unconditional grants received	342 030 000	326 581 000
	<b>346 702 445</b>	<b>326 728 001</b>

#### Government transfers (DoJCD)

Current-year receipts	342 030 000	326 581 000
Conditions met - transferred to revenue	(342 030 000)	(326 581 000)
	-	-

The was grant received from DoJCD to fund the operations of PPSA.

#### SASSETA grant

Balance unspent at beginning of year	818 999	-
Current-year receipts	4 003 104	965 999
Conditions met - transferred to revenue	(4 672 445)	(147 000)
	<b>149 658</b>	<b>818 999</b>

Conditions still to be met - remaining liabilities (see note 10).

PPSA entered into a Memorandum of Agreement to train interns for period of one year as from March 2019.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand	2020	2019
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### 16. Revenue from non-exchange transactions (services in-kind)

Services in-kind	10 151 149	9 580 002
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PPSA recognised services in kind relating to the office accommodation in Hillcrest and Nelspruit Offices. The Department of Public Works has entered into a lease agreement on behalf of the institution and paid for the rentals on its behalf.

### 17. Staff cost

Basic	168 111 319	161 891 870
Performance Awards	6 113 736	4 590 026
Medical aid - company contributions	6 503 301	6 287 840
UIF	604 505	624 584
Cell phone allowance	2 777 144	3 002 869
Medical aid allowance	714 541	595 837
Employer contribution: pension GEPE	20 871 298	19 764 310
Travel allowances	1 981 818	2 152 102
Service bonus	12 520 935	12 028 698
Acting allowance	842 121	1 011 783
Housing benefits and allowances	6 446 225	6 341 790
Gratuity	1 039 992	1 109 437
Pension allowances	2 982 124	2 869 870
Non-pensionable allowances	15 760 155	14 576 463
Leave days discounting	4 848 709	653 865
Other staff allowances	699 874	671 302
	<b>252 817 797</b>	<b>238 172 646</b>

### 18. Finance costs

Post-employment medical benefits interest costs	834 047	517 922
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### 19. Debt impairment

Debt impairment	-	34 153
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After assessments were made, no debtors qualified to be impaired as management is of the opinion that all monies are recoverable.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand	2020	2019
<b>20. Administration expenses</b>		
Auditors remuneration	3 705 136	3 389 074
Bank charges	104 415	86 007
Cleaning	2 557 088	2 449 972
Consulting and professional fees*	47 209 433	17 189 915
Donations	12 823	-
Entertainment	390 285	169 701
Insurance	137 799	87 526
Information Technology	10 637 788	15 192 082
Marketing	13 209	63 824
Fuel and oil	137 695	155 580
Subscriptions and membership fees	66 030	53 567
Travel - local	4 342 922	3 279 608
Travel - overseas	982 944	414 154
Municipal services	3 049 119	4 494 429
Communication telephones and fax	1 538 405	1 845 763
Current service cost (post-employment medical benefits)	493 501	743 661
General and administrative expenses	3 121 667	2 550 674
	<b>78 500 259</b>	<b>52 165 537</b>

\* Included in consultation and professional fees are legal fees.

### 21. Other operating expenses

Communication costs cellphones	151 561	514 373
Copy charges-photocopiers	296 530	116 534
Other operating costs	480 355	595 925
Printing and publications	281 911	413 611
Rental office buildings	11 975 403	12 784 018
Rental expenses -Service in kind	10 151 149	9 580 002
Rental and lease maintenance costs-motor vehicle	831	35 535
Staff training and development	174 238	484 278
Stationery	499 994	1 094 508
Parking	1 269 578	1 399 195
	<b>25 281 550</b>	<b>27 017 979</b>

### 22. Cash generated from operations

Surplus	1 591 961	20 173 597
<b>Adjustments for:</b>		
Depreciation and amortisation	3 807 730	3 668 268
(Loss) gain on sale of assets and liabilities	(41 021)	(169 567)
Debt impairment	-	34 153
Movements in retirement benefit assets and liabilities	6 435 354	1 211 216
Movements in provisions	4 135 133	784 275
Acting allowance accrual	-	10 434
Correction of error payables from exchange transactions	-	(867 288)
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(31 463)	(607 695)
Consumer debtors	-	(34 153)
Other receivables from non-exchange transactions	(630 198)	-
Prepayments	64 570	(1 068 293)
Payables from exchange transactions	10 060 379	(536 294)
Unspent conditional grants and receipts	(669 341)	818 999
	<b>24 723 104</b>	<b>23 417 652</b>

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand	2020	2019
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### 23. Commitments

#### Authorised operational expenditure

##### Approved and contracted

<input type="checkbox"/> Contracted services	21 334 828	29 004 350
<input type="checkbox"/> Procurement of goods	722 600	88 414
	<b>22 057 428</b>	<b>29 092 764</b>

##### Approved but not contracted

<input type="checkbox"/> Approved services but not yet contracted	5 283 481	384 830
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#### Total operational commitments

Approved and contracted	22 057 428	29 092 764
Approved but not yet contracted	5 283 481	384 830
	<b>27 340 909</b>	<b>29 477 594</b>

The contracted service amount is inclusive of the SITA contract, cleaning services contract, rental of buildings contract and Konica Minolta contract for photocopier charges.

#### Operating leases - as lessee (expense)

##### Minimum lease payments due

- within one year	8 921 289	8 359 137
- in second to fifth year inclusive	8 834 567	11 312 048
	<b>17 755 856</b>	<b>19 671 185</b>

PPSA occupies office buildings leased under operating leases. The DPWI enters into the lease agreements on behalf of the PPSA. The lease payments made by the DPWI are recovered from PPSA. The lease term ranges between 1 - 5 years. The escalation rate ranges between 5.5% and 10%. Four other office buildings are occupied at no cost to the PPSA; three are owned by the DPWI and one is leased but paid for directly by the DPWI from its own budget.

Furthermore, photocopier machines are leased for a period of 36 months.



# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

Figures in Rand	2020	2019
<b>24. Contingencies</b>		
<b>24.1 Contingent Liabilities</b>		
Nkadimeng Attorneys (1)	-	786 316
Nchaube Peter Seabi (2)	350 000	350 000
Mr Itumeleng Max Moletsane Lesenyeho Mogakabe (3)	1 000 000	1 000 000
Trevor Mark Buckland (4)	-	35 000
SABS v PPSA (5)	-	500 000
Travel with flair (6)	-	49 636
Rental of office building (7)	-	72 823
Printing services (8)	-	74 646
Star Hero Media Group (9)	144 000	-
	<b>1 494 000</b>	<b>2 868 421</b>

(1) Claim is in respect of outsourced investigation conducted for PPSA. Notice to defend filed and parties agreed to suspend the pleading pending the settlement negotiations. For 2019/20 financial year the matter is accounted for as a provision because of the recognition criteria of the applicable standard.

(2) In the matter of the Public Protector vs. Nchaube Peter Seabi, whereby the latter is claiming an amount of R350 000 for vicarious liability arising from alleged assault of the plaintiff by our employee. The Public Protector is opposing the matter. The legal team believes that PPSA has a reasonable defense against the claim and that the probability of loss will be unlikely. Accordingly, no provision has been made in the annual financial statements.

(3) In the matter of the Public Protector vs. Mr Itumeleng Max Moletsane, Lesenyeho Mogakabe, whereby the latter is claiming an amount of R 1 000 000 ( shared with other 3 defendants) for damages caused by the alleged failure by the Public Protector to direct the NCC to refer his case to the Tribunal. The plaintiff claims that the Public Protector failed to ensure that his right to access the tribunal or court were protected. The Public Protector is defending the matter. The legal team believes that PPSA has a reasonable defense against the claim and that the probability of loss will be unlikely. Accordingly, no provision has been made in the annual financial statements.

(4) Application to compel release of a report regarding an investigation that was conducted by outsourced investigators against City of Tshwane. The applicant has backtracked on his challenge. Although the applicant is longer pursuing the matter based on the assessment made the case is now recorded as a provision because of the recognition criteria of the applicable standard.

(5) This was a review matter against the Public Protector's Report. The applicant has filed notice to tax the bill. For 2019/20 financial year the matter is accounted for as a provision because of the recognition criteria of the applicable standard.

(6) In 2019/20 all the queries from 2018/19 are settled and all the accruals are correctly accounted for as per the applicable standard. No amounts queried as of now.

(7) In 2019/20 all the queries from 2018/19 are settled and all the accruals are correctly accounted for as per the applicable standard. No amounts queried as of now.

(8) In 2019/20 all the queries from 2018/19 are settled and all the accruals are correctly accounted for as per the applicable standard. No amounts queried as of now.

### **During the 2019/20 financial year new matters were raised as follows:**

(9) In the matter of the Public Protector vs. Star Hero Media Group, whereby the latter is claiming an amount of R 144 000 in a civil action for damages in respect of failure to pay for services rendered. The Public Protector is opposing the matter and the legal team believes that PPSA has a reasonable defense against the claim and that the probability of loss will be unlikely. Accordingly, no provision has been made in the annual financial statements.

(10) In the matter of the Public Protector vs. Nkwinti, the applicant applied to the court to interdict the Public Protector from releasing a report. The court ordered in favor of the applicant with costs. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

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### 24. Contingencies (continued)

(11) In the matter of the Public Protector vs. the President of Republic of South Africa, the applicant applied to the court to stay the implementation of the remedial action. The interim relief was granted in favor of the President with costs. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.

(12) In the matter of the Public Protector vs. the President of Republic of South Africa, the applicant applied to the court for the review of the Public Protector's report. The court ordered in favor of the applicant with costs. The judgement is being appealed in the Constitutional Court. There was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.

(13) In the matter of the Public Protector vs. the South African Revenue Services, the applicant applied to the court for a declaratory order relating to the subpoena of taxpayer information by the Public Protector. The court ordered in favor of the applicant with costs. The judgement is being appealed in the Constitutional Court. There was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.

(14) In the matter of the Public Protector vs. Basani Baloyi, the applicant made an appeal to the Constitutional Court for an unfair labor practice/ dismissal resulting from non-confirmation of probation period. The legal team believes that PPSA has a reasonable defense against the case, however the probability of a claim is highly likely. The matter is still underway, accordingly, no provision has been made in the annual financial statements.

(15) In the matter of DA CASAC v Public Protector. The High Court handed down a judgment in favour of DA and CASAC on 20 May 2019. The cost judgement was handed down on 15 August 2019. There was leave to appeal which was dismissed on 06 December 2019. The Public Protector appealed to the SCA. The application was dismissed on 26 June 2020. The PPSA appealed to the Constitutional Court, the Constitutional Court dismissed the Public Protector's appeal with costs on 26 August 2020. There was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.

At the conclusion of the current financial year, PPSA has a balance of cash and cash equivalents of R 59 473 028. Upon completion of the 2019/20 audit process, management will lodge an application for the retention of funds with National Treasury. A contingent liability therefore exists in relation to the retention of surplus funds for the 2019/20 financial year.

### Contingent assets

#### 24.2 Contingent Asset

Ex President of South Africa J. Zuma (a)	-	163 847
Democratic Alliance/ South African Broadcasting Corporation (b)	-	69 588
Ex president J. Zuma: Urgent application State Capture (c)	-	165 484
David Douglas van Rooyen (d)	-	20 168
Senqu Local Municipality (e)	-	475 620
Muzikayise Andrias Gamede (f)	-	122 728
USAASA (g)	-	81 179
GEMS (h)	80 000	80 000
Mbina-Mthembu (i)	319 258	80 000
	<b>399 258</b>	<b>1 258 614</b>

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

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### 24. Contingencies (continued)

***All the cases with reference (a-g) are concluded from previous financial year.***

(h) In the matter of GEMS vs. the PPSA, GEMS sought an order stating that the Public Protector does not have a jurisdiction to investigate GEMS. The Public protector successfully defended the matter and the High Court dismissed the application with costs in favor of the Public Protector. GEMS has taken the matter on appeal in the Supreme Court of Appeal and thus no debtor has been raised in the annual financial statements.

(i) In the matter of Mbina Mthembu, the Public Protector issued a report on the investigation into the irregular expenditure for the Mandela Funeral in the Eastern Cape. Mbina Mthembu asked the court for the review of the report and the Public Protector successfully defended the matter. The High Court dismissed the review application with costs in favor of the Public Protector. PPSA's legal team has drafted a bill of costs to an amount of R 319,258.31 and the notice of intention to tax bill of costs has been issued, thus no debtor has been raised in the annual financial statements.

(j) In the matter of Kagisano Molopo Local Municipality vs. the Public Protector. The Public Protector investigated the alleged prejudice suffered by Nduza Cleaning and Security Services as a result of maladministration by the Kagisano - Molopo Local Municipality, in awarding a security tender. The Municipality launched a review application on the Public Protector's report and later withdrew its application before the matter could be heard in court. Kagisano Molopo Local Municipality tendered to pay PPSA's wasted costs and PPSA's legal team is still working on the costs determination with the municipality, thus no debtor has been raised in the annual financial statements.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

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### 25. Related parties

#### Relationships

Funds transferring department

Partnering agency for internship and skills development training

Other entities within the Justice Portfolio

DoJCD

Safety and Security Sector Education and Training Authority (SASSETA)

Legal Aid South Africa

Guardian's Fund

President's Fund

Special Investigating Unit

The Human Rights Commission

Criminal Asset Recovery Account

Third Party Funds

Office of the Chief Justice

Department of Correctional Services

National Prosecuting Authority

Rules Board for Courts of Law

South African Boards of Sheriffs

South African Law Reform Commission (SALRC)

Council of Debt Collectors

Refer to the details below

Members of key management

#### Key management information

Class	Description	Number
Executive Authority	The Public Protector of South Africa	1
Executive Authority	The Deputy Public Protector of South Africa	1
Executive Management	Executive Management within PPSA	8

#### Key Management Personnel Remuneration

#### Key Management Personnel Information

## Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 25. Related parties (continued)

2020

Name	Basic Salary	Pension	Travel allowance	Medical aid allowance	Non-pensionable allowance	Other allowance	Service bonus	Gratuity	Leave Pay	Total
Public Protector - Adv BJ Mkhwebane ~	1 723 960	-	-	-	662 474	77 700	-	1 039 992	-	3 504 126
Deputy Public Protector - Adv KS Malunga	750 363	-	-	-	500 242	-	-	-	83 497	1 334 102
Deputy Public Protector - Adv KN Gcaleka ^	150 423	-	-	-	100 282	-	-	-	-	250 705
Chief Executive Officer V Mahlangu	1 328 264	-	75 000	-	231 721	-	41 923	-	145 337	1 822 245
Chief Financial Officer - Y Lusibane	873 015	130 952	-	-	234 505	163 468	74 536	-	-	1 476 476
Acting Chief Executive Officer - Y Lusibane***	-	-	-	-	-	92 877	-	-	-	92 877
Chief Operating Officer-B Baloyi**	588 055	88 208	-	-	303 828	1 041	-	-	-	981 132
Chief of Staff-SC Nyembe	749 999	112 500	-	-	387 499	10 419	-	-	-	1 260 417
Acting Executive Manager GGI and AJSD-SC Nyembe	-	-	-	-	-	14 596	-	-	-	14 596
Executive Manager- PII	1 267 001	189 267	147 353	57 600	43 196	24 945	105 583	-	-	1 834 945
Coastal Adv CH Fourie	1 166 370	169 514	72 000	-	47 863	140 232	96 561	-	-	1 692 540
Executive Manager- AJSD PR Mogaladi	998 430	149 765	-	-	194 932	13 860	83 203	-	-	1 440 190
Executive Manager PII Inland- NI Thejane ^	1 193 751	155 188	108 000	-	31 278	143 955	98 009	-	-	1 730 181
Executive Manager- CSM - FN Motsisi	-	-	-	-	-	10 393	-	-	-	10 393
Acting Executive Manager Corporate Services- Futana Tebele***	-	-	-	-	-	10 219	-	-	-	10 219
Acting Chief Financial Officer - T Senosi***	-	-	-	-	-	-	-	-	-	-

## Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 25. Related parties (continued)

10 789 631	995 394	402 353	57 600	2 737 820	703 705	499 815	1 039 992	228 834	17 455 144
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## Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 25. Related parties (continued)

2019

Name	Basic Salary	Pension	Travel allowance	Medical aid allowance	Non-pensionable allowance	Other allowance	Service bonus	Gratuity	Leave Pay	Total
Public Protector Adv BJ Mkhwebane	1 736 547	-	-	-	667 311	77 700	-	1 109 437	-	3 590 995
Deputy Public Protector - Adv KS Malunga *	1 034 638	-	-	-	689 759	-	-	-	-	1 724 397
Chief Executive Officer V Mahlangu ****	1 753 421	-	-	-	-	-	-	-	-	1 753 421
Chief Financial Officer - Y Lusibane ^	622 397	93 360	-	45 000	160 956	78 740	17 289	-	-	1 017 742
Acting Chief Financial Officer- N Dick	-	-	-	-	-	21 850	-	-	-	21 850
Chief Operating Officer-B Baloyi ^	159 711	23 957	-	-	82 517	297	-	-	-	266 482
Chief of Staff-SC Nyembe ^	465 043	26 760	-	-	92 174	446	-	-	-	584 423
Executive Manager- GGI Adv CH Fourie	1 204 373	180 656	147 353	57 600	30 186	24 945	100 364	-	-	1 745 477
Executive Manager- AJSD PR Mogaladi	1 101 458	165 219	72 000	-	27 759	140 232	91 788	-	-	1 598 456
Executive Manager PII- NI Thejane ^	79 090	11 863	-	-	15 441	795	-	-	-	107 189
Executive Manager- PII Adv LR Ndou**	745 317	111 798	-	7 247	113 633	103 296	66 358	-	96 933	1 244 582
Executive Manager- CSM - FN Motsitsi	1 117 975	145 337	108 000	-	14 939	143 955	87 891	-	-	1 618 097
Acting Chief of Staff - L Molelekoa	-	-	-	-	-	114 300	-	-	-	114 300
Acting Executive Manager- CSM - FO Segalwe	-	-	-	-	-	138 245	-	-	-	138 245
	<b>10 019 970</b>	<b>758 950</b>	<b>327 353</b>	<b>109 847</b>	<b>1 894 675</b>	<b>844 801</b>	<b>363 690</b>	<b>1 109 437</b>	<b>96 933</b>	<b>15 525 656</b>

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#### 25. Related parties (continued)

~ Public Protector. The Gratuity of R1 039 992 relates to the provision for the 2019/20 financial year for the PP's gratuity at the end of the her term. The amount is raised as a provision in the Annual Financial Statements.

\*DPP Adv K. Malunga contract came to an end on the 09 December 2019. ^

DPP Adv K. Gcaleka appointed on the 01 February 2020.

\*\*\*CEO V Mahlangu resigned on 31 January 2020.

\*\*\* Y Lusibane appointed as acting CEO on the 01 February 2020.

\*\* B Baloyi contract was terminated on the 31 October 2019 as COO.

\*\*\* S Nyembe appointed as Acting Executive Manager: AJSD and GGI from 01 March 2020.

\*\*\* F Tebele appointed as Acting Executive Manager: Corporate Services on the 01 March 2020.

\*\*\* T Senosi appointed as Acting CFO from 01 March 2020.

#### 26. Change in estimate

The useful lives of certain property, plant and equipment and intangible assets were revised during 2019-20. The useful lives used in 2019-20 are as follows:

Item	Revised useful life	Original useful life	Net impact	After change	Before change
Office Equipment	5-8 years	3-5 years	27 965	180 621	152 656
Computer Equipment	4-8 years	4-7 years			
Furniture and fixtures	5-16 years	5-11 years			
<b>Effect in the statement of financial position</b>					
Property plant and equipment					
<b>Effect of change in the statement of financial performance</b>					
Depreciation			(27 965)	(56 628)	(84 593)

#### 27. Prior period errors

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



# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

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### 27. Prior period errors (continued)

#### Statement of financial position

Payables from exchange transactions	-	(867 288)
Accumulated surplus deficit	-	(889 655)

#### Statement of financial performance

Administrative expenses	-	(1 268 907)
Other operating expenses	-	(116 302)
Finance costs	-	517 922

### 28. Impact of the prior period error

Presented below are those items contained in the statement of financial position and statement of financial performance:

#### Statement of financial position

##### 2019

Note	As previously reported	Correction of error	Restated
Payables from exchange transactions (a)	18 262 316	(867 288)	17 395 028
Accumulated surplus deficit (b)	3 520 487	(889 655)	2 630 832
Prepayments (cc)	1 045 926	22 367	1 068 293
	-	-	-
	-	-	-
	<b>22 828 729</b>	<b>(1 734 576)</b>	<b>21 094 153</b>

#### Statement of financial performance

##### 2019

Note	As previously reported	Correction of error	Restated
Administrative expense (c)	53 456 811	(1 291 274)	52 165 537
Other operating expenses (d)	27 134 281	(116 302)	27 017 979
Finance Costs (e)	-	517 922	517 922
<b>Surplus for the year</b>	<b>80 591 092</b>	<b>(889 654)</b>	<b>79 701 438</b>

#### Errors

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

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### 28. Impact of the prior period error (continued)

#### Statement of financial position

(a) Removal of the duplication of the acting allowance amount recorded in both creditors accruals and salaries creditor's as well as legal fees invoice recorded in the correct period.

(b) Changes on the opening surplus deficit as a result of notes (a), (c) and (d).

(cc) An amount of R22 367 which relates to prepayments for licenses captured in the current year but relates to previous financial year.

#### Statement of financial performance

(c) Removal of acting allowance accounted for in both salary creditor's and administrative expenses as well as recording of legal fees in the correct period. An amount of R22 367 which relates to prepayments for licenses captured in the current year but relates to the previous financial year.

(d) Reversal of overstatement on linkport rental amount.

(e) Reclassification of the interest cost from administrative expenses to finance cost.

### 29. Risk management

#### Financial risk management

##### Liquidity risk

PPSA is exposed to liquidity risk as it is dependent on the transfers and grants received from the Department of Justice and Constitutional Development. Timely receipt of transfers and grant amounts is necessary for the institution to be able to make payments as and when required in terms of its financial liabilities.

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

Contractual undiscounted liabilities - 31 March 2020	Payable in less than 3 months	Payable in 3 - 12 months	Payable after 1 year	Total
	27 455 408	-	-	27 455 408
<hr/>				
Contractual undiscounted liabilities - 31 March 2019	Payable in less than 3 months	Payable in 3 - 12 months	Payable after 1 year	Total
	17 395 028	-	-	17 395 028

**Notes to the Financial Statements For Period Ended 31 March 2020**

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**29. Risk management (continued)****Credit risk**

Credit risk represents the potential loss to the PPSA as a result of unexpected defaults or unexpected deterioration in the creditworthiness of counterparties. PPSA's credit risk is primarily attributable to its receivables. However, the risk is minimal as the institution receivables (excluding amounts held with banks) are limited to advances to employees and interest receivable. There are past due and impaired receivables for this current financial year.

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

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

**Interest rate risk**

The PPSA is exposed to cash flow interest rate risk arising from cash on hand at commercial banks which earns interest at floating rates based on daily bank deposit rates.

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

- a) Possible interest on late payment by the PPSA
- b) Interest income linked to rates prescribed by the National Treasury
- c) Interest on accounts held at banking institutions

PPSA is mainly exposed to interest rate fluctuations, and the financial assets and liabilities are managed in such a way that the fluctuations in variable rates do not have material impact on the surplus (deficit) as the institution settles its outstanding obligations within 30 days and interest on outstanding debts, if there is any, is charged monthly using the applicable interest rates.

**Foreign exchange risk**

The PPSA's exposure to foreign exchange risk is limited to the payment of Microsoft license fees and international membership fees: the transaction volume is minimal. The foreign exchange risk is related to the fluctuation of the Rand and Dollar/Euro purchase rates.

**Foreign currency exposure at statement of financial position date**

The institution reviews its foreign currency exposure, including commitments on an ongoing basis. The institution expects its foreign exchange contracts to hedge foreign exchange exposure.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

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### 29. Risk management (continued)

#### Fair values

PPSA's financial instruments consist mainly of cash and cash equivalents, trade and other receivables and trade and other payables.

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

#### (i) Cash and cash equivalents

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

#### (ii) Receivables from exchange transactions

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

#### (iii) Payables from exchange transactions

The carrying amount of trade payables approximates fair value.

#### (iv) Receivables from non-exchange transactions

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

#### 31 March 2020

	Financial assets	Financial liabilities	Total carrying amount
Receivables from exchange transactions	869 999	-	869 999
Cash and cash equivalents	59 473 028	-	59 473 028
Payables from exchange transactions	-	(27 455 408)	(27 455 408)
Receivables from non-exchange transactions	630 198	-	630 198
	<b>60 973 225</b>	<b>(27 455 408)</b>	<b>33 517 817</b>

#### 31 March 2019

	Financial assets	Financial liabilities	Total carrying amount
Receivables from exchange transactions	838 536	-	838 536
Cash and cash equivalents	37 724 968	-	37 724 968
Payables from exchange transactions	-	(17 395 028)	(17 395 028)
	<b>38 563 504</b>	<b>(17 395 028)</b>	<b>21 168 476</b>

### 30. Going concern

We draw attention to the fact that at 31 March 2020, the institution had an accumulated deficit of R (1 038 871) (2018/19: R 2 630 832) and that the institution's total liabilities exceeded its assets by R (1 038 871) (2018/19 R 2 630 832).

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

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### 30. Going concern (continued)

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The ability of the institution to continue as a going concern is dependent on a number of factors. The most significant of these is that the institution continues its efforts to secure funding for its ongoing operations. During the current financial year, the business case of the PPSA was presented to the National Treasury, Portfolio Committee on Justice and Correctional Services. PPSA's budget was not subject to the budget cuts to accommodate National Treasury's national reprioritisation for COVID-19 expenses. In addition, various communications have been made to the relevant Executive Authorities requesting for additional financial assistance.

### 31. Events after the reporting date

a) Subsequent to the authorisation of financial statements for issue, financial misconduct committee appointed by the ACEO in dealing with all financial misconduct related items of the PPSA approved some of the fruitless and wasteful expenditures to be written off from both the current and previous financial years. The recommendations were done post year end after a thorough investigations. Refer to the fruitless and wasteful expenditure note.

b) In the matter of the Public Protector v SABs, the PPSA had instructed its attorneys to oppose the bill. The taxation has been set down for 07 October 2020. The PPSA already provided for these costs in the 2019/20 financial year. This is a non-adjusting event.

c) In the matter of the Public Protector v Hugh Eiser, the taxation has been set down for 26 October 2020. The PPSA had already provided for these costs in the 2019/20 financial year. This is a non-adjusting event.

d) In the matter of DA CASAC v the Public Protector. The High Court handed down a judgment in favour of the DA and CASAC on 20 May 2019. The cost judgement was handed down on 15 August 2019. There was leave to appeal which was dismissed on 06 December 2019. The Public Protector appealed to the SCA. The application was dismissed on 26 June 2020. The PPSA appealed to the Constitutional Court: the Constitutional Court dismissed the Public Protector's appeal with costs on 26 August 2020. This matter is a non-adjusting event; however a contingent liability has been disclosed in the notes of the 2019/20 financial statements.

e) In the matter of Pravin Gordhan & Others v Public Protector, the matter was heard on 06 and 07 August 2020, 28, 29 and 30 September 2020. The matter was heard and argued and judgement was reserved. This a non-adjusting event.

f) In the matter of the Public Protector v the Speaker of the National Assembly the matter was heard on 12, 13 and 17 August 2020. The matter was heard and argued and judgement was reserved. This a non-adjusting event.

g) In the matter of the Public Protector v the Commissioner for Revenue Services, the matter was heard 03 September 2020. The matter was heard and argued and judgement was reserved. This a non-adjusting event.

h) In the matter of the FSCA v the Public Protector on 21 and 22 September 2020, the matter was heard and argued and judgement was reserved. This a non-adjusting event.

i) In the matter of Ms Cleopatra Mosana v the Public Protector SA, the commissioners award of R 103,767.41, the attorneys confirmed that the prospect of success are reasonable as the other side never filed their answering affidavit. The PPSA already made provision for this amount as at 31 March 2020. This a non-adjusting event.

### 32. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure opening balance	2 849 480	2 857 164
Add Fruitless and wasteful expenditure current year (i)	34 297	2 419
Less fruitless and wasteful expenditure recovered current year (ii)	(79)	(10 103)
Less fruitless and wasteful expenditure written off (iii)	(2 136 899)	-
	<b>746 799</b>	<b>2 849 480</b>

## Notes to the Financial Statements For Period Ended 31 March 2020

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### 32. Fruitless and wasteful expenditure (continued)

#### (i) Below are additional fruitless and wasteful expenditure.

a) Travel with Flair no show.	1 720
b) Kelele Communications Issuing of order to wrong service provider	13 000
c) Government printers Advert for cancellation of tender due to complaints raised by bidders (R252) Advert for cancellation and re-issue of tender due to non-compliance to TR16A6.3 (R252) Advert for re-issue of tender due to non-compliance to TR16A6.3 (R504.40)	1 008
d) Travel with Flair cancellation of trip due to operational requirements (accommodation).	14 321
e) DPWI (interest charged on outstanding payment)	4 248

#### (ii) Below are fruitless and wasteful expenditures recovered in the current year

a) The interest is paid over and recovered from opening balance	-79
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#### (iii) Below are fruitless and wasteful expenditures written off in the current year

a) CCMA arbitration award to former employee (Bonginkosi Dhlamini) The labour disputes from previous financial years whereby the Employee took the Employer to the CCMA and both parties agreed to terminate the services and settle thereof. The expenditures were not incurred in vain as this was not anticipated from the Employer side and an independent legal opinion was sourced.	-311 612
b) CCMA arbitration award to former employee (Jenine Hicks) The labour disputes from previous financial years whereby, Employee took the Employer to the CCMA and both parties agreed to terminate the services and settle thereof. The expenditures were not incurred in vain as this was not anticipated from the Employer side and an independent legal opinion was sourced.	-298 221
c) Settlement agreement (Dr Maria Claudina du Toit) The labour disputes from previous financial years whereby the Employee took the Employer to the CCMA and both parties agreed to terminate the services and settle thereof. The expenditures were not incurred in vain as this was not anticipated from the Employer site and an independent legal opinion was sourced.	-566 206
d) Separation agreement (Kennedy Kaposa) The labour disputes from previous financial years whereby the Employee took the Employer to the CCMA and both parties agreed to terminate the services and settle thereof. The expenditures were not incurred in vain as this was not anticipated from the Employer side and an independent legal opinion was sourced.	-945 133
e) Travel with Flair After the investigation performed by the Financial Misconduct Committee, the employee was exonerated as there was nothing that warranted the matter to be raised as fruitless and wasteful expenditure.	-1 720
f) Kelele Communication Recommended for recovery from the employee after the investigation by the financial misconduct committee. Debtor is raised in the AFS.	-13 000
g) Government Printers FMC recommended the write-off due to an oversight by Facilities Management for not conducting proper market analysis. The official involved was cautioned to ensure that thorough market analysis is conducted during the development of specifications	-1 008

**Notes to the Financial Statements For Period Ended 31 March 2020**

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**32. Fruitless and wasteful expenditure (continued)**

**Please note the following in connection with 2019/2020**

The PPSA had an accumulated balance of R 2.8 million of fruitless and wasteful expenditure from previous financial years. In terms of paragraph 47(c) of National Treasury irregular and fruitless and wasteful expenditure, the Accounting Officer may consider removing irregular, fruitless and wasteful expenditure that was not condoned by the relevant authority. The removal may take place if the Accounting Officer is satisfied with the recommendations from the investigations undertaken.

Therefore in 2019/20, the PPSA was in a position to reduce fruitless and wasteful expenditure from R 2.8 million due to the investigations conducted which revealed that there were some transactions which were declared under fruitless and wasteful expenditure but which did not meet the definition of fruitless and wasteful expenditure as per section 1 of the PFMA. Some were written off due to the implementation of consequence management.

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

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<b>33. Irregular expenditure</b>		
Opening balance	32 475 196	42 794 611
Prior year irregular expenditure identified in the current year		
Duma Travel (payment above contract value)	-	173 355
Litigation: payment made above the contract value of R500 000	51 368	3 780 449
Offsite storage facilities: payment above contract value	44 827	128 984
Leasing of office building Head Office: goods and services with a transaction value of more than R500 000 not procured through a competitive bidding process	-	3 734 387
Use of expired contract	-	1 388
Add: Irregular expenditure relating to current year		
Diale Mogashoa payments approved above PPSA rates	17 078	-
AGJ Civils quotation received after closing date	1 354	-
TKO Business Solutions: quotation received after closing date	2 000	-
Umbulumko Knowledge Services: appointment of service provider with non-compliant tax status	84 589	-
Less: Prior year amounts removed in the current financial year		
Travel agency services: payment above contract value	-	(3 881 963)
Security guarding services: no three quotations obtained	-	(60 120)
Advertising and printing: scope extension above 15% threshold	-	(28 266)
Supply of travel of management services	-	(3 753 464)
Transportation services: appointment without approval	-	(26 400)
Gardening services: no three quotations obtained	-	(7 000)
Cleaning services: extension of contract exceeding 15% order variation	-	(17 730)
Office relocation: no 3 quotes obtained	-	(38 638)
Sage VIP consultant: service provider engaged without approval	-	(14 705)
Furniture and fittings: non compliant with SCM process	-	(381 672)
Security services: scope extension without approval	-	(33 027)
Travel with Flair (from opening balance)	-	(1 720 514)
F&J Distributors (from opening balance)	-	(6 090)
Amounts written off: Leasing of office building Head Office: goods and services with a transaction value of more than R500 000 not procured through a competitive bidding process	-	(7 986 934)
Transcribers contract (from opening balance)	-	(8 100)
Duma Travel (payment above contract value)	-	(173 355)
	<b>32 676 412</b>	<b>32 475 196</b>



# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

## Notes to the Financial Statements For Period Ended 31 March 2020

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### 33. Irregular expenditure (continued)

#### 2020

The irregular expenditure incurred in the 2019/20 financial year but relating to previous financial years has increased. The reasons are as follows: payments of Adams and Adams, historically terminated contract and offsite storage that was historically terminated.

During the current financial year, PPSA incurred additional irregular expenditure on four suppliers: two suppliers evaluations were performed after the closing date; one was as a result of payment made above the approved PPSA rate; and the fourth was an appointment of a service provider with non-compliant tax status.

#### 2019

Please note the following in connection with 2018/19 irregular expenditure:

The PPSA had an opening balance of R 43 million accumulated balance from the previous financial years. In 2018/19, the PPSA was in a position to reduce irregular expenditure from R 43 million to R 32 million through the termination of a lease contract for Head Office and also through implementing of consequence management which was implemented in 2018/19. Three (3) final written warnings; eight (8) written warnings and one (1) reprimand letter were issued and the sanctions accepted by the affected employees. The other irregular expenditure is still under investigation.

### 34. Budget differences

#### Material differences between budget and actual amounts

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

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### 34. Budget differences (continued)

#### 1. Recovery of legal fees

Recoveries of legal fees over-performance relates to cases awarded in favour of the PPSA during the financial year. Recovery of legal fees is not budgeted for because it is impractical to have estimates about which cases will be taken for review and subsequently be awarded in favour of the PPSA.

#### 2. Other income

Other income relates to the over recovery recorded on recoveries of salaries, bursaries, medical aid, parking fees and access cards. Mostly these accounts are not budgeted for because it is impractical to budget for instance recoveries of salaries, the reversal of provisional amounts will not always be on credit amounts.

#### 3. Finance income (interest received investment)

Over performance on the budget is as a result of the positive bank balance maintained throughout the financial year. At the beginning of the financial year, PPSA had a cash balance of R 37 724 968 which was the prior year funds retained. Interest was earned on the remaining balance of these funds. As at 31 March 2020, the PPSA had a positive bank balance of R59 473 027.

#### 4. Government grants and subsidies

During the month of March 2020, PPSA received an additional transfer of R 20 600 000 from the Department of Justice and Constitutional Development. The funds were used to settle all outstanding invoices which remained outstanding as at the end of the financial year. SASSETA grant was also received to fund internship programme. All this attributed to the over-performance of the line item against the budget

#### 5. Revenue services in kind

Revenue service in kind performance in budget relates to the rental properties being paid for by DPWI but utilised by PPSA. There are revenue and corresponding expense legs to that effect.

#### 6. Personnel costs

The under-expenditure recorded on personnel costs is as a result of savings from positions vacated during the year.

#### 7. Depreciation

Over-expenditure is mainly as a result of extra depreciation on newly acquired vehicles.

#### 8. Finance costs

Expenditure on interest is as a result of the post-employment medical benefits calculation made based on the requirements of GRAP. The calculation is done by an expert who uses a different methodology which made it impractical to budget for. Previously, the amount was included in normal expenses.

#### 9. Other expenses

An over-expenditure was recorded in the current year against the budget. The rental services in kind expenses were the main causes of the over expenditure. This line item is an accounting non-cash item which is also recorded in revenue.

#### 10. Administrative expense

There is an over-expenditure recorded in the current year mainly on legal services. In the current financial year there were many cases that were taken on review as a result of the remedial actions which are now binding, hence a huge increase on legal costs.

#### 11. Actuarial gains/losses

# Public Protector South Africa

Financial Statements For Period Ended 31 March 2020

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### 34. Budget differences (continued)

A change in medical aid policy ensured that the PPSA this current financial records actuarial gains and losses. The calculation is done by an expert who uses a different methodology which made it impractical to budget for, hence the over expenditure is recorded.



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