

# Government Communications (GCIS) annual report 2002/03

administration

policy and  
research

government and  
media liaison

provincial and  
local liaison



international marketing and  
mobilisation

communication  
service agency

# dedication

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**To the Minister in The Presidency, Dr Essop Pahad**

I have the honour of presenting the *2002/03 Annual Report* of the  
Government Communication and Information System

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# Part 1

## Information on the Ministry



# Information on the Minister in The Presidency



**Dr Essop Pahad**

## **1. Institutions in the Minister's area of responsibility:**

- 1.1 Government Communications – Minister and Executing Authority
- 1.2 International Marketing Council (IMC) – Executing Authority in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999),
- 1.3 Media Development and Diversity Agency (MDDA) – Executing Authority in terms of the PFMA
- 1.4 The Presidency – specific political responsibilities for the Office on the Status of Women, Office on the

Status of Disabled People and Office on the Rights of the Child

- 1.5 National Youth Commission (NYC) – the Minister is charged with the administration of the NYC Act, 1996 (as amended in 2000). He meets with the Executive of the Commission on a two-monthly basis to provide political and strategic guidance and also fulfils the responsibilities of Executing Authority of the NYC.

## **2. A summary of the areas of involvement and work of the Minister**

- 2.1 Apart from the specific responsibilities as outlined above, the Minister is involved in a wide range of activities and projects. These include:
  - 2.1.1 a member of the Cabinet Committees of the Economic Sector; Social Sector; International Relations, Peace and Security Cluster, and the Governance and Administration Cluster
  - 2.1.2 presenting all Cabinet Memoranda emanating from The Presidency at full Cabinet meetings
  - 2.1.3 presenting of current affairs discussions as a standing item at all (full) Cabinet meetings
  - 2.1.4 member of the Board and Exco of the IMC
  - 2.1.5 member of the extended South African National AIDS Council Core Group of Ministers
  - 2.1.6 convening an ad hoc group to assist in moving the work of the Freedom Park Trust forward
  - 2.1.7 convening an ad hoc group to assess the work and progress on the institutionalisation of a new system of National Orders
  - 2.1.8 establishing close working relations with the South African Chapter of the African Renaissance
  - 2.1.9 meeting on a regular basis with all major media

houses (print and electronic) and a group of fund managers

- 2.1.10 attending the regular Presidency Advisers Forum
- 2.1.11 chairperson and member of the Board of Trustees of the South African Democracy Education Trust.

## **3. Legislation**

- 3.1 The MDDAA Act, 2002 (Act 14 of 2002), was debated and passed in Parliament during 2002.
- 3.2 The MDDA Board was subsequently appointed and met for the first time in January 2003. The Board has initiated the initial process to establish a well-functioning Agency and to ensure that implementation of projects ensues as soon as possible.
- 3.3 The Minister also played a critical role in discussions with private print and electronic media houses to establish support, financial backing and co-operation for the MDDA.

#### 4. Official Ministerial visits abroad (date and purpose of each visit)

Destination	Date	Purpose
Mozambique	May 2002	To accompany the President on a State Visit and hold follow-up discussions regarding bilateral government communication issues
United States	May 2002	To attend the United Nations General Assembly's Special Session on Children
Namibia	May 2002	To attend the Southern African Development Community (SADC) Meeting of Ministers responsible for Gender
Malawi	June 2002	To attend a SADC and African Union Gender Seminar
United Kingdom/Spain	June 2002	To further bilateral discussions on government communication and investigate the administration of honour systems
Mali	August 2002	To sign a Memorandum of Understanding with the Mali Government on the operationalisation of the South Africa/Mali Timbuktu Project
Belarus/Romania/Hungary	September 2002	To further bilateral relations
Japan	October 2002	To address the Rehabilitation International and Disabled People International Conference on disability issues
Peru/Brazil	December 2002	To attend the Group of Like Minded Mega Diverse Countries Meeting and have bilateral discussions with the Government elect in Brazil

# Part 2

## Introduction and corporate strategy



## Introduction by the Chief Executive Officer

Some major strategic initiatives of GCIS matured during 2002/03. They began to impact on government and society in a way that set the scene for further transformation of government communication and broadening of access to the means of acquiring and imparting information and ideas. One of the core objectives of GCIS is democratising the communication environment.

This gained impetus as the roll-out of Multi-Purpose Community Centres (MPCCs) passed the halfway mark of Phase I of the programme which will see 60 MPCCs operational by the end of 2004, bringing government information and services closer to millions of South Africans.

The establishment of the Media Development and Diversity Agency (MDDA) after the passing of the MDDAA Act in June and the appointment of the Board in December marked the fruition of a project in which government had engaged civil society from as early as 1996 through Comtask.

The *Imbizo* campaign that began in 2001 took root as the public responded with enthusiasm to the opportunity to interact directly with the executive.

The annual mass multimedia campaign following the State of the Nation Address was supplemented with a second one in the second half of the year, with a further shift towards the use of media that reaches more citizens more directly in the languages they prefer, including media accessible to people with disabilities.

BuaNews is beginning to come into its own as a development information service that is both capacitating community media and making a mark in the established media.

The process towards the transformation of the advertising and marketing industries saw a second round of Parliamentary Hearings that brought government and the private sector closer to agreement

on targets and timeframes that should bring about more representative media placement of advertising.

Together, these steps represent a substantial extension of the communication infrastructure in a way that begins to redress imbalances deriving from our past.

At the same time, the system established to ensure more coherent and integrated government communication under the leadership of the Cabinet has begun to function as intended.

The integration of communication in the central structures of governance is consolidating. Cabinet, through its committees, now approves cluster communication strategies drafted by communication clusters and processed by the FOSAD clusters of Directors-General who oversee implementation.

Cabinet's regular discussion of current affairs from a communication perspective reflects the importance attached to communication.

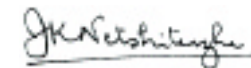
Following the first-ever conference of local government communicators hosted by the South African Local Government Association in June 2002, GCIS and the Department of Provincial and Local Government are supporting efforts to enhance communication capacity in the local sphere of government.

Improving South Africa's image in the world is yet another strategic objective where a period of planning and preparation is issuing in action, as the Brand South Africa campaign develops.

Also in the international sphere we have started more systematically to develop our relations with our counterparts in southern Africa and further afield. We are working closely with the New Partnership for Africa's Development (NEPAD) Secretariat on various NEPAD initiatives.

Making this kind of progress has necessitated continuing transformation of GCIS itself, both in terms of representivity and orientation as communicators as well as in improvements in administrative procedures. While recording the progress made, GCIS is also conscious of the need to improve. Further, as major programmes approach the completion of their current phases, attention is being given to new phases and new targets, the better to meet the communication needs of government and the information needs of the public.

The details are set out in this report.



JK NETSHITENZHE  
CHIEF EXECUTIVE OFFICER: GCIS



# GCIS Corporate Strategy (April 2002 – March 2005)

## Vision

Helping to meet the communication and information needs of government and the people, to ensure a better life for all.

## Mission

GCIS' mission is to provide leadership in government communication and ensure that the public is informed of government's implementation of its mandate.

## Strategic objectives

1. Ensure that the voice of government is heard.
2. Foster a more positive communication environment.
3. Have a clear understanding of the public information needs and government's communication needs.
4. Set high standards for government communication.

These objectives will be achieved by having the following elements in our strategic approach:

## GCIS approach

### 1. Providing leadership in government communication

GCIS must take responsibility for ensuring government is communicating interactively with the public and for the communication of government's vision and approaches to broad areas. GCIS needs to be at the forefront of analysis of the communication environment so that it can identify initiatives to be taken in enhancing the work of government and is also able to respond effectively when required.

### 2. Research and information gathering

The Government communication system as a whole needs to base its work on soundly researched approaches. GCIS will play a key role in identifying areas of communication research as well as receiving relevant research reports from other sectors. Furthermore, intimate knowledge of government's poli-

cies, programmes and implementation will further enhance communication. There is therefore a need to package information on government's Programme of Action.

### 3. Improving on information delivery to the public

GCIS will need to intensify the provision of basic information to the public about the rights of citizens, how to take advantage of government's socio-economic programmes, and general progress in the development of policy and its implementation. Niche information products will also be required. Information products of government departments will need to be planned well in advance so that they can be pre-tested and distributed to target audiences in time. The distribution strategy should facilitate better access to products by the identified target audiences. The media used must be in line with development communication principles.

### 4. Developing better alliances in the communication environment

GCIS must take overall responsibility for improving relations between government and the media, advertising agencies, designers and other sectors (economic, health, social, etc.). It must play a role in helping to transform the media and advertising industry. To achieve this, GCIS shall work through the Media Development and Diversity Agency (MDDA) to help in establishing and sustaining community and small commercial media much closer to cities. It must develop closer relations with identified agenda setters.

## Key issues

### 1. Giving greater direction to government communication

- GCIS needs to ensure it has both the capacity to arrive at quick, accurate analysis of the environment as well as the ability to implement rapid responses. This will assist in making its advisory role to Cabinet even more meaningful.

- Attention will be paid to strengthening and integrating the Government communication system. This will take the form of Heads of Communication being part of the pool of project leaders, taking greater responsibility for transversal campaigns.
- The definition of government communication system must be extended to include critical South African missions.
- There must be a clearly understood cycle beginning with end-of-year evaluations, the development of the Government Communication Strategy and Communication Programme, and finalisation of departmental and cluster plans/strategies.
- GCIS will need to play a role in developing the capacity of provincial government communicators and developing/ implementing a strategy for working with local government.

### 2. Raising the standard of government communication

- GCIS must ensure that the *Imbizo* approach of interactive governance takes root throughout government.
- The implementation of the GCIS Peer Review Process will ensure that in the medium term a uniform standard of excellence is achieved among Heads of Communication.
- GCIS must play an active role in advising communication components on their development requirements.
- The GCIS audit of communication capacity must identify shortcomings in the system as well as where there may be overcapacity.
- GCIS must assist in content development and quality control over critical information products, including government websites.
- With the assertion of the International Marketing Council, GCIS must begin playing a greater role in co-ordinating government's efforts and enhancing the communication capacity of South Africa missions.
- GCIS will help departments in building/strengthening partnerships with key stakeholders, including for community purposes.

### 3. Impacting on the communication environment

- Vehicles such as the MDDA and Multi-Purpose Community Centres (MPCCs) will contribute towards establishing a more representative communication environment.
- Regular environment scanning with special attention to content analysis and the media agenda will be required.
- Better research into public information needs.
- GCIS needs to establish a better system for monitoring the implementation and impact of government's Programme of Action so that it is able to communicate government's implementation of its mandate.
- More attention will need to be paid to building relations with civil society structures, especially media organisations, the Advertising Agencies Authority, Design Council, non-governmental organisations, training institutes etc.
- GCIS will need to ensure wider use of BuaNews

### 4. Smarter working GCIS

- GCIS must develop a set of core competencies, which its communicators must possess.
- GCIS must make better and fuller use of information communication technologies, both in management of the organisation as well as in communication.
- Continued institutionalisation of project management in GCIS.
- The Business Process Re-engineering initiative must proceed to ensure continuous implementation and alignment of GCIS.
- All measures, including development plans and clear target setting must be utilised to enhance the performance of staff and the attainment of excellence.
- Greater integration of work by the different directorates.
- GCIS should instil the culture of learning from our experiences.

### 5. Key campaigns

**Theme one:** Building a more efficient, people-centred government for expanded access to social services and to push back the frontiers of poverty (Governance and Administration Cluster).

Focus issues:

- *Batho Pele*
- MPPCs
- Fighting corruption in the Public Service.

**Theme two:** Building a people's contract for Africa's renewal in a more peaceful world (International Cluster)

Focus issues:

- New Partnership for Africa's Development/African Union
- Southern African Development Community
- International Marketing Campaign.

**Theme three:** Building a people's contract for growth and development (Economic, Investment and Employment Cluster).

Focus issues:

- Growth and Development Summit
- Mass campaign on economic opportunities
- Black Economic Empowerment.

**Theme four:** Building a people's contract for a safer and more secure South Africa (Justice, Crime Prevention and Security Cluster).

Focus issues:

- Reduction of crime against women and children
- Release of crime statistics
- Truth and Reconciliation Commission Report
- 16 Days of Activism – no violence against women and children.

**Theme five:** Building a people's contract for a caring and committed society working towards sustainable social growth and development (Social Cluster).

Focus issues:

- Intensification of social grants registration
- Food Security Programme
- Free basic services

- Moral renewal.

**Theme six:** Transversal campaigns

- *Imbizo*
- HIV/AIDS
- Celebrations of 10 years of democracy
- Integrated Sustainable Rural Development Programme and Urban Renewal Programme
- Elections 2004.

**Theme seven:** GCIS projects.

- GCIS Budget Vote
- Transformation of the advertising and marketing industry
- Post mid-year Cabinet *Lekgotla* communication
- Government Communicators Awards
- Opening of Parliament
- *Bua Briefs*
- Unmediated communication products
- Enterprise project management.

# Part 3

## Programme performance





# Programme 1: Administration

## Aim

Administration provides for the overall management of GCIS. It accommodates the costs of senior management and members of the Secretariat. It also comprises components dealing with human resource and financial management, as well as other support services.

MAIN HIGHLIGHTS FOR THE YEAR UNDER REVIEW APPEAR IN THE TABLE BELOW:

## 1. Subprogramme: Project Desk (PD)

Original Targets set in the Medium-Term Expenditure Estimate			Report against Targets
Subprogramme	Output	Service-Delivery Indicators	Status
PD	Alignment of GCIS resource capacity to the Government Communication Programme (GCP)	All teams nominated, functioning well and briefed about the GCP	GCP 2002 teams were nominated and briefed about the GCP themes for 2002
		GCP 2003 portfolio of projects approved	GCP 2003 was developed and the Government Communicators Forum briefed on GCP 2003
	Improve project management capacity in GCIS	Officials trained, and improved skills levels in Project Management (PM) achieved	A total of 100 officials based at Midtown and Regional Offices respectively were trained in both theory and MS Project
	Establish subproject offices in all the five Chief Directorates	Officials equipped with administrative, co-ordination and, planning skills	Subproject offices are to be established in the 2003/04 financial year (the delay was caused by the restructuring processes taking place in GCIS during the 2002/03 financial year)
	Improve PM systems and procedures in GCIS	Service-provider commissioned with clear terms of reference to conduct the survey and report submitted to PD	Completed – gaps identified in the survey report to be addressed during 2003/04
	Securing cluster co-operation and departmental buy-in on GCP	Cluster strategies developed by 31 March 2002, presented to DGs clusters by 31 April, and to Cabinet Committees by 31 May	PD facilitated the development of the five cluster communication strategies and presented them to both FOSAD Clusters and Cabinet Committees

## 2. Subprogramme: Human Resources (HR)

During the period under review, the Directorate: HR continued to provide a support service to the organisation with respect to the:

- implementation of new Public Service Regulations
- management of the bursary budget and ensuring that training was in line with departmental needs
- production of all internal communication publications and distribution and maintenance of communication culture
- dealing with HIV/AIDS, gender, disability issues and providing employee assistance
- provision of information services to both internal and external clients.

The following subdirectorates provided this support service:

- Special Programmes
- Human Resource Development and Training
- Internal Communication
- Human Resource Management
- Information Centre.

The following services were provided by each of the Subdirectorates:

### 2.1 Special Programmes

- ensuring that an HIV/AIDS awareness programme was in place
- providing ongoing information and education programmes about HIV/AIDS to the GCIS and the GIC staff through
  - ▲ information sessions
  - ▲ guest speakers
  - ▲ distribution of government-issued condoms to staff
  - ▲ liaising with the GCIS library to ensure staff had access to reading material on HIV/AIDS.
- ensuring implementation of programmes on other issues of concern to staff through:
  - ▲ training/information sharing/workshops on various aspects that affect the well-being of staff
  - ▲ continued training efforts and information sharing ses-

sions to all staff: financial planning, insurance, child maintenance and abuse, wills, purchase of property, retirement planning etc.

- ▲ creating awareness around gender and disability issues.

### 2.2 Human Resource Development and Training

The Subdirectorate was responsible for:

- managing the organisation's bursary budget and ensuring that training is provided within the framework and is according to the requirements of the South African Qualifications Authority (SAQA)
- participating in SAQA structures: the Standards Generating Bodies, the National Standards Body, the Education and Training Quality Assurance bodies and Sector Education and Training Authorities (SETAs)
- marketing, directing and facilitating in-house impact-directed training
- networking and benchmarking with training sections in the parastatals and private sector so as to learn their 'best practice'
- developing training policies and strategies
- developing career plans for each employee in the GCIS
- managing and co-ordinating the intake of interns in the organisation
- developing Workplace Skills Plans in accordance with the Public Service SETA guidelines.

### 2.3 Internal Communication

The Subdirectorate was responsible for:

- maintaining effective internal communication in the organisation
- maintaining a communication-orientated culture in GCIS
- facilitating two-way communication in the organisation
- staging special events/presentations and social functions.

### 2.4 Human Resource Management

The Subdirectorate was responsible for:

- managing the recruitment and selection process
- developing the HR plan and strategy

- managing the existing personnel to ensure increased performance and stability
- implementing the new Public Service Regulations and all resolutions of the Public Service Co-ordination Bargaining Council
- managing the conditions of service of all staff members
- handling labour relations issues
- implementing the new performance management system.

### 2.5 Information Centre

The Information Centre programme consists of the following sub-divisions:

- Directories
- Call Centre
- Library.

#### 2.5.1 Directories

The unit compiled, updated and made directories available in print and electronically. The unit is responsible for the:

- *South African Government Directories*
- *Directory of Contacts*
- *Media Directories*
- *Profile.*

#### 2.5.2 Call Centre

The Centre rendered an effective enquiry service by analysing enquiry trends, based on statistics per client and subject and grouped into different clusters or subjects according to types of questions (Economic Cluster; Social Cluster; International Relations Cluster; Justice, Crime Prevention and Security Cluster; and the Governance and Administration Cluster. Other groupings include general issues and speeches by Cabinet Ministers.

#### 2.5.3 Library

The library addressed the needs of internal and external clients by purchasing and subscribing to hard copy and online information sources. The library management functions are electronically

operated through the INMAGIC system. Website software was acquired to give users electronic access to the library catalogue from their own workstations or the central one in the library.

### 3. Office of the Chief Financial Officer

#### Subprogramme: Finance, Logistics and Auxilliary Services

##### Main highlights for the year:

An amount of R153 728 000 was allocated to GCIS in the financial year under review. R50 million was allocated to the International Marketing Council (IMC), R3 000 000 to the Media Development and Diversity Agency (MDDA) and GCIS remained with R100 728 000 of which R48 945 000 was for operational purposes. 51,3% of the operational funds were directly utilised for communicating with the public through road shows, production material for distribution, *Imbizo* programmes, Multi-Purpose Community Centre (MPCC) launches, trips by Communication Officers in rural areas and translation services. The remaining percentage was used for indirect servicing of communication programmes. 86% of the IMC's budget was utilised for foreign marketing of South Africa through advertisements.

Following GCIS' submission to National Treasury regarding the personnel budget deficit, funds were allocated to offset the personnel shortfall. GCIS is therefore happy to report to the Committee that 77% of the posts have been filled. Unfortunately, the filling of the posts has taken slightly longer than originally envisaged because of the current restructuring process to which all departments have to adhere. GCIS therefore plans to fill the remaining vacancies during this new financial year as we proceed to launch more MPCCs.

Lastly, in line with the requirements of the Public Finance Management Act, 1999 and Treasury Regulations, GCIS has developed its own financial policies. These policies have structured financial procedures in such a manner that they ensure proper accountability and flexibility to allow the line-function work of communication to proceed without unnecessary hindrances.

### 4. Subprogramme: Internal Audit

The unit co-ordinated an annual review of the risk assessment strategy with management in the department. The strategy was used in updating the unit's three-year strategic plan and to develop its annual operational plan. In terms of the annual plan, 12 of the 13 auditable areas identified have been audited. By 22 May 2003, all audit reports on the 12 audit projects identified had been presented to senior management and the Audit Committee.

### 5. Subprogramme: Information Management and Technology

#### The Subprogramme was responsible for:

- improving the performance of the Wide Area Network (WAN) by replacing the old network equipment with the latest available technology. The new equipment provides improved security, network management and support capability and is capable of voice-over data communication. Procurement and project management were done through the State Information Technology Agency (SITA).
- improving the regional Information Technology (IT) infrastructure by replacing all the main servers in the Regional Offices with the latest low-end servers. This has resulted in significant improvement in the IT resources in the Regional Offices, with more hard-drive space available for local storage, additional memory and processor speed for improved performance of the e-mail systems. Procurement of the equipment was done through government contracts.
- improving IT security by
  - ▲ installing appliances to enhance perimeter security
  - ▲ installing and upgrading software to reduce Internet and e-mail threats
  - ▲ maintaining software licensing agreements
  - ▲ improving the main server room and installing new uninterrupted power supply and air-conditioning equipment.
  - ▲ improving information systems for the
    - *Indibano*: The Subprogramme developed and

improved a management-reporting tool for monthly reporting on the strategic elements of GCIS' business plans

- PD Intranet: It developed a knowledge and document management system for the PD. This system will serve as a weekly reporting tool for projects and a document repository for information relating to current and previous projects.
- service-providers: The Subprogramme developed a database to store and maintain information about the different GCIS service-providers.
- undertaking two major development projects with SITA:
  - ▲ Online Directories: A system to make contact information for government departments and agencies available electronically on the web was introduced
  - ▲ media system: It allows for the capturing and indexing of news clippings and the generation of reports.
- making available IT services within GCIS by
  - ▲ continued business agreements and Service Level Agreements with SITA
  - ▲ maintaining desktop and server software license agreements
  - ▲ continuing with hardware and software repairs and maintenance contracts for desktops, servers, peripherals and WAN equipment
  - ▲ managing and using the organisation's Electronic Information Resources (EIR), through development, maintenance and hosting of the Government Online and GCIS websites, as well as providing web services of various kinds to government, national and provincial, as follows:

## Subprogramme: Information Management and Technology

	Report against Targets			
	Subprogramme	Output	Service-Delivery Indicators	Status
	Electronic Information Resource (EIR)	<p>Raising the standard of government communication</p> <p>Improving information delivery by means of the Government Online and GCIS websites</p>	<p>Improved government website presence</p> <p>Improved comprehensiveness and accessibility of government information on the Internet</p> <p>Improved GCIS communication and information dissemination</p>	<p>Provided support to government departments and provinces through</p> <ul style="list-style-type: none"> <li>■ evaluating/auditing two websites</li> <li>■ maintaining and updating eight websites</li> <li>■ hosting 18 websites</li> <li>■ providing advice and support to nine government institutions</li> <li>■ developing a website for the African Union</li> </ul> <p>A decision that GCIS will no longer develop or redesign websites for government institutions was implemented. All requests were referred to SITA.</p> <p>Maintained and improved the Government Online website:</p> <ul style="list-style-type: none"> <li>■ approximately 1 044 new documents, 4 563 speeches and statements, 400 government and national events, special days, press conferences and conferences were added to the site (until March 24)</li> <li>■ expanded Key Issues to also include issues such as the Government Programme of Action, Moral Regeneration and Budget 2003</li> <li>■ expanded Frequently Asked Questions to include additional topics</li> <li>■ added additional document categories to provide access to additional documents available on other government websites</li> <li>■ developed and implemented an e-newsletter and a mailing list for speeches and press statements. The newsletter was distributed daily. Subscribers increased from 253 in October 2002 to 1 118 during February 2003</li> <li>■ usage statistics: total page views for the Government Online website were 1 814 276 until February 28 (compared to 1 483 801 the previous year).</li> </ul> <p>Developed and maintained the GCIS website:</p> <ul style="list-style-type: none"> <li>■ redesigned and redeveloped the GCIS website</li> <li>■ redeveloped the BuaNews website</li> <li>■ developed and started to implement an internal policy for the updating and maintenance of the GCIS website</li> <li>■ usage statistics: total page views for the GCIS website were 205 144 – until February 28 (compared to 154 020 the previous year).</li> </ul> <p>Developed and implemented e-newsletters and mailing lists for BuaNews</p>
			Improved access to government contact information	Implemented a database and search facility for GCIS <i>Contact Directories</i> and <i>Profile</i> . This allows for interactive updating of this information on the GCIS and Government Online websites, as well as for scoped searches on contact information and profiles
			Continuous monitoring of website usage	Implemented a new programme to monitor website usage for websites hosted on the GCIS' web server. The programme allows for continuous monitoring of website usage

## Programme 2: Policy and Research

### Aim

The Programme keeps GCIS informed of the environment within which government is communicating through monitoring trends. It enables GCIS to stay abreast of developments relating to communication, information and the media, including in the Southern African Development Community (SADC) as well as trends relating to the development and implementation of government policy. Having managed the policy process towards the establishment of the Media Development and Diversity Agency (MDDA), it continues to render support to the Agency.

**Policy** monitors and develops media, communication and information policies, while monitoring the development and implementation of government policy as a whole from a communication perspective. It also carries out GCIS responsibilities towards the MDDA and SADC.

Original Targets set in the Medium-Term Expenditure Estimate				Report against Targets
	Subprogramme	Output	Service-Delivery Indicators	Status
	Management	Strategies for communication	Number and quality of communication strategies produced	Communication strategies were developed in the context of campaign project teams and clusters, as well as for departments when requested
	Policy	Establishment of the MDDA	MDDA established and functioning	MDDA established in October 2002
	Research	Communication research advice service to government	Usage of GCIS communication research advice for effective and improved communication	Input for the Cabinet <i>Lekgotla</i> and a research presentation at the Government Communicators Forum were done. Post <i>Imbizo</i> research results were presented to the <i>Imbizo</i> Co-ordination Team



**Research** assesses the information and communication needs of government and the public and evaluates government's communication initiatives and products.

**MAIN HIGHLIGHTS FOR THE YEAR UNDER REVIEW:**

- Policy supported the legislative process, which culminated in the passing of the MDDA Act in June 2002 and then contributed to the MDDA becoming operational after the appointment of the Board by the President in December 2002.
- It co-ordinated the establishment of the SADC Media Awards National Adjudication Committee Task Team.
- The Research Programme oversaw the baseline survey on the advertising and marketing industry for input into the Parliamentary Hearings on the subject in November 2002. It implemented the Tracker research mechanism for continuous assessment of the communication environment and evaluation of the reach and impact of government communication efforts. It managed post-Presidential *Imbizo* research.
- Media monitoring and analysis were done on, among others, major communication events such as the State of the Nation Address and Parliamentary Briefing Week, the Budget Speech, the World Summit on Sustainable Development as well as on a regular basis for the GCIS Secretariat, and for pre-Cabinet and Cluster meetings.
- Policy assisted the Communication Resource Centre in establishing its processes and for reporting on the international media environment.



## Programme 3: Government and Media Liaison

### Aim

**Government and Media Liaison** aims to ensure comprehensive and coherent liaison between the mass media and government by supporting government communicator's Clusters, convening co-ordination forums and building the communication capacity of government departments. There are four subprogrammes:

**National Liaison** ensures that national departments develop subsidiary communication strategies in line with the national communication strategy adopted by Cabinet each year, and monitors the implementation of those strategies. It also provides support for the operation of the communicators Clusters.

**International and Media Liaison** provides media liaison services on behalf of government, both inside the country and

internationally, and maintains working relations with various media institutions. It co-ordinates international communication in collaboration with other stakeholders.

The **News Service** provides development information to community and mainstream media.

**Client Training Services** co-ordinates training services to government communicators at national and provincial levels and aims to extend this to local government level.

### MAIN HIGHLIGHTS FOR THE YEAR UNDER REVIEW:

The programme was responsible for:

- ensuring that all Cluster strategies were completed in time, submitted to DG Clusters for ratification and presented to

Cabinet Committees for approval. The implementation process was also monitored.

- convening government communicators' co-ordinating forums, including the Government Communicators Forum (GCF), which was held four times, pre-Cabinet meetings, held twice a month as well as monthly meetings of the GCIS Secretariat and provincial Heads of Communication. Regular meetings were also hosted for Media Liaison Officers (MLOs).
- launching the Presidential Press Corps
- enhancing the operations of BuaNews towards becoming a fully-fledged government news agency
- developing unit standards for training in government communication
- conducting a number of briefings with the media for Ministerial Clusters as well as for individual departments.

Original Targets set in the Medium-Term Expenditure Estimate			Report against Targets
Subprogramme	Output	Service-Delivery Indicators	Status
Management	Strategic support to government communication Clusters.	Cluster communicator meetings mirroring the Interministerial Cabinet Committee Clusters	<ul style="list-style-type: none"> <li>■ Facilitated meetings of communication clusters</li> <li>■ Attended meetings of the IRPS DG Cluster and negotiated attendance of Cabinet committee meetings by Heads of Communication Clusters</li> </ul>
National Liaison	Co-ordinated communication	Convene co-ordination forums	Convened four GCF meetings, monthly meetings between Provincial Heads of Communication with GCIS Secretariat, pre-Cabinet meetings twice a month as well as regular MLO forums
	Information and planning are achieved in a comprehensive and coherent fashion	A managed electronic calendar of government communication and the GCF web page	Regular updating of electronic calendar including the Intranet and Extranet
	Publication of information/analysis	Publication of <i>Bua Magazine</i>	The Magazine was produced quarterly
International and Media Liaison	The provision of effective communication capacity to foreign missions	Effective, dedicated and trained information officers in foreign missions	Facilitated appointment of country managers based in missions in key countries. Managers were appointed in the United Kingdom and United States

Annual report

Subprogramme	Output	Service-Delivery Indicators	Status
	The provision of media liaison services on behalf of government, in co-operation with departments and Ministries	Effective and timeous media liaison	Services were regularly provided as requested
	Information briefings	Successful briefing weeks at opening of Parliament Post-Cabinet briefing	Media briefing weeks in February after State of the Nation Address as well as in July after the second Cabinet <i>Lekgotla</i>
News Service	An electronic calendar of public events in government	A daily reading and writing facility for government communication leadership	Regular updating of the electronic calendar
	News dissemination	Number of users on the daily on-line service	Grown BuaNews into a credible government news source
Client Training Services	Co-ordination of training of government communication officers	Liaison with training service-providers on issues of training throughout the year	Catalogued training service-providers to be accessed by communicators
	Unit standards for training in government communication	Acceptance of unit standards by government communicators and other stakeholders	The development of standards in conjunction with South African Qualifications Authority has been completed

## Programme 4: Provincial and Local Liaison



### Aim

Provincial and Local Liaison (PLL) supports the provision of a development communication and information service to the public. It co-ordinates the Multi-Purpose Community Centre (MPCC) programme through the establishment of community centres countrywide. It promotes communication partnerships between all spheres of government and with traditional leaders, parastatals, non-governmental organisations (NGOs), community-based organisations (CBOs) etc. It establishes Government Information Centres (GICs), sets up information distribution networks and identifies community information needs.

#### MAIN HIGHLIGHTS OF THE YEAR UNDER REVIEW:

- PLL was restructured to have three subprogrammes,

namely Administration Support, Institutional Development and Local Liaison and Information Management.

- Thirty new staff have been appointed and trained as grassroots development communication workers. Several GCIS personnel have been relocated to MPCCs and district offices to extend the reach of communication especially to rural areas. This realignment has gone hand-in-hand with extensive training, including the development of a comprehensive *Development Communication Manual*.
- Four pilot workshops were hosted at operational MPCCs with the Department of Trade and Industry (DTI) to assess the type of economic services, which the DTI

and other relevant agencies can offer through MPCCs. This programme is to be rolled out in 10 centres during 2003/04.

- The National Intersectoral Steering Committee on MPCCs joined forces to host an exhibition on the MPCC Programme at the World Summit on Sustainable Development. The exhibition showcased the Programme's achievements countrywide and gave international visitors an insight into efforts on the part of the South African Government to promote integrated service delivery, the use of technology for development and access in rural areas.

- Regional Offices countrywide mobilised communities to sign the pledge on No Violence Against Women and Children. Deputy President Jacob Zuma launched the Government's one-stop centre in Diepsloot, established in response to the need for a formal presence in a communi-

ty where the incidence of violence against women and children had been acute.

- The local liaison programme tailored products to meet the needs of people with disabilities. GCIS Regional Offices have forged partnerships with disability groups and used

drama, sign language, tape aids and Braille as communication methodology.

- Progress has been made in setting up a comprehensive Ward Information Management System.

Original Targets set in the Medium-Term Expenditure Estimate			Report against Targets
Subprogramme	Output	Service-Delivery Indicators	Status
Management	Establish GICs	Number of information centres	<p>Since 1999, 64 GICs have been established of which 36 are in MPCCs. The 28 remaining are in District Municipalities and in premises where MPCCs have not been established. In some cases, there are more than one GIC in a district.</p> <ul style="list-style-type: none"> <li>■ In the 2002/03 financial year, 35 GICs and 15 satellite GICs were established in districts where there are more than one municipality</li> <li>■ Several government information points of presence in districts were also established</li> </ul>
	Capacity-building	Number of staff trained	<ul style="list-style-type: none"> <li>■ 70 staff, mainly from the nine regional offices and GICs were trained in development communication, networking, media and community liaison</li> <li>■ Project Desk arranged training for 76 Senior Communication Officers and managers in Project Management and 18 of those were trained in Microsoft Project 2000</li> <li>■ All staff participated in various training programmes facilitated by the Human Resource Development Subdirector</li> </ul>

Subprogramme	Output	Service-Delivery Indicators	Status
	Establish MPCCs	Number of MPCCs	<ul style="list-style-type: none"> <li>■ 17 of the 25 MPCCs, which were targeted, have been established. Progress has been made towards the establishment of eight in 2003/04</li> <li>■ More than 300 services from all spheres of government have been delivered to communities where they have not existed before through the MPCC Programme</li> <li>■ An MPCC evaluation workshop was held</li> </ul>
Liaison	Rural networks for distribution of communication material	Number of networks at community centres	<ul style="list-style-type: none"> <li>■ A database of more than 4 000 community-based distribution points has been identified countrywide, mostly at ward level</li> <li>■ A database of local networks is in place at each GIC</li> <li>■ A profile of CBOs, NGOs, community media groups, organisations of disability groups, women and youth structures, business, etc. is in place</li> <li>■ A comprehensive database of information needs of communities at ward level is in place</li> </ul>
	Development communication partnerships	Regular meetings with communication structures at national, provincial and local levels	<ul style="list-style-type: none"> <li>■ Meetings were held with provincial Heads of Communication every three months to promote coherence and integration around communication issues</li> <li>■ Monthly meetings of Provincial Communication Forums attended by GCIS regional managers</li> <li>■ Progress made in Eastern Cape, Limpopo and Free State in setting up district communication forums to be extended to other regions in the 2003/04 financial year</li> <li>■ A landmark first conference of local government communicators, representing the majority of municipalities in South Africa, was hosted by the South African Local Government Association (SALGA) with the support of GCIS</li> <li>■ A committee focusing on the communication needs of local government and the resolutions of the June 2002 conference was set up by SALGA and has been meeting monthly.</li> </ul>
	Identify community information needs	The amount of market research via focus groups in rural, semi-urban and urban areas, done by a target group	<ul style="list-style-type: none"> <li>■ A comprehensive network of community-based partners has been established to help identify the communication needs of communities</li> <li>■ Through partnerships with local government, GCIS Communication Officers were able to integrate with the communication needs of municipalities as expressed through Integrated Development Plans</li> <li>■ Communication Officers in districts use operational MPCCs to a greater extent to interact with the public and identify their needs</li> <li>■ More than 500 community information events have been co-ordinated by GCIS Regional Offices in communities countrywide</li> </ul>



# Programme 5: Communication Service Agency

## Aim

The Communication Service Agency (CSA) provides a range of media production services, such as advertisements, videos, radio programmes, photographs and designs to communicate government's message. There are three subprogrammes:

**Marketing and Distribution (MAD)** manages the corporate identity of government, develops strategies for marketing, distribution, event management, public relations and advertising, and buys media in bulk.

**Product Development** develops broadcast strategies for inclusion in campaign and project communication plans, produces videos and radio programmes for other departments, as well as providing graphic design and layout, exhibition design and photographic services.

**Content Development** identifies government communication needs, identifies the public's information needs, develops a content strategy for individual and transversal campaigns, provides editorial services and produces the *SA Yearbook*.

## MAIN HIGHLIGHTS FOR THE YEAR UNDER REVIEW:

- The CSA contributed to various government campaigns through radio, video and print. These included the launch of the African Union (AU), the development and presentation of new National Orders, awareness of government's policy on HIV and AIDS, the burial of Sarah Bartmann, the *Imbizo*

Focus weeks and Multi-Purpose Community Centre launches.

- It was responsible for the production of publicity material for the mass multimedia campaign around the President's annual State of the Nation Address.
- During the Opening of Parliament, 48 community radio stations were provided with live links to the President's Address and the Ministerial briefings. This included the new KhoiSan radio station. By the end of March, radio dramas of the simplified version of the President's Address had been flighted on all the African Language Stations of the SABC and on community radio stations. One-hour phone-in programmes entitled *Talk to Your Minister* were also facilitated on Community Radio Stations (post-Cabinet *Lekgotla* and during Ministerial briefing weeks).
- Packages consisting of a video programme of the presentation of the National Orders, photographs of the event and a booklet with citations of the recipients were handed to The Presidency to be delivered to those who received Orders.
- In 2002/03, the *SA Yearbook* was sold at bookshops for the first time. The 2002/03 edition was launched in February 2003 at the South African National Arts Gallery in Cape Town. Proudly South African came on board, expanding the publication's marketing scope. Side products include a pocket guide and wall charts based on information contained in the *Yearbook*. Marketing of the *Yearbook* has improved with, among others, a slot on e-tv, SAFM, giveaways in *Beeld* and *Sawubona*, etc.
- Through bulk-buying of media space for government as a whole, ad placement for the period April 2002 to January 2003 totalled R42 million, bringing an estimated saving of 20%. A Corporate Identity Agency was appointed to develop a *Corporate Identity Manual* for government. Departments were assisted in the selection of advertising agencies and in the marketing the new National Orders and the launch of the AU.
- The CSA led GCIS involvement in the process towards the transformation of the advertising and marketing industry. Following a year of consultations there was a second round of public hearings, which concluded with consensus between government and industry to work towards targets and timeframes to promote transformation. Engagement with the industry continues in preparation for a plenary meeting during 2003.

**Original Targets set in the Medium-Term Expenditure Estimate**

	Subprogramme	Output	Service-Delivery Indicators	Status
	Management	Strategic support	Number and effectiveness of products produced	Ongoing review and advice regarding effectiveness of products produced by the CSA
	Marketing	Marketing and distribution strategies and plans	Number of marketing and distribution strategies drafted and managed	About R42 million was managed and media planning and buying strategies were developed for campaigns totalling this figure
		Briefing advertising and media placement agencies	A panel of advertising agencies constituted	A tender for the constitution of a panel of advertising agencies has been published and will be constituted by the end of August 2003
		Specifications for the outsourcing of relevant communication services	Number of projects outsourced successfully	Outsourced projects included a corporate video, design of National Orders, development of AIDS ads and the WASH campaign
		Building government's corporate identity	Improved positioning and building goodwill	The tender for the development of a <i>Corporate Identity Manual</i> for government has been awarded. The Manual will be completed by October 2003
	Product Development	Video and radio material produced	Turn-around time after requests for video or radio products submitted	<p>The turn-around time for video programmes to delivery is five weeks, dependent on the client's co-operation. Once the message is received, radio slots can be delivered in three days, also dependent on sign-offs.</p> <p>Video and radio programmes for other departments included:</p> <ul style="list-style-type: none"> <li>■ Criminal Court Procedures, National Youth Commission, World Summit on Sustainable Development, AIDS-Social Development, <i>Imbizo</i>-Gauteng</li> </ul> <p><b>GCIS programmes included</b></p> <ul style="list-style-type: none"> <li>■ Parliament Portfolio Committee, National Orders, National Symbols, advert for State of the Nation, advert for Truth and Reconciliation Commission, advert for <i>Imbizo</i>, CEO Address</li> </ul>
		Photographic provision	Quality, quantity and availability of photos	<ul style="list-style-type: none"> <li>■ The turn-around time for photos is much faster as CSA has three in-house photographers and a variety of freelancers countrywide</li> <li>■ Photos produced by the unit are of high quality. As the custodians of official images, the CSA always has sufficient supplies of the photos of the President, Deputy President and Cabinet Ministers</li> <li>■ More than 5 000 pictures were supplied on request during the review period</li> <li>■ As for availability, the CSA seems to have about 90% of the pictures requested</li> </ul>
		Design and print		Approximately 117 requests were received from departments and Government Information Centres (excluding requests for photographs)

Subprogramme	Output	Service-Delivery Indicators	Status
Content Development	<p>Provincial and local content development briefing forums</p> <p>Evaluation of information products developed in government departments</p>	<p>Provincial and local content development briefing forums held</p> <p>Evaluated information products developed in government departments</p>	<p>The Content Development Strategy has been developed and will be shared with government communicators at all levels of government in relevant briefing forums</p> <ul style="list-style-type: none"> <li>■ The section has assisted a number of departments with the content development of information products during the review period e.g. booklets for the AU, the presentation of the National Orders and HIV/AIDS</li> <li>■ It has also assisted departments such as Arts and Culture and Public Service and Administration with newspaper ads on Sarah Bartmann and the restructuring of the Public Service</li> <li>■ The section continues to assist directorates within GCIS with the editing of products such as <i>Bua Magazine</i>, <i>Let's Talk</i> and the <i>Annual Report</i></li> </ul>



## Programme 6: International Marketing and Mobilisation

### Aim

International Marketing and Mobilisation aims to market South Africa internationally. It is responsible for developing a brand identity for South Africa and ensuring sound perceptions of the country as a trade partner, role-player in international affairs, and as an investment and tourist destination.

### MAIN HIGHLIGHTS FOR THE YEAR:

The framework to guide our efforts to change how the world perceives, thinks and feels about South Africa has been completed, and culminated in the development of the Desired Brand Positioning (Unilever Brand Key). This defines how we want the world to think and feel about South Africa relative to other countries within a competitive environment.

The process to translate the desired positioning into reality was set in motion. The architecture of how to translate the Desired Country Positioning into expressions for tourism and trade and industry has been completed.

Work on the tourism expression has been completed, and the process to translate the Desired Country Positioning into trade and industry expression is under way.

The Internal Mobilisation Programme has been launched.

- The Integrated Communication Plan (National Pride Campaign) was finalised and the radio campaign launched at the end of April while the TV ad started in May 2003. The radio ad is in all official languages and features success stories.
- The public relations plan was completed for implementation

around the same time, its key objective being to change behaviour and encourage South Africans to become marketers for their country. Each story is amplified on the web, in newsletters, in press releases, radio commercials and in online communication.

- The Brand Champion Conversion process, to enroll individuals and collectives/companies to help build the brand, was being finalised for implementation in the third quarter of 2003.
- Special projects such as the Heritage Day Project through which the International Marketing Council (IMC) aimed to enable people to fly the South African flag in their homes were implemented with full media support in conjunction with the relevant government departments.

The international plan to change how the world perceives, thinks and feels was being strategised for implementation in the 2003/04 fiscal year.

### Communication Resource Centre (CRC)

The CRC continued to monitor foreign media to produce a daily summary and analysis, which are circulated to a wide range of government communicators and opinion-makers. Additional monitoring is undertaken to cover breaking news and major communication events such as the Cricket World Cup, State of the Nation Address by the President, Parliamentary Media Briefing Week and the Budget speech 2003.

Weekly reports on international coverage, both general reports and special reports on economy, tourism and employment are produced, as well as monthly reports intended to assist govern-

ment Clusters and communicators in the private sector in developing and implementing communication plans.

### Country Manager Project

Support for IMC strategy for international brand roll-out in the United States (US) and United Kingdom (UK) was enhanced through the hosting of a visit to South Africa by the US IMC country manager and an information officer at the UK High Commission in London.

**Web Portal** – the Web Portal [www.saafrica.info](http://www.saafrica.info) was launched in August 2002 with over 1 300 pages of information, updated daily and focusing on positive imaging of the country. It is currently achieving 300 000 page views per month.

**Hidden Edge** – the IMC has sponsored the production of an updated version of the *Hidden Edge* publication, highlighting science and technology innovation. The revised version will include a multimedia format and exhibition content for global use.

**Information Resource Centre (IRC)** – the IRC is becoming a library for South African success stories from business, government, tourism and general society. Pre-prepared packs will be distributed to thought leaders requesting information on South African successes in business, tourism, quick facts, inhibiting issues, etc.

**Original Targets set in the Medium-Term Expenditure Estimate**

Subprogramme	Output	Service-Delivery Indicators	Status
International marketing and mobilisation	Improving perceptions about South Africa	The extent to which the international marketing strategy has been implemented	The strategy is being finalised for global usage. The IMC has hired a country manager in Washington who lobbies and reports back to the IMC, and works in consultation with the South African Embassy
	Support for international events and conferences	The number of events where the South African brand is promoted	The CRC was an integral part of the core communication team during the World Summit on Sustainable development, the African Union Summit and the Cricket World Cup
	Brand South Africa	A developed Brand South Africa for use by stakeholders	Brand SAhas been developed and is being articulated in above-the-line and below-the-line activities, as outlined above

# Part 4

## HR Oversight Report

# GCIS: Human Resource Oversight Report

## Service-Delivery Improvement Programme

### Introduction

Three areas underpin the main services provided by the GCIS to its clients:

1. The conceptualisation, formulation, communication and implementation of the Government communication strategy, referred to as the custodian of the Government communication strategy, which is supported by two subprocesses:

- identification of the public's information needs
  - identification of government's communication needs.
2. The second process is that of co-ordination and strategic support. This works at two levels:
- that of national, provincial, and local government communicators
  - that of the political principals.

This process refers to the development of government communication strategies (based upon public information needs and government communication needs), the establishment of communication struc-

tures, the role of the Government spokesperson, and the development of communication products and servicing of political principals.

3. The third refers to the actual communication and implementation aspects. This works at two levels:

- the function GCIS plays in relation to advising on staffing and structure
- the development of products and the rendering of services.

Based on the above introductory remarks the main services and customers will be tabulated:

Original Targets set in the Medium-Term Expenditure Estimate	Report against Targets
1. Formulation and administration of media policy	Media
2. Media monitoring	Presidency, government departments, Ministers
3. Conducting surveys to assess communication environment	Government
4. Conducting information and information needs studies	Public, government
5. Providing communication and information research advice	Government
6. Providing media support services	Parliament and Cabinet, press gallery and Ministerial Liaison Officers (MLOs)
7. Arranging post-Cabinet meetings	Media
8. Holding Parliamentary Briefing Weeks	Parliament, media diplomats
9. Assisting South African Missions to develop communication capacity	Department of Foreign Affairs
10. Providing secretarial services for the Government Communicators Forum (GCF)	Government communicators
11. Providing international and media liaison as well as international marketing	South African Missions abroad, government, foreign embassies, foreign journalists, opinion-makers
12. Accreditation of foreign journalists	Foreign journalists, opinion-makers
13. Developing media strategies for government campaigns	All government departments
14. Developing content strategy and key messages for government information products	Government
15. Developing content and key messages for products for transversal campaigns	Government
16. Developing and managing training strategies on communication	Government departments, all government communicators and MLOs, training council, Standards Generating Body for government communicators, interview government communicators
17. Monitoring, evaluating and analysing the print and electronic media	Presidency and all Ministries
18. Developing of marketing, advertising and distribution strategies	Government departments, Presidency and Multi-Purpose Community Centres (MPCCs)
19. Management and administration of bulk buying	Government departments and MPCCs
20. Developing distribution network	Government departments and MPCCs
21. Managing the corporate identity of government	Government
22. Recording footage for broadcast	Public broadcaster, MPCCs, Cabinet and Presidency
23. Designing and produce publications	Presidency and government departments
24. Managing government website	Government
25. Dissemination of information	Public, private sector and non-governmental organisations
26. Developing products for transversal campaigns	Presidency, government departments and GCIS
27. Photographic assignments of transversal campaigns	Presidency, government departments and GCIS

### **Consultation arrangements with actual and potential customers**

Consultation with customers is critical to the success of the department. The following are some of the methods that are used to consult with customers:

- **Directorate: Marketing, Advertising and Distribution (MAD)**

It markets the services provided by the department to other government departments, e.g. bulk buying in the media.

- **Cluster meetings**

These meetings provide strategic direction to the communication Clusters. It also help with the assessment of the communication environment.

- **GCF**

Through National Liaison, GCF has been established to provide strategic direction for government communicators. It provides help in developing communication strategies in line with the overall communication strategy. It also assists communicators with the assessment of the communication environment and the communicators' communication needs.

- **Project Desk**

The Project Desk was established to serve as the professional delivery mechanism for meeting the Government's communication needs through mobilising GCIS expertise. It serves as a gateway for clients to source GCIS expertise. It also serves as a single entry point for client requests.

- **MPCCs**

The department has embarked on a process of establishing MPCCs in every district to provide one-stop government services. These Centres are intended to assist com-

munity development and participation in government programmes. It also provides feedback to government as to the kind of information required by the public.

- **Imbizo Campaign**

Feedback from the President after meeting the public is fed back to the planning programme of the organisation.

- **Electronic Information Resources**

It provides advice and support to government departments and provinces regarding website publishing to contribute towards increased government web presence and towards improved professionalism of government websites.

### **Indicating standards for the main services to be provided.**

- The department evaluates and assesses its Corporate Strategy annually to ensure that it is still meeting the needs of its customers.
- Business plans are drawn up to ensure implementation as set out in the Corporate Strategy.
- All staff members have performance agreements, which are evaluated twice a year.
- Constant review of information and communication products, set up mechanisms for evaluating the products departments will be disseminating and have a clear strategy to streamline, strengthen and market the department's distribution service.
- Audit capacity: The department will audit communication capacity in government, intervene directly in departments to help develop capacity and benchmark itself against international experiences.
- New communicator: The department will also develop a manual giving guidelines on how communicators in a democratic South Africa should operate.
- Help with the development of job descriptions for government communicators.
- Assist in the interviewing and selection process.

### **Arrangements as to how information about the department's services are to be provided.**

Through MAD, the services of the department are marketed to other government departments. An information booklet detailing the kinds of services and the names of contact persons has also been distributed to all government departments. The department provides:

- cost-effective services
- dedicated, creative and accurate services
- tailor-made services to meet desired specifications
- appropriate experience in public-sector communication
- informed advice from experts in various communication fields (See *Pocket Guide to GCIS*).

Other forums like the GCF, Communication Clusters, DG's Forums, and the Project Desk are utilised to market the services of the department.

### **Stipulating a system or mechanisms for complaints.**

While the organisation has not set up specific systems or mechanisms, the manner in which the services are delivered to our clients encourages two-way communication. In the different forums clients can also raise concerns around the services delivered. These are:

- Project Desk
- GCF
- Communication Clusters
- Pre-Cabinet meetings etc.

TABLE 2.1 - Personnel costs by Programme								
Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel Cost as Percent of Total Expenditure	Average Personnel Cost per Employee (R'000)	Employment	
P1: Administration	34 368	17 491	695		50.9	144 554	121	
P2: Policy and Research	7 106	3 131	11		44.1	173 944	18	
P3: Government and Media Liaison	11 104	7 743	73		69.7	148 904	52	
P4: Provincial and Local Liaison	22 376	14 377	203		64.3	123 940	116	
P5: Communication Service Agency	23 669	5 799	77		24.5	165 686	35	
P6: International Marketing	49 998	0	0		0	0	0	
Special functions	405	0	0	0	0	0	0	
TOTAL	149 026	48 541	1 059	0	32.6	141 933	342	

TABLE 2.2 - Personnel costs by salary band			
Salary Bands	Personnel Expenditure (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R'000)
Lower skilled (Levels 1-2)	1 273	2.6	17 148
Skilled (Levels 3-5)	2 304	4.7	67 765
Highly skilled production (Levels 6-8)	14 127	25.4	84 593
Highly skilled supervision (Levels 9-12)	15 528	27.9	172 533
Senior management (Levels 13-16)	10 458	18.8	435 750
Other	4 851	8.7	0
TOTAL	48 541	87.3	141 933

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme										
Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	Home Owner Allowance (R'000)	Home Owner Allowance as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)	
P1: CD: Administration	11 249	64.3	81	0.5	252	1.4	783	4.5	17 491	
P2: CD: Policy and Research	2 210	70.6	0	0	44	1.4	107	3.4	3 131	
P3: CD: Government and Media Liaison	5 459	70.5	113	1.5	103	1.3	390	5	7 743	
P4: CD: Provincial and Local Liaison	10 529	73.2	0	0	284	2	599	4.2	14 377	
P5: CD: Communication Service Agency	4 038	69.6	0	0	104	1.8	302	5.2	5 799	
<b>TOTAL</b>	<b>33 485</b>	<b>69</b>	<b>194</b>	<b>0.4</b>	<b>787</b>	<b>1.6</b>	<b>2 181</b>	<b>4.5</b>	<b>48 541</b>	

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band										
Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	Home Owner Allowance (R'000)	Home Owner Allowance as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost (R'000)	
Lower skilled (Levels 1-2)	861	67.6	0	0	53	4.2	102	8	1 273	
Skilled (Levels 3-5)	1 490	64.7	17	0.7	56	2.4	256	11.1	2 304	
Highly skilled production (Levels 6-8)	11 975	84.8	111	0.8	330	2.3	816	5.8	14 127	
Highly skilled supervision (Levels 9-12)	13 057	84.1	66	0.4	298	1.9	666	4.3	15 528	
Senior management (Levels 13-16)	6 102	58.3	0	0	50	0.5	341	3.3	10 458	
Other	0	0	0	0	0	0	0	0	4 851	
<b>TOTAL</b>	<b>33 485</b>	<b>69</b>	<b>194</b>	<b>0.4</b>	<b>787</b>	<b>1.6</b>	<b>2 181</b>	<b>4.5</b>	<b>48 541</b>	

TABLE 3.1 - Employment and Vacancies by Programme, 31 March 2003					
Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment	
P1: CD: Administration, Permanent	138	121	12.3	0	
P2: CD: Policy and Research, Permanent	18	18	0	0	
P3: CD: Government and Media Liaison, Permanent	63	52	17.5	0	
P4: CD: Provincial and Local Liaison, Permanent	169	116	31.4	0	
P5: CD: Communication Service Agency, Permanent	46	35	23.9	0	
<b>TOTAL</b>	<b>434</b>	<b>342</b>	<b>21.2</b>		

TABLE 3.2 - Employment and Vacancies by Salary Band, 31 March 2003					
Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment	
Lower skilled (Levels 1-2)	28	27	3.6	0	
Skilled (Levels 3-5)	37	35	5.4	0	
Highly skilled production (Levels 6-8)	241	166	31.1	0	
Highly skilled supervision (Levels 9-12)	104	91	12.5	0	
Senior management (Levels 13-16)	24	23	4.2	0	
<b>TOTAL</b>	<b>434</b>	<b>342</b>	<b>21.2</b>	<b>0</b>	

**TABLE 3.3 – Employment and Vacancies by Critical Occupation at 31 March 2003**

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment	
Administrative-related, Permanent	5	5	0	0	
Auxiliary and related workers, Permanent	1	1	0	0	
Cleaners in offices workshops, hospitals, etc., Permanent	16	16	0	0	
Client inform clerks (switchb, recept, inform clerks), Permanent	2	2	0	0	
Communication and information-related, Permanent	84	75	10.7	0	
Finance and economics-related, Permanent	3	3	0	0	
Financial and related professionals, Permanent	8	8	0	0	
Financial clerks and credit controllers, Permanent	7	7	0	0	
Food service aids and waiters, Permanent	2	2	0	0	
Head of department/chief executive officer, Permanent	1	1	0	0	
Human resources & organisat developm & relate prof, Permanent	5	2	60	0	
Human resources clerks, Permanent	3	2	33.3	0	
Human resources-related, Permanent	3	2	33.3	0	
Information technology-related, Permanent	3	3	0	0	
Language practitioners interpreters & other commun, Permanent	164	97	40.9	0	
Library mail and related clerks, Permanent	3	3	0	0	
Light vehicle drivers, Permanent	2	2	0	0	
Logistical support personnel, Permanent	3	3	0	0	
Material-recording and transport clerks, Permanent	7	7	0	0	
Messengers, porters and deliverers, Permanent	6	6	0	0	
Other administrat & related clerks and organisers, Permanent	25	23	8	0	
Other administrative policy and related officers, Permanent	4	2	50	0	
Other information technology personnel., Permanent	6	4	33.3	0	
Printing and related machine operators, Permanent	4	4	0	0	
Secretaries & other keyboard operating clerks, Permanent	35	32	8.6	0	
Security officers, Permanent	4	4	0	0	
Senior managers, Permanent	24	22	8.3	0	
Trade labourers, Permanent	4	4	0	0	
TOTAL	434	342	21.2	0	

TABLE 4.1- Job Evaluation 1 April 2002 to 31 March 2003								
Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Down graded	% of Down-graded Posts Evaluated	
Lower skilled (Levels 1-2)	28	0	0	0	0	0	0	
Skilled (Levels 3-5)	37	0	0	0	0	0	0	
Highly skilled production (Levels 6-8)	241	3	1.2	1	33.3	0	0	
Highly skilled supervision (Levels 9-12)	104	9	8.7	2	22.2	0	0	
Senior Management Service Band A	14	13	92.9	0	0	0	0	
Senior Management Service Band B	7	5	71.4	0	0	0	0	
Senior Management Service Band C	2	0	0	0	0	0	0	
Senior Management Service Band D	1	1	100	0	0	0	0	
<b>TOTAL</b>	<b>434</b>	<b>31</b>	<b>7.1</b>	<b>3</b>	<b>9.7</b>	<b>0</b>	<b>0</b>	

TABLE 4.2 - Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2002 to 31 March 2003					
Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	1	1	2
<b>TOTAL</b>	<b>1</b>		<b>1</b>	<b>1</b>	<b>3</b>
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceeded the grade determined by Job Evaluation, 1 April 2002 to 31 March 2003 (in terms of PSR 1.V.C.3]
None

**TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3] March 2003 (in terms of PSR**

None

**TABLE 5.1 - Annual Turnover Rates by Salary Band for the period 1 April 2002 to 31 March 2003**

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate	
Lower skilled (Levels 1-2)	29	1	2	6.9	
Skilled (Levels 3-5)	44	3	0	0	
Highly skilled production (Levels 6-8)	121	47	14	11.6	
Highly skilled supervision (Levels 9-12)	81	17	12	14.8	
Senior Management Service Band A	16	1	2	12.5	
Senior Management Service Band B	9	1	2	22.2	
Senior Management Service Band C	1	0	0	0	
Senior Management Service Band D	1	0	0	0	
<b>TOTAL</b>	<b>302</b>	<b>70</b>	<b>32</b>	<b>10.6</b>	

**TABLE 5.2 - Annual Turnover Rates by Critical Occupation for the period 1 April 2002 to 31 March 2003**

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate	
Administrative-related, Permanent	3	0	0	0	
Cleaners in offices, workshops, hospitals etc.,	17	0	2	11.8	
Client inform clerks (switchb, recept, inform clerks),	1	0	0	0	
Communication and information-related, Permanent	71	17	9	14.1	
Finance and economics-related, Permanent	4	0	0	0	
Financial and related professionals, Permanent	7	2	0	0	
Financial clerks and credit controllers, Permanent	6	1	0	0	
Food service aids and waiters, Permanent	2	0	0	0	
Head of department/chief executive officer, Permanent	1	0	0	0	
Human resources & organisat developm & related prof, Permanent	1	0	0	0	
Human resources clerks, Permanent	2	0	0	0	
Human resources-related, Permanent	3	0	0	0	
Information technology-related, Permanent	3	1	1	33.3	
Language practitioners interpreters & other commun, Permanent	67	38	7	10.4	
Library mail and related clerks, Permanent	6	0	0	0	
Light vehicle drivers, Permanent	2	0	0	0	
Logistical support personnel, Permanent	1	0	0	0	
Material-recording and transport clerks, Permanent	8	1	0	0	
Messengers, porters and deliverers, Permanent	7	0	0	0	
Other administrat & related clerks and organisers, Permanent	20	2	1	5	
Other administrative policy and related officers, Permanent	5	0	0	0	
Other information technology personnel, Permanent	4	1	1	25	
Printing and related machine operators, Permanent	4	0	0	0	
Secretaries & other keyboard operating clerks, Permanent	28	5	5	17.9	
Security officers, Permanent	5	0	0	0	
Senior managers, Permanent	17	2	2	11.8	
Senior managers, Temporary	2	0	2	100	
Trade labourers, Permanent	5	0	0	0	
<b>TOTAL</b>	<b>302</b>	<b>70</b>	<b>30</b>	<b>10.6</b>	

TABLE 5.3 - Reasons why staff are leaving the department			
Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Resignation, Permanent	26	81.2	8.6
Expiry of contract, Temporary	2	6.3	0.7
Discharged due to ill health, Permanent	1	3.1	0.3
Dismissal-misconduct, Permanent	1	3.1	0.3
Retirement, Permanent	2	6.3	0.7
<b>TOTAL</b>	<b>32</b>	<b>100</b>	<b>10.6</b>

Resignations as % of Employment			10.6
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TABLE 5.4 - Promotions by Critical Occupation						
Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progression to another Notch within Salary Level	Notch progressions as a % of Employment	
Administrative-related	3	2	66.7	1	33.3	
Cleaners in offices, workshops, hospitals etc.	17	0	0	1	5.9	
Client inform clerks (switchb, recept, inform clerks)	1	0	0	0	0	
Communication and information-related	71	12	16.9	12	16.9	
Finance and economics-related	4	0	0	3	75	
Financial and related professionals	7	1	14.3	4	57.1	
Financial clerks and credit controllers	6	0	0	0	0	
Food service aids and waiters	2	0	0	0	0	
Head of department/chief executive officer	1	0	0	1	100	
Human resources & organisat developm & relate prof	1	0	0	0	0	
Human resources clerks	2	0	0	0	0	
Human resources-related	3	0	0	1	33.3	
Information technology-related	3	0	0	0	0	
Language practitioners interpreters & other commun	67	6	9	24	35.8	
Library mail and related clerks	6	0	0	1	16.7	
Light vehicle drivers	2	0	0	0	0	
Logistical support personnel	1	0	0	0	0	
Material-recording and transport clerks	8	2	25	0	0	
Messengers, porters and deliverers	7	0	0	2	28.6	
Other administrat & related clerks and organisers	20	0	0	8	40	
Other administrative policy and related officers	5	0	0	0	0	
Other information technology personnel	4	0	0	0	0	
Printing and related machine operators	4	0	0	0	0	
Secretaries & other keyboard operating clerks	28	0	0	3	10.7	
Security officers	5	0	0	0	0	
Senior managers	19	4	21.1	0	0	
Trade labourers	5	0	0	1	20	
<b>TOTAL</b>	<b>302</b>	<b>27</b>	<b>8.9</b>	<b>62</b>	<b>20.5</b>	

TABLE 5.5 - Promotions by Salary Band						
Salary Band	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progression to another Notch within Salary Level	Notch progressions as a % of Employment	
Lower skilled (Levels 1-2)	29	0	0	4	13.8	
Skilled (Levels 3-5)	44	3	6.8	3	6.8	
Highly skilled production (Levels 6-8)	121	8	6.6	38	31.4	
Highly skilled supervision (Levels 9-12)	81	12	14.8	16	19.8	
Senior management (Levels 13-16)	27	4	14.8	1	3.7	
<b>TOTAL</b>	<b>302</b>	<b>27</b>	<b>8.9</b>	<b>62</b>	<b>20.5</b>	

**TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category as on 31 March 2003**

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Legislators, senior officials and managers	8	1	3	1	5	1	0	2	21	
Professionals	85	15	1	14	53	4	5	22	199	
Clerks	12	2	0	2	38	4	0	18	76	
Service and sales workers	3	1	0	0	0	0	0	0	4	
Plant and machine operators and assemblers	6	0	0	0	0	0	0	0	6	
Elementary occupations	14	0	0	0	15	1	0	0	30	
Other	3	0	0	0	2	1	0	0	6	
<b>TOTAL</b>	<b>131</b>	<b>19</b>	<b>4</b>	<b>17</b>	<b>113</b>	<b>11</b>	<b>5</b>	<b>42</b>	<b>342</b>	

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Employees with disabilities	3	0	0	2	1	0	0	1	7	

**TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands as on 31 March 2003**

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Top management	1	0	0	1	0	1	0	0	3	
Senior management	9	1	3	1	4	0	0	2	20	
Professionally qualified and experienced specialists and mid-management	31	7	1	10	19	2	4	14	88	
Skilled technical and academically qualified workers, junior management, supervisors, foremen	56	11	0	4	62	4	1	26	164	
Semi-skilled and discretionary decision-making	20	0	0	1	11	2	0	0	34	
Unskilled and defined decision-making	14	0	0	0	17	2	0	0	33	
<b>TOTAL</b>	<b>131</b>	<b>19</b>	<b>4</b>	<b>17</b>	<b>113</b>	<b>11</b>	<b>5</b>	<b>42</b>	<b>342</b>	

**TABLE 6.3 - Recruitment for the period 1 April 2002 to 31 March 2003**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Senior management	0	0	0	1	1	0	0	0	2	
Professionally qualified and experienced specialists and mid-management	7	1	0	0	7	0	1	1	17	
Skilled technical and academically qualified workers, junior management, supervisors, foremen	22	3	0	0	19	2	0	1	47	
Semi-skilled and discretionary decision-making	0	0	0	0	2	1	0	0	3	
Unskilled and defined decision-making	0	0	0	0	1	0	0	0	1	
<b>TOTAL</b>	<b>29</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>30</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>70</b>	

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Employees with disabilities	0	0	0	0	1	0	0	0	1	

**TABLE 6.4 - Promotions for the period 1 April 2002 to 31 March 2003**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Senior management	2	0	0	0	1	0	0	1	4	
Professionally qualified and experienced specialists and mid-management	5	1	0	1	2	0	2	1	12	
Skilled technical and academically qualified workers, junior management, supervisors, foremen	5	0	0	0	3	0	0	0	8	
Semi-skilled and discretionary decision-making	1	0	0	0	2	0	0	0	3	
<b>TOTAL</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>27</b>	

Employees with disabilities	None									
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**TABLE 6.5 - Terminations for the period 1 April 2002 to 31 March 2003**

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Senior management	1	0	1	0	1	0	0	1	4	
Professionally qualified and experienced specialists and mid-management	4	1	0	2	3	0	0	2	12	
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	2	1	0	8	0	0	1	14	
Semi-skilled and discretionary decision-making	0	0	0	0	0	0	0	0	0	
Unskilled and defined decision-making	0	0	0	0	2	0	0	0	2	
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>32</b>	

**TABLE 6.6 - Disciplinary action for the period 1 April 2002 to 31 March 2003**

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
	3	1	0	0	0	0	0	0	4	

**TABLE 6.7 - Skills Development for the period 1 April 2002 to 31 March 2003**

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total	
Legislators, senior officials and managers	7	1	2	1	5	1	0	1	18	
Professionals	9	1	3	2	8	1	0	4	28	
Technicians and associate professionals	6	2	0	0	2	1	1	6	18	
Clerks	16	1	0	0	31	1	0	13	62	
Service and sales workers	5	2	0	0	5	0	0	0	12	
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0	
Craft and related trades workers	0	0	0	0	0	0	0	0	0	
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0	
Elementary occupations	0	0	0	0	0	0	0	0	0	
<b>TOTAL</b>	<b>43</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>51</b>	<b>4</b>	<b>1</b>	<b>24</b>	<b>138</b>	
Employees with disabilities	1	0	0	0	0	0	0	0	1	

**TABLE 7.1 - Performance Rewards by Race, Gender and Disability 1 April 2002 to 31 March 2003**

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	
African, Female	29	112	25.9	241	8,310	
African, Male	37	128	28.9	371	10,027	
Asian, Female	3	5	60	33	11,000	
Coloured, Female	6	11	54.5	73	12,167	
Coloured, Male	8	19	42.1	77	9,625	
White, Female	22	41	53.7	247	11,227	
White, Male	3	15	20	53	17,667	
Employees with a disability	3	7	42.9	19	6,333	
<b>TOTAL</b>	<b>111</b>	<b>338</b>	<b>32.8</b>	<b>1 114</b>	<b>10,036</b>	

**TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service**

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	
Lower skilled (Levels 1-2)	8	27	29.6	23	2,875	
Skilled (Levels 3-5)	16	34	47.1	62	3,875	
Highly skilled production (Levels 6-8)	42	167	25.1	324	7,714	
Highly skilled supervision (Levels 9-12)	32	90	35.6	456	14,250	
<b>TOTAL</b>	<b>98</b>	<b>318</b>	<b>30.8</b>	<b>865</b>	<b>8,827</b>	

TABLE 7.3 - Performance Rewards by Critical Occupation, 1 April 2002 to 31 March 2003						
Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	
Cleaners in offices, workshops, hospitals etc.	7	16	43.8	21	3,000	
Communication and information-related	26	70	37.1	373	14,346	
Finance and economics-related	2	4	50	31	15,500	
Financial and related professionals	1	8	12.5	6	6,000	
Financial clerks and credit controllers	3	9	33.3	21	7,000	
Food service aids and waiters	1	2	50	3	3,000	
Head of department/chief executive officer	1	1	100	38	38,000	
Human resources & organisat developm & relate prof	1	1	100	12	12,000	
Human resources clerks	2	2	100	15	7,500	
Human resources-related	2	3	66.7	27	13,500	
Information technology-related	1	3	33.3	17	17,000	
Language practitioners interpreters & other commun	15	94	16	130	8,667	
Library mail and related clerks	4	6	66.7	19	4,750	
Light vehicle drivers	1	2	50	4	4,000	
Material-recording and transport clerks	4	9	44.4	18	4,500	
Messengers, porters and deliverers	1	7	14.3	3	3,000	
Other administrat & related clerks and organisers	7	20	35	41	5,857	
Other administrative policy and related officers	3	5	60	28	9,333	
Printing and related machine operators	4	4	100	14	3,500	
Secretaries & other keyboard operating clerks	10	29	34.5	69	6,900	
Senior managers	5	22	22.7	188	37,600	
Trade labourers	2	5	40	8	4,000	
<b>TOTAL</b>	<b>103</b>	<b>322</b>	<b>32</b>	<b>1086</b>	<b>10544</b>	

**TABLE 7.4 - Performance-related Rewards (Cash Bonus) by Salary Band for Senior Management Service**

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)	
Band A	1	12	8.3	87	8,700	1.6	5,302	
Band B	2	8	25	47	2,350	1.4	3,436	
Band C	2	2	100	57	2,850	6.1	934	
Band D	1	1	100	38	3,800	4.8	786	
<b>TOTAL</b>	<b>6</b>	<b>23</b>	<b>26.1</b>	<b>229</b>	<b>3816.7</b>	<b>2.2</b>	<b>10458</b>	

**TABLE 8.1 - Foreign Workers, 1 April 2003 to 31 March 2003, by Salary Band**

None

**TABLE 8.2 - Foreign Workers, 1 April 2002 to 31 March 2003, by Major Occupation**

None

**TABLE 9.1 - Sick Leave, 1 January 2002 to 31 December 2002**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	
Lower skilled (Levels 1-2)	142	16.9	17	8.3	8	17	
Skilled (Levels 3-5)	125	30.4	21	10.2	6	20	
Highly skilled production (Levels 6-8)	677	21.4	109	52.9	6	199	
Highly skilled supervision (Levels 9-12)	276	23.6	53	25.7	5	148	
Senior management (Levels 13-16)	34	11.8	6	2.9	6	50	
<b>TOTAL</b>	<b>1 254</b>	<b>22</b>	<b>206</b>	<b>100</b>	<b>6</b>	<b>434</b>	

**TABLE 9.2 - Disability Leave (temporary and permanent), 1 January 2002 to 31 December 2002**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	
Highly skilled production (Levels 6-8)	34	17.6	2	66.7	17	12	
Highly skilled supervision (Levels 9-12)	23	13	1	33.3	23	9	
<b>TOTAL</b>	<b>57</b>	<b>15.8</b>	<b>3</b>	<b>100</b>	<b>19</b>	<b>21</b>	

TABLE 9.3 - Annual Leave, 1 January 2002 to 31 December 2002

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	616	22	28
Skilled (Levels 3-5)	785	23	34
Highly skilled production (Levels 6-8)	3 101	19	167
Highly skilled supervision (Levels 9-12)	1 735	19	91
Senior management (Levels 13-16)	568	20	29
<b>TOTAL</b>	<b>6 805</b>	<b>19</b>	<b>349</b>

TABLE 9.4 - Capped Leave, 1 January 2002 to 31 December 2002

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at 31 December 2002	Cost (R'000)	Average Cost per Beneficiary (R)	
Lower skilled (Levels 1-2)	8	27	29.6	23	2,875	
Skilled (Levels 3-5)	16	34	47.1	62	3,875	
Highly skilled production (Levels 6-8)	42	167	25.1	324	7,714	
Highly skilled supervision (Levels 9-12)	32	90	35.6	456	14,250	
<b>TOTAL</b>	<b>98</b>	<b>318</b>	<b>30.8</b>	<b>865</b>	<b>8 827</b>	

TABLE 9.5 - Leave Payouts for the period 1 April 2002 to 31 March 2003

	Total Days	% Days with Medical Certification	Number of Employees Using Sick Leave	
Capped leave payouts on termination of service for 2002/03	94	3	31 333	
Current leave payout on termination of service for 2002/03	13	2	6 500	
<b>TOTAL</b>	<b>107</b>	<b>5</b>	<b>21 400</b>	

TABLE 10.1 - Steps taken to reduce the risk of occupational exposure	
Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the GCIS' work does not necessarily put its employees at a high risk of contracting HIV/AIDS	The issue of occupational exposure is covered in the training on managing HIV/AIDS in the workplace and general awareness programmes presented to staff

TABLE 10.1 - Steps taken to reduce the risk of occupational exposure			
Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	X		Ms L Madalane: Director
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose	X		The department has a dedicated unit with one (1) employee with a budget of R152 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme	X		The key element is access to counselling services. Regular presentations and workshops relevant to the issues are conducted. Staff are encouraged to test for HIV/AIDS and know their status
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent	X		Mr K Semakane, Mr P Konaite, Ms M Van Jaarsveld, Ms N Van Driel, Mr E Jiyane, Mr F Nieman (Astaff member from each Chief Directorate and a representative of Nehawu and the PSA)
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed	X		The GCIS HIV/AIDS, Training, Bursary, Employment, Job Evaluation, Resettlement, Grievance policies
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures	X		Voluntary HIV/AIDS testing by employees. Employees are not required to inform management of their HIV/AIDS status. Status of HIV positive employees is kept confidential. Employees living with HIV/AIDS are assured the same rights and responsibilities as any other staff members with equal treatment and opportunities
7. Does the department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have achieved	X		Talks on voluntary counselling and testing as well as information on VCT sites have been made available
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators		X	Investigations into measures/indicators are under way

TABLE 11.1 - Collective Agreements, 1 April 2002 to 31 March 2003	
Subject Matter	Date
None	

TABLE 11.2 - Misconduct and Disciplinary Hearings finalised, 1 April 2002 to 31 March 2003		
Outcomes of disciplinary hearings	Number	Percentage of Total
Demotion	1	33.3
Dismissal	1	33.3
Chairperson failed to pronounce sanction	1	33.3
<b>TOTAL</b>	<b>3</b>	

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings		
Types of misconduct	Number	Percentage of Total
Unauthorised use/abuse of GG petrol card and misuse of GG vehicle	1	25
Fraudulent use of GCIS letterhead without authority/ permission	1	25
Unauthorised use of GG vehicle and gross negligence	1	25
Undertaking private work in contravention of Section 30 of the Public Service Act, 1994.	1	25
<b>TOTAL</b>	<b>4</b>	

TABLE 11.4 - Grievances Lodged for the period 1 April 2002 to 31 March 2003		
Number of grievances addressed	Number	Percentage of Total
Number of grievances resolved	3	100
Number of grievances not resolved	0	0
<b>TOTAL</b>	<b>3</b>	

**TABLE 11.5 - Disputes Lodged with Councils for the period 1 April 2002 to 31 March 2003**

None

**TABLE 11.6 - Strike Actions for the period 1 April 2002 to 31 March 2003**

Strike Actions	
Total number of person working days lost	4
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**TABLE 11.7 - Precautionary Suspensions for the period 1 April 2002 to 31 March 2003**

Precautionary Suspensions	
Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	154
Cost (R'000) of suspensions	120

**TABLE 12 - Injury on Duty, 1 April 2002 to 31 March 2003**

Nature of injury on duty	Number	Percentage of Total
Required basic medical attention only	1	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
TOTAL	1	

TABLE 13.1 - Training Needs Identified 1 April 2002 to 31 March 2003							
Occupational Categories	Gender	Number of employees as at 1 April 2002	Learnerships	Skills Programmes & other short courses	Other forms of training	Total	
Legislators, senior officials and managers	Female	8	0	5	0	5	
	Male	14	0	10	0	10	
Professionals	Female	34	0	33	0	33	
	Male	48	0	46	0	46	
Technicians and associate professionals	Female	69	0	73	0	73	
	Male	56	0	55	0	55	
Clerks	Female	19	0	23	0	23	
	Male	25	0	29	0	29	
Service and sales workers	Female	15	0	16	0	16	
	Male	14	0	12	0	12	
<b>TOTAL</b>		<b>302</b>	<b>0</b>	<b>302</b>	<b>0</b>	<b>302</b>	

TABLE 13.2 - Training Provided 1 April 2002 to 31 March 2003							
Occupational Categories	Gender	Number of employees as at 1 April 2002	Learnerships	Skills Programmes & other short courses	Other forms of training	Total	
Legislators, senior officials and managers	Female	8	0	5	0	5	
	Male	14	0	23	0	23	
Professionals	Female	34	0	30	0	30	
	Male	48	0	16	0	16	
Technicians and associate professionals	Female	69	0	19	0	19	
	Male	56	0	12	0	12	
Clerks	Female	19	0	57	0	57	
	Male	25	0	30	0	30	
Service and sales workers	Female	15	8	18	0	26	
	Male	14	4	22	0	26	
<b>TOTAL</b>		<b>302</b>	<b>12</b>	<b>232</b>	<b>0</b>	<b>244</b>	

TABLE 14.1 - Report on consultant appointments using appropriated funds				
Project Title	Total number of consultants who worked on the project	Duration: Work days	Contract value in Rand	
Production of NEPAD Video - outsourced	1	2 months	171 115	
<i>Corporate Identity Manual</i> - outsourced	1	5 months	716 000	
Tracking the communication environment within which government communication takes place – outsourced	1 (consortium)	12 months	2 838 600	
Project Management Training	1	1 month	169 185	
Maintenance, support and development of GCIS Internet infrastructure and application	1	12 months	393 984	
Qualitative research, assessing the communication environment and the communication environment needs of the SApblic (four phases).	1	6 months	499 320	
Publishing and distribution of the <i>2002/03 SA Yearbook</i>	1	12 months	959 880	
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>	
	7		5 744 804	

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs				
Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI	
Production of NEPAD Video	100	100		
Project Management Training	57.5	67.5		
Maintenance, support and development of the GCIS Internet infrastructure and application	100	100		
<i>Corporate Identity Manual</i>	100	100		
Qualitative research, assessing the communication environment and the needs of the SApblic (four phases)	95	95	1	
Publishing and distribution of the <i>2002/03 SA Yearbook</i>	50	61	1	
Tracking the communication environment within which government communication takes place	18% is owned by Black Empowerment	50	1	

# Part 5

## Annual Financial Statements 31 March 2003

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# Management Report for the year ended 31 March 2003

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa

## 1. General review of the state of financial affairs

GCIS was allocated R144 864 000 for the 2002/03 financial year. This was increased by 6,1% during the Adjustments Estimates, resulting in a total budget of R153 728 000. The additional funds were to cover the following expenses:

- (i) roll-over funds of R1 418 000, which include R1 000 000 for the printing of two million Mid-term leaflets as part of the *Imbizo* roll-out and R418 000 for refurbishment costs
- (ii) R4 834 000 for the HIV/AIDS communication campaign
- (iii) R650 000 for media placements explaining government's position on the Cosatu strike of 1 and 2 October 2002
- (iv) a sponsorship of R100 000 from First National Bank for the Government Communicators Awards, held for the first time in December 2002
- (v) R1 862 000 for inflation adjustments and additional costs for salary increases.

An amount of R152 046 000 was spent by 31 March 2003. This includes R405 090, which constitutes thefts and losses written off during the year under review. This represents a saving of R1 682 000 (1,1%). A request for a roll-over will be made to National Treasury to defray the commitments made in producing information products for the State of the Nation Address during the Opening of Parliament in February 2003.

Following the submission of our request for a roll-over, it came to our attention that an amount of R12,7 million had not been declared during the 2001/02 financial year. This amount had been paid to Kagiso Media by GCIS during the 2001/02 finan-

cial year for services rendered on behalf of the International Marketing Council (IMC). However, without the knowledge of GCIS, this amount was later transferred into what was meant to be a dormant account of the IMC Trust. Both IMC and Kagiso did not inform GCIS of this, and IMC utilised these funds during 2002 for advertising and other IMC core functions, as well as for administrative purposes. As soon as this matter was brought to our attention during May 2003, through a letter written by the IMC CEO, Ms Yvonne Johnston, we reported this to the Office of the Auditor-General and National Treasury and requested their professional assistance in auditing this expenditure.

During the Audit Review by the Auditor General, it was confirmed that of this R12,7 million, R8,8 million was subsequently used by IMC for its work; R3,2 million was the credit balance reflected on the bank statement and R700 000 was identified as potentially fraudulent spent funds. This matter has since been referred to the Scorpions for further investigation. The Finance Manager has subsequently been suspended from duties, but had also submitted his resignation while the Audit Review was being carried out. The appropriate action will be taken once we have established all the facts of the case and the Scorpions have finalised the matter.

During this Audit Review, GCIS established that a further amount of R7,9 million, which had been paid to Kagiso Media for services rendered during the 2002/03 financial year, remained in their account as unspent funds because the appointed company did not deliver a satisfactory service. We have since recovered this amount with interest and surrendered it to the National Revenue Fund.

In line with the requirements of the Public Finance Management Act (PFMA), GCIS continues to adhere to sound financial man-

agement through a closely monitored action plan that addresses the key requirements of the PFMA and National Treasury Regulations. As a way of preventing such an incident from recurring, we are assisting the IMC in appointing a company for a period of six months to ensure the strengthening of the financial and human resource administrative structures and procedures in the IMC.

The contract will ensure that in the first three months, the appointed company will strengthen the current financial controls and procedures and in the second three months it will assist in the appointment and induction of the newly appointed personnel.

GCIS is responsible for co-ordinating government communication and information dissemination to the public. It assists national departments with the drafting of communication strategies and programmes and ensures the integration of communication in order that a coherent and uniform message is articulated by government.

The CEO is the official government spokesperson, with the Secretariat serving as the strategising body.

A high premium is placed on development communication which emphasises direct dialogue, especially with citizens in disadvantaged areas. By the end of the 2002/03 financial year, 37 Multi-Purpose Community Centres (MPCCs) were operational. This figure is to increase to 60 during the 2004/05 financial year.

GCIS will continue to implement its mandate to keep the public informed of government's programmes, policies and plans. The key strategic focus areas of GCIS for achieving its key objectives are:

### Strategic priorities of GCIS

- giving greater direction to government communication
- raising the standard of government communication through an appropriate performance evaluation system and development of core competencies for communicators
- improving the communication environment through establishing the Media Development and Diversity Agency (MDDA) and the roll-out of the MPCC programme
- developing a smarter working GCIS by improving the use of information communication technologies
- mass campaigns of unmediated public communication including *Imbizo* and multimedia campaigns
- giving strategic coherence to the country's international marketing campaigns by consolidating the work of the IMC Trust, including rolling out programmes in selected countries, on the basis of a brand identity.

### GCIS strategic objectives

- ensuring that the voice of government is heard
- fostering a more positive communication environment
- having a clear understanding of the public's information needs and government's communication needs
- setting high standards for government communication.

### Main programmes of GCIS

- **Administration** is responsible for the overall management of the GCIS
- **Policy and Research** conducts communication research, develops media policy, provides communication advice and monitors government's Programme of Action from a communication perspective
- **Government and Media Liaison** ensures the integration of departmental communication and a professional service to the media
- **Provincial and Local Liaison** facilitates national, provincial and local co-operation and co-ordinates the intersectoral committee for establishing MPCCs

- **Communication Service Agency** provides a range of media production services to GCIS and other government departments
- **International Marketing and Mobilisation** markets South Africa to the international community.

GCIS has undergone a restructuring process resulting in the establishment of two branches, namely Strategy and Content Development and Centralised Services. This will assist in meeting the increased demands of the organisation as well as compensating for the fact that the CEO of GCIS is also the Head of the Policy Co-ordination and Advisory Service in The Presidency.

Cabinet adopted an international marketing strategy which resulted in the setting up of the IMC as a Trust in 1999. This was to ensure the launching of a brand identity that will drive the marketing of South Africa internationally. An initial amount of R50 000 000 was allocated over a three-year cycle. A brand key has been developed and an internal campaign will be launched and rolled out in the 2003 /04 financial year.

The legislation for the setting up of the MDDA was passed by Parliament during 2002. Through GCIS, government contributed an amount of R3 000 000 for the initial setting up of the MDDA. For the 2003/04 financial year, GCIS has transferred an amount of R7 000 000 which will be government's contribution towards the activities of the MDDA. It is envisaged that other stakeholders including business will also contribute towards the activities of the Agency.

## 2. Services rendered by the department

### Tariff policy

GCIS produces posters, banners, photos and videos on behalf of other departments. Some of these photos and videos are sold to both the public and other departments. We also provide graphic design services to government departments and for GCIS-initiated projects.

Tariffs are developed after determining the direct costs linked to the production of the products. Prices make no provision for a profit margin. The income generated through sales is deposited directly in the South African Revenue Service account on a monthly basis

A total amount of approximately R271 544 was generated during 2002/03. This amount represents 40% of the total amount of R679 167 revenue generated.

## 3. Corporate governance arrangements

GCIS developed a risk management and fraud prevention plan. The Internal Audit Section facilitated the drafting of the GCIS risk management strategy. A methodology/guideline was developed to assist in determining the risks facing GCIS. Among the factors taken into account in developing a risk management strategy, were GCIS' previously audited financial statements and legislative requirements. The risk management strategy was integrated into the overall GCIS annual strategic planning session.

A fraud prevention policy has been developed to manage all fraud-related activities within the department. The quality of work of the Internal Audit Section continues to ensure effective and efficient financial management systems within the organisation. Four Audit Committee meetings were held during the year under review, which evaluated the reports of the Internal Audit and those of the Auditor-General. All matters raised during the audit have been followed up and addressed.

## 4. Transfer payments

One of the department's targets was to establish the MDDA by October 2002. The draft legislation was tabled in Parliament in February 2002, and the Act became operational on 8 July 2002. The appointment of the Board members was finalised in December 2002. The aim of the MDDA is to provide support to community and small commercial media projects so that his-

torically disadvantaged communities and people have access to the media as owners, managers and producers.

During the Adjustments Budget in September 2002, GCIS requested National Treasury to virement R3 million of the operational budget of the Policy Subprogramme to Transfer Payments in order to fund the MDDA with government's contribution for 2002. A payment of R3 million was made to the MDDA in December 2002.

## 5. Progress on financial management improvement

An implementation plan, in line with the requirements of the PFMA, was already introduced during July 2000 whereby all aspects of sound financial management and administration were addressed. Each year, all GCIS staff are invited to workshops during which GCIS financial guidelines and internal policies that are drafted in line with the PFMA, are reviewed. In respect of the 2002/03 financial year, financial guidelines and policies were reviewed during March 2002 and for the 2003/04 financial year it was reviewed during March 2003. After being discussed by the Secretariat it was signed by the Accounting Officer and implemented with effect from 1 April. The approved GCIS financial guidelines and policies are distributed to all sections and is also available on the GCIS Intranet website.

In addition to the financial guidelines and policies, Branch, Programme and Responsibility Managers are appointed in writing to manage their budgets. Their financial responsibilities are executed in conjunction with performance contracts. In order to further enhance good financial management and administration in line with the PFMA, the Finance Section embarks every year on a workshop whereby all aspects of financial management and administration are discussed. An action plan is thereafter drafted and implemented. The workshop for the 2002/03 financial year was held in April 2002 and for 2003/04 it was held during May 2003.

A great improvement has been achieved in the past year on the management of our assets. Having realised that we were unable to rely entirely on Logis for the proper accountability of our assets, a parallel manual process of accounting for our assets in an Asset Register was embarked upon. Most of our excess assets were donated to schools after approval was obtained from National Treasury. We are happy to indicate that our assets are fully accounted for at this stage, with a very limited amount that is unused. During this year, we will finalise the disposing of the remaining redundant equipment which could not be donated.

We however wish to indicate that the reconciliation of Bas/Logis still remains a problem in the asset/inventory. Logis is purely a procurement and receipt system while BAS is a financial and budget system. They account differently for inventories, thus making effective reconciliation very difficult.

The correction of this anomaly resides with National Treasury, who have assured us that a more holistic approach to a procurement and financial management system is being developed.

## 6. Performance information

Major performances include:

- the establishing of the MDDA of which the Act became operational on 8 July 2002 and the finalisation of the appointment of the Board members in December 2002.
- four Government Communicators Forums were held during 2002 while the first Government Communicator's Awards ceremony – to recognise outstanding performances in all spheres of government – was held in December 2002. Two Parliamentary Briefing Weeks were held at the opening of the Parliamentary sessions. Bi-weekly press briefings were held after Cabinet meetings and there was extensive press coverage of Cabinet decisions and positions.

- By the end of 2002, 34 MPCC were operational, while rural networks for distributing communication material had been established at 60 MPCCs. With the co-operation of the South African Local Government Association in 2003/04, approximately 110 satellite Government Information Centres will be launched in the involved municipalities. Through the existing MPCCs, government has been able to make more than 300 services available to rural or underdeveloped communities. By the end of 2002/03, a total of 37 MPCCs had been launched across the country, which will enable more people to access government services and to become better informed about programmes that could positively influence their lives.

- *Bua Briefs* has been introduced through which the positions adopted by Cabinet on all matters of public interest are disseminated, not only through the regular statements issued after each Cabinet meeting, but also more widely. It is distributed nationally and internationally to over 2 000 opinion-makers and decision-makers in both business and government.

- A variety of information products were produced and disseminated in 2002 including posters, leaflets and booklets on the President's State of the Nation speech, the *South Africa Yearbook* and directories of contacts. Information was also disseminated via community radio stations, Ministerial talk shows and other media, which increased the reach to citizens. The National Orders were also launched successfully. GCIS co-ordinated the hearings into the need for transformation in the advertising and marketing industry. It also participated in international events such as the African Union summit and the World Summit on Sustainable Development.

- The IMC Trust was established in November 2002. A website, used by foreign missions, among others, was created and is updated regularly. The Believe in South Africa

Campaign was launched during April 2002 after research was completed to assess and understand local and international perceptions of South Africa as an investment destination. Brand South Africa will be launched by the end of the first quarter of 2003. A Communication Resource Centre was also established in Pretoria, primarily to monitor international media. Through this Centre a rapid response unit is able to advise Ministers daily on topical issues.

During the financial year, on a monthly basis, a report is submitted to the Budget Committee on the spending activities of each section. This

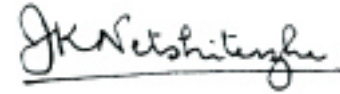
is also used to determine the overall spending trends of the Department and the actual performance. The Internal Audit Section also conducts an audit on the performance of sections whereafter a report is submitted to the Secretariat. Responsibility Managers report also on a monthly basis to the *Indibano* meeting and Programme Managers weekly to the Secretariat regarding the performance of Sections and Programmes.

## 7. Events after the reporting date

No material events occurred after the Balance Sheet date that has an influence on the financial statements and the financial position of GCIS.

### Approval

The annual financial statements set out on pages 61 –94 have been approved by the Accounting Officer.



JK NETSHITENZHE

CHIEF EXECUTIVE OFFICER: GCIS

DATE: 30 JULY 2003

# Report of the Auditor-General to Parliament on the Financial Statements of the Government Communication and Information System – Vote 7 for the year ended 31 March 2003

## 1. Audit assignment

The financial statements as set out on pages 61 – 94 for the year ended 31 March 2003, have been audited in terms of Section 188 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), read with Sections 3 and 5 of the Auditor-General Act, 1995 (Act 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

## 2. Nature and scope

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a tests basis, evidence supporting the amount and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

## 3. Audit opinion

In my opinion, the financial statements fairly present, in all material respects, the financial position of Government Communications (GCIS) at 31 March 2003 and the results of its operations and cash

flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act 1 of 1999).

## 4. Emphasis of matter

Without qualifying the opinion expressed above, attention is drawn to the following matters:

### 4.1 Irregular expenditure: International Marketing Council (IMC)

As disclosed in Note 26 of the financial statements, irregular expenditure to the amount of R12,7 million was identified during the year under review. This expenditure relates to a payment made during the 2001/02 financial year to a consortium for advertising costs. Subsequent to that year-end, the R12,7 million was paid back by the consortium to the IMC as one of the members of the consortium failed to deliver on an advertising campaign. This refund was deposited into a commercial bank account opened on 12 April 2002 by the IMC without GCIS and National Treasury approval.

During the year under review, management brought to my attention that certain advertising and administrative costs were paid from this bank account. My audit of these payments confirmed approximately R10 million spent outside of the Vote Account. With the consent of the Accountant-General, the full amount of R12,7 million is now reflected as irregular expenditure in that year whilst the unspent portion of R3,2 million has been reflected under accounts receivable and recoverable revenue.

It should be noted that at least R0,7 million of the R12,7 million was identified as potentially fraudulent.

For the year under review, a payment of R7,9 million, which was later established by GCIS to be a prepayment, was made to the same consortium (but for a different member) and classified as irreg-

ular in terms of Treasury Regulation 9.1.5. Subsequent to year-end this amount with interest was recovered by GCIS.

### 4.2 Control over assets (equipment and inventories)

Shortcomings with regard to the control of assets had been reported in my previous report. Audit findings for the year under review again revealed similar problems with respect to the reconciliation of assets between the Logistical Information System (Logis) and Basic Accounting System (BAS). Furthermore, the accuracy and completeness of the information technology equipment register could not be verified as it is not properly maintained.

### 4.3 Computer audit of the logical access controls and security parameter settings within GCIS

An information systems audit is of limited scope on the general control environment was completed on 8 November 2002.

The most significant weaknesses identified included an inadequate security policy, an inadequate and untested disaster recovery plan, incomplete user account management procedures and a lack of backup and restore procedures. No evidence existed that the activity and access violation logs were reviewed and various logical access control weaknesses existed in the systems security settings.

## 5. Appreciation

The assistance rendered by the staff of GCIS during the audit is sincerely appreciated.

*Shaunet*

*Fakie*

AUDITOR-GENERAL  
Pretoria 31 JULY 2003



# Statement of Accounting policies and related matters for the year ended 31 March 2003

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, 1999 (Act 1 of 1999), (as amended by Act 29 of 1999), and the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act, and the Division of Revenue Act, 2002 (Act 5 of 2002).

## 1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting, transactions and other events are recognised when occurred and not when cash is received or paid.

## 2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjustment Estimates of National/ Provincial Expenditure. Unexpended voted funds are surrendered to the National Revenue Fund. Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the National Revenue Fund.

## 3. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

## 4. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including the:

- Public Finance Management Act
- State Tender Board Act, or any regulations made in terms of this Act.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or the vote if responsibility cannot be determined.

## 5. Debts write-off policy

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

5.1 The Finance Directorate will strive to recover all moneys owed

to the department. Attempts will, however, be made to balance the costs of recovering the debts against the money owed to the department.

5.2 A Theft and Losses Committee was established to determine responsibility, without reference to the State Attorney, in cases where an official was personally responsible for creating a debt, irrespective of the amount.

5.3 Debts from ex-employees: after establishing the real physical address of the person, three reminder letters are sent to the person/s. This should be within a period of six months. Should we fail to recover the debt, the case will be referred to the State Attorney for recovery.

5.4 Debts of less than R200 are uneconomical to recover in the case of ex-employees.

5.5 Debts will be considered for write-off after all attempts to recover the money have been exhausted. Proposals to write off these debts will be submitted to the delegated persons after the following steps have been taken into consideration:

- a. recovery of the debt would be uneconomical
- b. it would be to the advantage of the State to effect a settlement of its claim or to waive the claim
- c. all attempts to recover the debt have failed
- d. recovery of the debt would cause undue hardship to the debtor or his or her dependants.

5.6 In terms of GCIS delegations, the following officials may approve a write-off:

- a. the Chief Financial Officer has been delegated to approve write-offs of up to R15 000 per transaction
- b. the Deputy Chief Executive Officer: Centralised Services can approve write-offs of up to R50 000 per transaction
- c. the Accounting Officer can approve write-offs exceeding R50 000 per transaction.

5.7 All write-offs must be disclosed in the Annual Financial Statements.

## 6. Capital expenditure

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets acquired are expensed i.e. written off in the income statement when the payment is made.

## 7. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

## 8. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the National Revenue Fund or another party.

## 9. Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

## 10. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or

as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

## 11. Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

## 12. Employee benefits

### Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

### Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

### Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

### Medical benefits

The department provides medical benefits for its employees through defined benefit plans. These benefits are funded by employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post-retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.

## 13. Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

## 14. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

## Appropriation Statement for the year ended 31 March 2003

		2002/03					2001/02	
Programme	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>1 Administration</b>	<b>33,787</b>	<b>988</b>	<b>34,775</b>	<b>34,773</b>	<b>2</b>	<b>100.0%</b>	<b>20,742</b>	<b>20,901</b>
Current	30,049	(1,180)	28,869	28,867	2	100.0%	19,721	19,880
Capital	3,738	2,168	5,906	5,906	-	100.0%	1,021	1,021
<b>2 Policy and Research</b>	<b>11,296</b>	<b>(903)</b>	<b>10,393</b>	<b>10,106</b>	<b>287</b>	<b>97.2%</b>	<b>12,041</b>	<b>11,038</b>
Current	10,258	(102)	10,156	9,869	287	97.2%	11,035	10,032
Capital	1,038	(801)	237	237	-	100.0%	1,006	1,006
<b>3 Government and Media Liaison</b>	<b>12,575</b>	<b>(1,004)</b>	<b>11,571</b>	<b>11,104</b>	<b>467</b>	<b>96.0%</b>	<b>7,958</b>	<b>7,694</b>
Current	12,101	(1,149)	10,952	10,486	466	95.7%	7,733	7,469
Capital	474	145	619	618	1	99.8%	225	225
<b>4 Provincial and Local Liaison</b>	<b>23,218</b>	<b>(835)</b>	<b>22,383</b>	<b>22,376</b>	<b>7</b>	<b>100.0%</b>	<b>17,290</b>	<b>17,286</b>
Current	22,550	(1,561)	20,989	20,982	7	100.0%	16,912	16,908
Capital	668	726	1,394	1,394	-	100.0%	378	378
<b>5 Communication Service Agency</b>	<b>22,852</b>	<b>1,754</b>	<b>24,606</b>	<b>23,689</b>	<b>917</b>	<b>96.3%</b>	<b>16,182</b>	<b>15,902</b>
Current	20,951	1,817	22,768	21,851	917	96.0%	12,206	11,926
Capital	1,901	(63)	1,838	1,838	-	100.0%	3,976	3,976
<b>6 International Marketing and Mobilisation</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>49,998</b>	<b>2</b>	<b>100.0%</b>	<b>50,000</b>	<b>49,896</b>
Current	50,000	(7)	49,993	49,991	2	100.0%	49,922	49,818
Capital	-	7	7	7	-	100.0%	78	78
<b>Total</b>	<b>153,728</b>	<b>-</b>	<b>153,728</b>	<b>152,046</b>	<b>1,682</b>	<b>98.9%</b>	<b>124,213</b>	<b>122,717</b>

		2002/03					2001/02	
Economic Classification	Adjusted appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised allocation R'000	Actual Expenditure R'000
<b>Current</b>	<b>145,909</b>	<b>(2,182)</b>	<b>143,727</b>	<b>142,046</b>	<b>1,681</b>	<b>98.8%</b>	<b>117,529</b>	<b>116,033</b>
Personnel	51,783	(3,238)	48,545	48,541	4	100.0%	42,401	42,397
Transfer payments	-	3,000	3,000	3,000	-	100.0%	-	-
Other	94,126	(1,944)	92,182	90,505	1,677	98.2%	75,128	73,636
<b>Capital</b>	<b>7,819</b>	<b>2,182</b>	<b>10,001</b>	<b>10,000</b>	<b>1</b>	<b>100.0%</b>	<b>6,684</b>	<b>6,684</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	7,819	2,182	10,001	10,000	1	100.0%	6,684	6,684
<b>Total</b>	<b>153,728</b>	<b>-</b>	<b>153,728</b>	<b>152,046</b>	<b>1,682</b>	<b>98.9%</b>	<b>124,213</b>	<b>122,717</b>

## Appropriation Statement for the year ended 31 March 2003

		2002/03					2001/02	
Standard Item Classification	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	51,783	(3,238)	48,545	48,541	4	100.0%	42,403	42,395
Administrative	12,955	265	13,220	13,144	76	99.4%	9,547	9,513
Inventories	3,580	(486)	3,094	2,814	280	91.0%	1,781	1,716
Equipment	11,092	9	11,101	11,098	3	100.0%	7,912	7,553
Land and buildings	555	(331)	224	224	-	100.0%	261	153
Professional and special services	73,763	376	74,139	72,820	1,319	98.2%	62,309	61,162
Transfer payments	-	3,000	3,000	3,000	-	100.0%	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions: Authorised losses	-	405	405	405	-	100.0%	-	225
<b>Total</b>	<b>153,728</b>	<b>-</b>	<b>153,728</b>	<b>152,046</b>	<b>1,682</b>	<b>98.9%</b>	<b>124,213</b>	<b>122,717</b>

## Appropriation Statement

### Detail per Programme 1: Administration for the year ended 31 March 2003

Programme per Subprogramme	Adjusted Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>1.1 Management</b>	<b>2,671</b>	<b>810</b>	<b>3,481</b>	<b>3,481</b>	<b>-</b>	<b>100.0%</b>	<b>3,511</b>	<b>3,511</b>
Current	2,477	888	3,365	3,365	-	100.0%	3,266	3,266
Capital	194	(78)	116	116	-	100.0%	245	245
<b>1.2 Corporate Services</b>	<b>31,116</b>	<b>178</b>	<b>31,294</b>	<b>31,292</b>	<b>2</b>	<b>100.0%</b>	<b>17,231</b>	<b>17,390</b>
Current	27,572	(2,068)	25,504	25,502	2	100.0%	16,455	16,614
Capital	3,544	2,246	5,790	5,790	-	100.0%	776	776
<b>Total</b>	<b>33,787</b>	<b>988</b>	<b>34,775</b>	<b>34,773</b>	<b>2</b>	<b>100.0%</b>	<b>20,742</b>	<b>20,901</b>

Economic Classification	Adjusted Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>	<b>30,049</b>	<b>(1,180)</b>	<b>28,869</b>	<b>28,867</b>	<b>2</b>	<b>100.0%</b>	<b>19,721</b>	<b>19,880</b>
Personnel	17,410	81	17,491	17,491	-	100.0%	13,268	13,267
Transfer payments	-	-	-	-	-	-	-	-
Other	12,639	(1,261)	11,378	11,376	2	100.0%	6,453	6,613
<b>Capital</b>	<b>3,738</b>	<b>2,168</b>	<b>5,906</b>	<b>5,906</b>	<b>-</b>	<b>100.0%</b>	<b>1,021</b>	<b>1,021</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	3,738	2,168	5,906	5,906	-	100.0%	1,021	1,021
<b>Total</b>	<b>33,787</b>	<b>988</b>	<b>34,775</b>	<b>34,773</b>	<b>2</b>	<b>100.0%</b>	<b>20,742</b>	<b>20,901</b>

## Appropriation Statement

### Detail per Programme 1: Administration for the year ended 31 March 2003

Standard Item Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	17,410	81	17,491	17,491	-	100.0%	13,268	13,267
Administrative	3,218	(14)	3,204	3,204	-	100.0%	2,296	2,296
Inventories	1,003	47	1,050	1,049	1	99.9%	261	198
Equipment	6,749	(10)	6,739	6,738	1	100.0%	1,643	1,642
Land and buildings	279	(117)	162	162	-	100.0%	111	111
Professional and special services	5,128	596	5,724	5,724	-	100.0%	3,163	3,162
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions: Authorised losses	-	405	405	405	-	100.0%	-	225
<b>Total</b>	<b>33,787</b>	<b>988</b>	<b>34,775</b>	<b>34,773</b>	<b>2</b>	<b>100.0%</b>	<b>20,742</b>	<b>20,901</b>

## Appropriation Statement

### Detail per Programme 2: Policy and Research for the year ended 31 March 2003

Programme per Subprogramme	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>2.1 Management</b>	<b>1,704</b>	<b>(192)</b>	<b>1,512</b>	<b>1,226</b>	<b>286</b>	<b>81.1%</b>	<b>1,704</b>	<b>703</b>
Current	1,665	(285)	1,380	1,094	286	79.3%	1,668	667
Capital	39	93	132	132	-	100.0%	36	36
<b>2.2 Policy</b>	<b>5,678</b>	<b>(603)</b>	<b>5,075</b>	<b>5,075</b>	<b>-</b>	<b>100.0%</b>	<b>1,644</b>	<b>1,643</b>
Current	4,712	284	4,996	4,996	-	100.0%	1,509	1,508
Capital	966	(887)	79	79	-	100.0%	135	135
<b>2.3 Research</b>	<b>3,914</b>	<b>(108)</b>	<b>3,806</b>	<b>3,805</b>	<b>1</b>	<b>100.0%</b>	<b>2,219</b>	<b>2,219</b>
Current	3,881	(101)	3,780	3,779	1	100.0%	2,209	2,209
Capital	33	(7)	26	26	-	100.0%	10	10
<b>2.4 Information Resource Management</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,474</b>	<b>6,473</b>
Current	-	-	-	-	-	-	5,649	5,648
Capital	-	-	-	-	-	-	825	825
<b>Total</b>	<b>11,296</b>	<b>(903)</b>	<b>10,393</b>	<b>10,106</b>	<b>287</b>	<b>97.2%</b>	<b>12,041</b>	<b>11,038</b>

Economic Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>	<b>10,258</b>	<b>(102)</b>	<b>10,156</b>	<b>9,869</b>	<b>287</b>	<b>97.2%</b>	<b>11,035</b>	<b>10,032</b>
Personnel	3,642	(511)	3,131	3,131	-	100.0%	6,359	6,357
Transfer payments	-	3,000	3,000	3,000	-	100.0%	-	-
Other	6,616	(2,591)	4,025	3,738	287	92.9%	4,676	3,675
<b>Capital</b>	<b>1,038</b>	<b>(801)</b>	<b>237</b>	<b>237</b>	<b>-</b>	<b>100.0%</b>	<b>1,006</b>	<b>1,006</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	1,038	(801)	237	237	-	100.0%	1,006	1,006
<b>Total</b>	<b>11,296</b>	<b>(903)</b>	<b>10,393</b>	<b>10,106</b>	<b>287</b>	<b>97.2%</b>	<b>12,041</b>	<b>11,038</b>

## Appropriation Statement

### Detail per Programme 2: Policy and Research for the year ended 31 March 2003

Standard Item Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	3,642	(511)	3,131	3,131	-	100.0%	6,359	6,357
Administrative	543	(208)	335	335	-	100.0%	641	641
Inventories	1,073	(115)	958	681	277	71.1%	615	615
Equipment	188	50	238	237	1	99.6%	1,051	1,051
Land and buildings	20	(20)	-	-	-	-	-	-
Professional and special services	5,830	(3,099)	2,731	2,722	9	99.7%	3,375	2,374
Transfer payments	-	3,000	3,000	3,000	-	100.0%	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,296</b>	<b>(903)</b>	<b>10,393</b>	<b>10,106</b>	<b>287</b>	<b>97.2%</b>	<b>12,041</b>	<b>11,038</b>

## Appropriation Statement

### Detail per Programme 3: Government and Media Liaison for the year ended 31 March 2003

Programme per Subprogramme	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>3.1 Management</b>	<b>3,292</b>	<b>(190)</b>	<b>3,102</b>	<b>2,905</b>	<b>197</b>	<b>93.6%</b>	<b>695</b>	<b>695</b>
Current	3,174	(436)	2,738	2,541	197	92.8%	679	679
Capital	118	246	364	364	-	100.0%	16	16
<b>3.2 National Liaison</b>	<b>2,327</b>	<b>102</b>	<b>2,429</b>	<b>2,324</b>	<b>105</b>	<b>95.7%</b>	<b>2,616</b>	<b>2,615</b>
Current	2,295	129	2,424	2,319	105	95.7%	2,578	2,577
Capital	32	(27)	5	5	-	100.0%	38	38
<b>3.3 International and Media Liaison</b>	<b>3,923</b>	<b>(640)</b>	<b>3,283</b>	<b>3,283</b>	<b>-</b>	<b>100.0%</b>	<b>2,524</b>	<b>2,349</b>
Current	3,673	(393)	3,280	3,280	-	100.0%	2,517	2,342
Capital	250	(247)	3	3	-	100.0%	7	7
<b>3.4 News Services</b>	<b>2,352</b>	<b>(193)</b>	<b>2,159</b>	<b>1,995</b>	<b>164</b>	<b>92.4%</b>	<b>2,123</b>	<b>2,035</b>
Current	2,305	(340)	1,965	1,801	164	91.7%	1,959	1,871
Capital	47	147	194	194	-	100.0%	164	164
<b>3.5 Client Training Services</b>	<b>681</b>	<b>(83)</b>	<b>598</b>	<b>597</b>	<b>1</b>	<b>99.8%</b>	<b>-</b>	<b>-</b>
Current	654	(109)	545	545	-	100.0%	-	-
Capital	27	26	53	52	1	98.1%	-	-
<b>Total</b>	<b>12,575</b>	<b>(1,004)</b>	<b>11,571</b>	<b>11,104</b>	<b>467</b>	<b>96.0%</b>	<b>7,958</b>	<b>7,694</b>

Economic Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised allocation R'000	Actual Expenditure R'000
<b>Current</b>	<b>12,101</b>	<b>(1,149)</b>	<b>10,952</b>	<b>10,486</b>	<b>466</b>	<b>95.7%</b>	<b>7,733</b>	<b>7,469</b>
Personnel	8,519	(776)	7,743	7,743	-	100.0%	5,435	5,437
Transfer payments	-	-	-	-	-	-	-	-
Other	3,582	(373)	3,209	2,743	466	85.5%	2,298	2,032
<b>Capital</b>	<b>474</b>	<b>145</b>	<b>619</b>	<b>618</b>	<b>1</b>	<b>99.8%</b>	<b>225</b>	<b>225</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	474	145	619	618	1	99.8%	225	225
<b>Total</b>	<b>12,575</b>	<b>(1,004)</b>	<b>11,571</b>	<b>11,104</b>	<b>467</b>	<b>96.0%</b>	<b>7,958</b>	<b>7,694</b>

## Appropriation Statement

### Detail per Programme 3: Government and Media Liaison for the year ended 31 March 2003

Standard Item Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	8,519	(776)	7,743	7,743	-	100.0%	5,437	5,435
Administrative	1,457	229	1,686	1,612	74	95.6%	1,110	1,110
Inventories	512	(171)	341	340	1	99.7%	241	241
Equipment	802	(106)	696	696	-	100.0%	254	253
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	1,285	(180)	1,105	713	392	64.5%	916	655
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12,575</b>	<b>(1,004)</b>	<b>11,571</b>	<b>11,104</b>	<b>467</b>	<b>96.0%</b>	<b>7,958</b>	<b>7,694</b>

## Appropriation Statement

### Detail per Programme 4: Provincial and Local Liaison for the year ended 31 March 2003

Programme per Subprogramme	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>4.1 Management</b>	<b>4,153</b>	<b>(413)</b>	<b>3,740</b>	<b>3,740</b>	<b>-</b>	<b>100.0%</b>	<b>1,089</b>	<b>1,088</b>
Current	4,148	(549)	3,599	3,599	-	100.0%	1,085	1,084
Capital	5	136	141	141	-	100.0%	4	4
<b>4.2 Liaison</b>	<b>19,065</b>	<b>(422)</b>	<b>18,643</b>	<b>18,636</b>	<b>7</b>	<b>100.0%</b>	<b>16,201</b>	<b>16,198</b>
Current	18,402	(1,012)	17,390	17,383	7	100.0%	15,827	15,824
Capital	663	590	1,253	1,253	-	100.0%	374	374
<b>Total</b>	<b>23,218</b>	<b>(835)</b>	<b>22,383</b>	<b>22,376</b>	<b>7</b>	<b>100.0%</b>	<b>17,290</b>	<b>17,286</b>

Economic Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>	<b>22,550</b>	<b>(1,561)</b>	<b>20,989</b>	<b>20,982</b>	<b>7</b>	<b>100.0%</b>	<b>16,912</b>	<b>16,908</b>
Personnel	16,105	(1,724)	14,381	14,377	4	100.0%	12,030	12,028
Transfer payments	-	-	-	-	-	-	-	-
Other	6,445	163	6,608	6,605	3	100.0%	4,882	4,880
<b>Capital</b>	<b>668</b>	<b>726</b>	<b>1,394</b>	<b>1,394</b>	<b>-</b>	<b>100.0%</b>	<b>378</b>	<b>378</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	668	726	1,394	1,394	-	100.0%	378	378
<b>Total</b>	<b>23,218</b>	<b>(835)</b>	<b>22,383</b>	<b>22,376</b>	<b>7</b>	<b>100.0%</b>	<b>17,290</b>	<b>17,286</b>

## Appropriation Statement

### Detail per Programme 4: Provincial and Local Liaison for the year ended 31 March 2003

Standard Item Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	16,105	(1,724)	14,381	14,377	4	100.0%	12,030	12,028
Administrative	5,715	154	5,869	5,868	1	100.0%	4,353	4,352
Inventories	354	41	395	395	-	100.0%	259	258
Equipment	830	735	1,565	1,564	1	99.9%	478	478
Land and buildings	112	(65)	47	47	-	100.0%	40	40
Professional and special services	102	24	126	125	1	99.2%	130	130
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
<b>Total</b>	<b>23,218</b>	<b>(835)</b>	<b>22,383</b>	<b>22,376</b>	<b>7</b>	<b>100.0%</b>	<b>17,290</b>	<b>17,286</b>

**Appropriation Statement,  
Detail per Programme 5: Communication Service Agency for the year ended 31 March 2003**

Programme per Subprogramme	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>5.1 Management</b>	<b>1,297</b>	<b>(34)</b>	<b>1,263</b>	<b>1,262</b>	<b>1</b>	<b>99.9%</b>	<b>970</b>	<b>969</b>
Current	1,292	(32)	1,260	1,259	1	99.9%	965	964
Capital	5	(2)	3	3	-	100.0%	5	5
<b>5.2 Marketing</b>	<b>9,737</b>	<b>2,624</b>	<b>12,361</b>	<b>12,360</b>	<b>1</b>	<b>100.0%</b>	<b>7,164</b>	<b>6,886</b>
Current	8,846	2,648	11,494	11,493	1	100.0%	4,410	4,132
Capital	891	(24)	867	867	-	100.0%	2,754	2,754
<b>5.3 Product Development</b>	<b>9,498</b>	<b>(675)</b>	<b>8,823</b>	<b>7,908</b>	<b>915</b>	<b>89.6%</b>	<b>2,327</b>	<b>2,327</b>
Current	8,528	(619)	7,909	6,994	915	88.4%	2,032	2,032
Capital	970	(56)	914	914	-	100.0%	295	295
<b>5.4 Content Development</b>	<b>2,320</b>	<b>(161)</b>	<b>2,159</b>	<b>2,159</b>	<b>-</b>	<b>100.0%</b>	<b>5,721</b>	<b>5,720</b>
Current	2,285	(180)	2,105	2,105	-	100.0%	4,799	4,798
Capital	35	19	54	54	-	100.0%	922	922
<b>Total</b>	<b>22,852</b>	<b>1,754</b>	<b>24,606</b>	<b>23,689</b>	<b>917</b>	<b>96.3%</b>	<b>16,182</b>	<b>15,902</b>

Economic Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>	<b>20,951</b>	<b>1,817</b>	<b>22,768</b>	<b>21,851</b>	<b>917</b>	<b>96.0%</b>	<b>12,206</b>	<b>11,926</b>
Personnel	6,107	(308)	5,799	5,799	-	100.0%	5,309	5,308
Transfer payments	-	-	-	-	-	-	-	-
Other	14,844	2,125	16,969	16,052	917	94.6%	6,897	6,618
<b>Capital</b>	<b>1,901</b>	<b>(63)</b>	<b>1,838</b>	<b>1,838</b>	<b>-</b>	<b>100.0%</b>	<b>3,976</b>	<b>3,976</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	1,901	(63)	1,838	1,838	-	100.0%	3,976	3,976
<b>Total</b>	<b>22,852</b>	<b>1,754</b>	<b>24,606</b>	<b>23,689</b>	<b>917</b>	<b>96.3%</b>	<b>16,182</b>	<b>15,902</b>

**Appropriation Statement,  
Detail per Programme 5: Communication Service Agency for the year ended 31 March 2003**

Standard Item Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	6,107	(308)	5,799	5,799	-	100.0%	5,309	5,308
Administrative	1,237	(170)	1,067	1,066	1	99.9%	824	824
Inventories	460	(112)	348	347	1	99.7%	367	366
Equipment	1,905	(49)	1,856	1,856	-	100.0%	4,251	3,976
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	13,143	2,393	15,536	14,621	915	94.1%	5,431	5,428
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,852</b>	<b>1,754</b>	<b>24,606</b>	<b>23,689</b>	<b>917</b>	<b>96.3%</b>	<b>16,182</b>	<b>15,902</b>

**Appropriation Statement,  
Detail per Programme 6: International Marketing for the year ended 31 March 2003**

Programme per Subprogramme	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>6.1 International Marketing</b>	<b>50,000</b>	-	<b>50,000</b>	<b>49,998</b>	<b>2</b>	<b>100.0%</b>	<b>50,000</b>	<b>49,896</b>
Current	50,000	(7)	49,993	49,991	2	100.0%	49,922	49,818
Capital	-	7	7	7	-	100.0%	78	78
<b>Total</b>	<b>50,000</b>	-	<b>50,000</b>	<b>49,998</b>	<b>2</b>	<b>100.0%</b>	<b>50,000</b>	<b>49,896</b>

Economic Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
<b>Current</b>	<b>50,000</b>	<b>(7)</b>	<b>49,993</b>	<b>49,991</b>	<b>2</b>	<b>100.0%</b>	<b>49,922</b>	<b>49,818</b>
Personnel	-	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-	-
Other	50,000	(7)	49,993	49,991	2	100.0%	49,922	49,818
<b>Capital</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>100.0%</b>	<b>78</b>	<b>78</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	-	7	7	7	-	100.0%	78	78
<b>Total</b>	<b>50,000</b>	-	<b>50,000</b>	<b>49,998</b>	<b>2</b>	<b>100.0%</b>	<b>50,000</b>	<b>49,896</b>

Standard Item Classification	Adjustment Appropriation R'000	2002/03					2001/02	
		Virement R'000	Revised Allocation R'000	Actual Expenditure R'000	Savings (Excess) R'000	Expenditure as % of Revised Allocation	Revised Allocation R'000	Actual Expenditure R'000
Personnel	-	-	-	-	-	-	-	-
Administrative	785	274	1,059	1,059	-	100.0%	323	290
Inventories	178	(176)	2	2	-	100.0%	38	38
Equipment	618	(611)	7	7	-	100.0%	235	153
Land and buildings	144	(129)	15	15	-	100.0%	110	2
Professional and special services	48,275	642	48,917	48,915	2	100.0%	49,294	49,413
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
<b>Total</b>	<b>50,000</b>	-	<b>50,000</b>	<b>49,998</b>	<b>2</b>	<b>100.0%</b>	<b>50,000</b>	<b>49,896</b>

# Notes to the Appropriation Statement for the year ended 31 March 2003

## 1. Detail of current and capital transfers as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 8 (Transfer payments) to the annual financial statements.

## 2. Detail of special functions (theft and losses)

Detail of these transactions per programme can be viewed in Note 9 (Details of special functions) to the annual financial statements.

## 3. Explanations of material variances from Amount Voted (after virement):

### 3.1 Per programme:

#### Programme 2: Policy and Research

The saving is mainly due to an order that was placed at the Government Printer during 2001/02 for the printing of two million *Mid-term Report* publications with an initial cost of R1 million. National Treasury was requested to rollover the aforementioned amount from 2001/02 to 2002/03. On receipt of the invoice from the Government Printer during 2002/03 it was lower than originally expected. National Treasury will be requested to rollover the saving from 2002/03 to 2003/04.

#### Programme 3: Government and Media Liaison

The saving is mainly due to the conversion to an electronic media service which resulted in savings of general administration costs, e.g. telephone costs and postage. Furthermore, savings also realised as a result of various forums and meetings

that did not realise as anticipated and fewer production of occasional publications. Savings also realised in news dissemination due to the Director's post that was vacant for a long period. National Treasury will be requested to roll over the saving from the 2002/03 to the 2003/04 financial year.

#### Programme 5: Communication Service Agency

The saving is mainly due to the outsourcing of the *SA Yearbook* to a private company for the marketing and selling thereof. Furthermore, costs were also budgeted for in respect of the Opening of Parliament, *Imbizo* Focus Week, AIDS Communication campaign and Classification Review Committee. As most of the costs are committed but payment to be realised in the 2003/04 financial year, National Treasury will be requested to roll over the saving from the 2002/03 to the 2003/04 financial year.

### 3.2 Per standard item:

#### Administrative

The saving is mainly due to the conversion to an electronic media service that realised a saving in general administrative cost e.g. telephone costs, postage. A saving occurred also in subsistence and travel costs due to traveling that did not realise as anticipated. National Treasury will be requested to roll over the saving from the 2002/03 to the 2003/04 financial year.

#### Inventories

The saving realised due to the invoice that was received from the Government Printer was lesser than expected, as already indicated under Programme 2. National Treasury will be requested to roll over the saving from the 2002/03 to the 2003/04 financial year.

#### Professional and special services

The saving is mainly due to the outsourcing of the *SA Yearbook* to a private company for the marketing and selling thereof. Furthermore, costs were also budgeted for in respect of the Opening of Parliament, *Imbizo* Focus Week, AIDS Communication Campaign and Classification Review Committee. Savings also realised as a result of various forums and meetings that did not realise as anticipated and fewer production of occasional publications. National Treasury will be requested to roll over the saving from the 2002/03 to the 2003/04 financial year.

## 4. Reconciliation of appropriation statement to income statement:

	2002/03	2001/02
	R'000	R'000
Total expenditure per appropriation statement	152,046	122,717
Add: unauthorised expenditure approved	4,090	-
Actual expenditure per income statement	156,136	122,717

## Income Statement (Statement of Financial Performance) financial year ended 31 March 2003

REVENUE	Note	2002/03 R'000	2001/02 R'000
<b>Voted funds</b>		<b>157,818</b>	<b>124,213</b>
Charge to National Revenue Fund	1	153,728	124,213
Appropriation for unauthorised expenditure		4,090	-
<b>Non-voted funds</b>		<b>679</b>	<b>1,052</b>
Other revenue to be surrendered to the Revenue Fund	2	679	1,052
<b>TOTAL REVENUE</b>		<b>158,497</b>	<b>125,265</b>
<b>EXPENDITURE</b>			
<b>Current</b>		<b>146,136</b>	<b>116,034</b>
Personnel	3	48,541	42,395
Administrative		13,144	9,513
Inventories	4	2,814	1,716
Machinery and equipment	5	1,098	870
Land and buildings	6	224	153
Professional and special services	7	72,820	61,162
Transfer payments	8	3,000	-
Special functions: authorised losses	9	405	225
Unauthorised expenditure approved	10	4,090	-
<b>TOTAL CURRENT EXPENDITURE</b>		<b>146,136</b>	<b>116,034</b>
<b>Capital</b>		<b>10,000</b>	<b>6,683</b>
Machinery and equipment	5	10,000	6,683
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>10,000</b>	<b>6,683</b>
<b>TOTAL EXPENDITURE</b>		<b>156,136</b>	<b>122,717</b>
<b>NET SURPLUS FOR THE YEAR</b>	11	<b>2,361</b>	<b>2,548</b>

## Balance Sheet (Statement of Financial Position) at 31 March 2003

<b>ASSETS</b>	<b>Note</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
<b>Current assets</b>		<b>13,511</b>	<b>12,260</b>
Unauthorised and fruitless and wasteful expenditure	10	4,154	9,464
Cash and cash equivalents	12	68	55
Receivables	13	9,160	2,561
Prepayments and advances	13	129	175
Revenue funds to be recovered	15	-	5
<b>TOTALASSETS</b>		<b>13,511</b>	<b>12,260</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>8,720</b>	<b>12,226</b>
Voted funds to be surrendered	14	1,682	1,759
Revenue funds to be surrendered	15	312	-
Bank overdraft	16	5,942	5,622
Payables	17	784	4,845
<b>TOTALLIABILITIES</b>		<b>8,720</b>	<b>12,226</b>
<b>NET ASSETS/LIABILITES</b>		<b>4,791</b>	<b>34</b>
<b>EQUITY</b>		<b>4,791</b>	<b>34</b>
Recoverable revenue		4,791	34
<b>TOTALEQUITY</b>		<b>4,791</b>	<b>34</b>

## Statement of Changes in Assets/Equity for the year ended 31 March 2003

<b>Recoverable revenue</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Opening balance	34	28
Transfer to revenue fund	-	(16)
Debts raised	4,757	22
Closing balance	<b>4,791</b>	<b>34</b>
<b>TOTAL EQUITY</b>	<b>4,791</b>	<b>34</b>

## Cashflow Statement for the year ended 31 March 2003

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Net cash flow generated by operating activities	18	12,356	9,231
Cash utilised to increase working capital	19	(9,394)	(3,490)
Voted funds and revenue funds surrendered	20	(2,121)	(1,030)
Unauthorised expenditure approved	10	4,090	-
<b>Net cash flow available from operating activities</b>		<b>4,931</b>	<b>4,711</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(9,995)</b>	<b>(6,683)</b>
Capital expenditure	18	(10,000)	(6,683)
Proceeds from sale of equipment	2	5	-
<b>Net cash flows from operating and investing activities</b>		<b>(5,064)</b>	<b>(1,972)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>4,757</b>	<b>368</b>
Increase in recoverable revenue		4,757	6
Proceeds from non-current receivables		-	410
Repayments of non-current payables		-	(48)
<b>Net decrease in cash and cash equivalents</b>		<b>(307)</b>	<b>(1,604)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>(5,567)</b>	<b>(3,963)</b>
<b>Cash and cash equivalents at end of period</b>		<b>(5,874)</b>	<b>(5,567)</b>

# Notes to the Annual Financial Statements for the year ended 31 March 2003

## 1 Charge to National Revenue Fund

1.1	Total appropriation 2002/03 R'000	Actual R'000	Variance over/(under) R'000	Total Appropriation 2001/02 R'000
	153,728	153,728	-	124,213

## 2 Other revenue to be surrendered to the Revenue Fund

Description	Note	2002/03 R'000	2001/02 R'000
Gifts, donations and sponsorships received	2.1	100	-
Cheques written back/stale cheques		41	-
Proceeds from sale of equipment		5	-
Proceeds on sale of publications		272	447
Interest received		23	12
Other		238	593
		<b>679</b>	<b>1,052</b>

### 2.1 Gifts, donations and sponsorships received by the department

#### Nature of gift, donation and sponsorship

Sponsorship for Government Communicator's Award event,  
sponsored by First National Bank

2002/03 R'000"	2001/02 R'000"
100	-
<b>100</b>	<b>-</b>

### 2.2 Gifts, donations and sponsorships received in kind excluding RDP funds by the department (Total not included above)

#### Nature of gift, donation and sponsorship

2 x domestic airlflight tickets, sponsored by SAA

2002/03 R'000"	2001/02 R'000"
4	-
<b>4</b>	<b>-</b>

## 3 Personnel

### 3.1 Current expenditure

Basic salary costs	33,485	29,172
Pension contributions	4,955	4,271

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## Notes to the Annual Financial Statements for the year ended 31 March 2003

Medical aid contributions	2,180	2,039
Other salary-related costs	7,921	6,913
	<b>48,541</b>	<b>42,395</b>

Average number of employees	337	302
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<b>4 Inventories</b>	<b>Note</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
<b>4.1 Current expenditure</b>			
<b>Inventories purchased during the year</b>			
Cleaning resources		66	50
Consumable stores		281	276
Books/magazines/publications		211	162
Newspapers		106	93
Government Printer		633	69
Departmental and other printing		135	40
Stationery		1,248	912
Photocopy costs		56	78
Other		78	36
<b>Total cost of inventories</b>		<b>2,814</b>	<b>1,716</b>
<b>5 Machinery and equipment</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Current (rentals, maintenance and sundry net of cash discounts)		1,098	870
Capital	5.1	10,000	6,683
<b>Total current and capital expenditure</b>		<b>11,098</b>	<b>7,553</b>
<b>5.1 Capital machinery and equipment analysed as follows:</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Computer equipment		7,191	2,967
Furniture and office equipment		1,613	2,856
Other machinery and equipment		1,196	860
		<b>10,000</b>	<b>6,683</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2003

6	Land and buildings	Note	2002/03 R'000	2001/02 R'000
	<b>Current expenditure</b>			
	Maintenance		13	-
	Rental		211	153
	Total current expenditure		224	153
	Total current and capital expenditure		<b>224</b>	<b>153</b>
7	<b>Professional and special services</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
7.1	<b>Current expenditure</b>			
	Auditors' remuneration		694	366
	Commissions and committees		8	2
	Computer services		2,518	1,351
	Other		69,600	59,443
	<b>Total professional and special services</b>		<b>72,820</b>	<b>61,162</b>
8	<b>Transfer payments</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
	Total transfer payments made to Public Entity	Annexure 1	3,000	-
9	<b>Special functions: authorised losses</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
	Material losses through criminal conduct	9.1	134	162
	Other material losses written off	9.2	16	20
	Debts written off	9.3	255	43
			<b>405</b>	<b>225</b>
9.1	<b>Material losses through criminal conduct</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
	<b>Nature of losses</b>			
	Theft of television and camera		10	8
	Theft of warrant voucher		11	120
	Theft of cellphones		3	12
	Theft of video machine		3	-

## Notes to the Annual Financial Statements for the year ended 31 March 2003

Theft of graphic design computer	29	-
Theft of computer screen	31	-
Theft of laptops	47	22
	<b>134</b>	<b>162</b>

### 9.2 Other material losses written off in income statement in current period

#### Nature of losses

	2002/03 R'000	2001/02 R'000
Damage to vehicles	-	15
Petty cash	-	1
Air ticket	-	4
Damage of hired car	7	-
Erroneous credits	3	-
Damage to private car	3	-
Loss of cellphones	3	-
	<b>16</b>	<b>20</b>

### 9.3 Debts written off

#### Nature of debts written off

Ex personnel debts	255	43
	<b>255</b>	<b>43</b>

### 9.4 Details of special functions (theft and losses)

#### Per programme

Programme 1: Administration	405	225
	<b>405</b>	<b>225</b>

### 10 Unauthorised and fruitless and wasteful expenditure

#### 10.1 Reconciliation of unauthorised expenditure balance

Opening balance	9,464	11,162
Approved by Parliament	(4,090)	-
Transfer to receivables for recovery	(1,220)	(1,698)
Closing balance	<b>4,154</b>	<b>9,464</b>

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## Notes to the Annual Financial Statements for the year ended 31 March 2003

### 10.2 Unauthorised expenditure in respect of previous years not yet approved

Year disallowed	Incident
96/97	Unauthorised expenditure by former Director-General for Government's <i>Mid-term Report</i>
97/98	No State Tender Board approval
99/2000	Overspending on budget
99/2000	Non-compliance State Tender Board procedures
99/2000	Saving on personnel used for other expenditure
2000/01	Overspending on budget
Minus debt take-on	Unauthorised expenditure by former Director-General for Government's <i>Mid-term Report</i>

Note

2002/03  
R'000

2001/02  
R'000

-	2,918
-	93
-	3,738
-	200
-	59
4,154	4,154
<b>4,154</b>	<b>11,162</b>
-	(1,698)
<b>4,154</b>	<b>9,464</b>

### 11 Analysis of surplus

Voted funds to be surrendered to the National Revenue Fund  
Non-voted funds  
Other revenue to be surrendered to the Revenue Fund

2002/03 R'000	2001/02 R'000
1,682	1,496
679	1,052
679	1,052
<b>2,361</b>	<b>2,548</b>

Total

### 12 Cash and cash equivalents

Cash on hand

2002/03 R'000	2001/02 R'000
68	55
<b>68</b>	<b>55</b>

### 13 Receivables – current

Amounts owing by other departments  
Staff debtors  
Other debtors  
Advances

13.3  
13.4  
13.5

2002/03 R'000	2001/02 R'000
1,047	159
56	85
8,057	2,317
129	175
<b>9,289</b>	<b>2,736</b>

Annual report

## Notes to the Annual Financial Statements for the year ended 31 March 2003

**13.1** Amounts of R4 476 000 included above may not be recoverable, but has not been written off in the income statement  
(2002: R1 748 000)

### 13.2 Age analysis – receivables current

	2002/03 R'000	2001/02 R'000
Less than one year	4,554	590
One to two years	198	128
More than two years	4,537	2,018
	<b>9,289</b>	<b>2,736</b>

The debtors balance outstanding for more than two years reflected in the age analysis is due to an increase in the debt take-on balance and interest accrued in respect of unauthorised expenditure to be recovered which originated in 1996/97

### 13.3 Staff debtors

	2002/03 R'000	2001/02 R'000
Employees	43	62
Tax debt	4	2
Private telephone	9	21
	<b>56</b>	<b>85</b>

### 13.4 Other debtors

	2002/03 R'000	2001/02 R'000
Ex employees	4,742	2,287
Other debts	3,315	30
	<b>8,057</b>	<b>2,317</b>

### 13.5 Advances

Nature of advances	2002/03 R'000	2001/02 R'000
Travel and subsistence (normal)	50	45
Travel and subsistence (standing advances)	79	-
Opening of three MPCCs	-	130
	<b>129</b>	<b>175</b>

## Notes to the Annual Financial Statements for the year ended 31 March 2003

<b>14 Voted funds to be surrendered</b>	<b>Note</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Opening balance		1,759	263
Transfer from income statement		1,682	1,496
Paid during the year	20	(1,759)	-
Closing balance		<b>1,682</b>	<b>1,759</b>
<b>15 Revenue funds to be surrendered</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Opening balance		(5)	(27)
Transfer from income statement for revenue to be surrendered		679	1,052
Paid during the year	20	(362)	(1,030)
Closing balance		<b>312</b>	<b>(5)</b>
<b>16 Bank overdraft</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Paymaster General Account (Exchequer account)		5,942	5,622
<b>17 Payables – current</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
<b>Description</b>			
Amounts owing to other departments		694	-
Funds in transit		-	4,799
Other payables	17.1	90	46
		<b>784</b>	<b>4,845</b>
<b>17.1 Other payables</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Debt in suspense		4	-
ACB recalls		3	-
Regional Service Council levy		1	-
Pension		1	-
PAYE		81	27
GG transport		-	19
		<b>90</b>	<b>46</b>

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## Notes to the Annual Financial Statements for the year ended 31 March 2003

<b>18 Net cash flow generated by operating activities</b>	<b>Note</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Net surplus as per Income Statement		2,361	2,548
Adjusted for items separately disclosed		<b>9,995</b>	<b>6,683</b>
Proceeds from sale of equipment		(5)	-
Capital expenditure	5.1	10,000	6,683
Net cash flow generated by operating activities		<b>12,356</b>	<b>9,231</b>
<b>19 Cash utilised to increase working capital</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Increase in receivables – current		(6,599)	(1,610)
Decrease/(increase) in advances		46	(100)
Decrease in other current assets		1,220	1,698
Decrease in payables		(4,061)	(3,478)
		<b>(9,394)</b>	<b>(3,490)</b>
<b>20 Voted funds and revenue funds surrendered</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Voted funds surrendered	14	(1,759)	-
Revenue funds surrendered	15	(362)	(1,030)
		<b>(2,121)</b>	<b>(1,030)</b>

## Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2003

### 21 Contingent liabilities

Liable to	Nature	Note	2002/03 R'000	2001/02 R'000
Motor vehicle guarantees	Employees	Annexure 2	-	190
Housing loan guarantees	Employees	Annexure 2	1,027	1,101
Pending court cases	Legal costs		240	19
			<b>1,267</b>	<b>1,310</b>

### 22 Commitments

#### Current expenditure

Approved and contracted/ordered	2,476	882
---------------------------------	-------	-----

#### Capital expenditure

Approved and contracted/ordered	359	-
Total commitments	<b>2,835</b>	<b>882</b>

### 23 Accruals

#### Listed by standard item

Administrative	256	126
Inventories	59	31
Equipment	34	289
Professional and special services	12	1,292
	<b>361</b>	<b>1,738</b>

#### Listed by Programme level

Programme 1: Administration	163	123
Programme 2: Policy and Research	9	23
Programme 3: Government and Media Liaison	16	81
Programme 4: Provincial and Local Liaison	86	71
Programme 5: Communication Service Agency	87	1,440
	<b>361</b>	<b>1,738</b>

## Disclosures to the Annual Financial Statements for the year ended 31 March 2003

<b>24 Employee benefits</b>			<b>2002/03</b>	<b>2001/02</b>
			<b>R'000</b>	<b>R'000</b>
Leave entitlement			5,505	4,401
Performance bonus			32	718
Thirteenth cheque			1,583	1,261
			<b>7,120</b>	<b>6,380</b>
<b>25 Leases</b>			<b>Total</b>	<b>Total</b>
			<b>2002/03</b>	<b>2001/02</b>
<b>25.1 Operating leases</b>	<b>Property</b>	<b>Equipment</b>	<b>R'000</b>	<b>R'000</b>
Not later than one year	-	754	754	141
Later than one year and not later than three years	-	902	902	116
Later than three years	-	9	9	4
	-	<b>1,665</b>	<b>1,665</b>	<b>261</b>
Future finance charges	-	-	-	-
Present value of lease liabilities	-	<b>1,665</b>	<b>1,665</b>	<b>261</b>
<b>26 Irregular expenditure</b>			<b>2002/03</b>	<b>2001/02</b>
<b>26.1 Movement schedule of irregular expenditure</b>			<b>R'000</b>	<b>R'000</b>
Opening balance			12,661	-
Prepayments made without National Treasury approval			7,887	*12,661
Closing Balance			<b>20,548</b>	<b>12,661</b>
<b>* Only discovered in 2003/04</b>				
<b>27 Key management personnel</b>			<b>2002/03</b>	<b>2001/02</b>
			<b>R'000</b>	<b>R'000</b>
<b>Remuneration</b>				
Senior Management Structure contracts are effective from 1 January of each year.				
The costs from 1 April 2002 to 31 March 2003 are as follows:				
1 x Chief Executive Officer			702	653
2 x Deputy Chief Executive Officers			1,084	517
5 x Chief Directors			3,036	2,144
16 x Directors			5,412	5,205
<b>Total</b>			<b>10,234</b>	<b>8,519</b>

## Annexures to the Annual Financial Statements for the year ended 31 March 2003

### Annexure 1

#### STATEMENT OF TRANSFERS TO PUBLIC ENTITIES as at 31 March 2003

Name of Public Entity	Transfer Allocation				Expenditure				
	Appropriation Act R'000	Adjustments Estimate R'000	Roll overs R'000	Total Available R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Transferred R'000	Capital R'000	Current R'000
Media Development and Diversity Agency (MDDA)	-	3,000	-	3,000	3,000	-	100%	-	3,000

### Annexure 2

#### STATEMENT OF FINANCIAL GUARANTEES ISSUED as at 31 March 2003

##### Domestic

Guaranteed Institution	Guarantee in Respect of	Original Guaranteed Capital amount	Opening Balance as at 01/04/2002	Guarantees Issued During the Year	Guarantees Released During the Year	Guaranteed Interest Outstanding as at 31/03/2003	Closing Balance 31/03/2003	Realised Losses i.r.o. Claims Paid Out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing	256	256	31	-	-	287	-
Saambou	Housing	139	139	-	(14)	-	125	-
Standard Bank	Housing	158	158	-	(15)	-	143	-
First National Bank	Housing	91	91	39	-	-	130	-
Nedcor	Housing	369	369	55	(170)	-	254	-
FBC Fidelity	Housing	36	36	-	-	-	36	-
Old Mutual Bank	Housing	23	23	-	-	-	23	-
Cash Bank	Housing	20	20	-	-	-	20	-
Community Bank	Housing	9	9	-	-	-	9	-
Stannic	Motor Finance	190	190	-	(190)	-	-	-
<b>Total</b>		<b>1,291</b>	<b>1,291</b>	<b>125</b>	<b>(389)</b>	<b>-</b>	<b>1,027</b>	<b>-</b>

# Annexures to the Annual Financial Statements for the year ended 31 March 2003

## Annexure 3

### PHYSICAL ASSET MOVEMENT SCHEDULE (NOT INCLUDING INVENTORIES)

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Land and Buildings</b>	-	-	-	-	-	-
Land	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-
Non-residential buildings	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other structures (infrastructure assets)	-	-	-	-	-	-
Mineral & similar non-regenerative resources	-	-	-	-	-	-
Capital work in progress	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	10,000	-	-	-	10,000
Computer equipment	-	7,191	-	-	-	7,191
Furniture and office equipment	-	1,613	-	-	-	1,613
Other machinery and equipment	-	1,196	-	-	-	1,196
Specialised military assets	-	-	-	-	-	-
Transport assets	-	-	-	-	-	-
	-	10,000	-	-	-	10,000

## Annexures to the Annual Financial Statements for the year ended 31 March 2003

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Land and Buildings</b>	-	-	-	-	-	-
Land	-	-	-	-	-	-
Dwellings	-	-	-	-	-	-
Non-residential buildings	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-
Other structures (infrastructure assets)	-	-	-	-	-	-
Mineral & similar non-regenerative resources	-	-	-	-	-	-
Capital work in progress	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	6,683	-	-	-	6,683
Computer equipment	-	2,967	-	-	-	2,967
Furniture and office equipment	-	2,856	-	-	-	2,856
Other machinery and equipment	-	860	-	-	-	860
Specialised military assets	-	-	-	-	-	-
Transport assets	-	-	-	-	-	-
	-	6,683	-	-	-	6,683

# Annexures to the Annual Financial Statements for the year ended 31 March 2003

## Annexure 4

### INTANGIBLE ASSET MOVEMENT SCHEDULE (NOT INCLUDING INVENTORIES)

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Patents, Copyrights, brand names & trademarks	-	-	-	-	-	-
Computer software	-	50	-	-	-	50
Airport landing rights	-	-	-	-	-	-
Import/export licences	-	-	-	-	-	-
Fishing Quotas	-	-	-	-	-	-
Utility rights	-	-	-	-	-	-
Mineral extraction rights	-	-	-	-	-	-
Capitalised development costs	-	-	-	-	-	-
	-	50	-	-	-	50
INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Patents, Copyrights, brand names & trademarks	-	-	-	-	-	-
Computer software	-	19	-	-	-	19
Airport landing rights	-	-	-	-	-	-
Import/export licences	-	-	-	-	-	-
Fishing Quotas	-	-	-	-	-	-
Utility rights	-	-	-	-	-	-
Mineral extraction rights	-	-	-	-	-	-
Capitalised development costs	-	-	-	-	-	-
	-	19	-	-	-	19

# Report of the Audit Committee for the financial year ended 31 March 2003

## 1. Audit Committee members and their attendance

The Audit Committee of the GCIS consists of the members listed below and meets at least two times per annum in accordance with its approved terms of reference.

During the financial year under review, four meetings were held.

	Name of member	Status	Number of meetings attended
	Ms N Kwinana (chairperson)	Resigned 9 January 2003	4
	Mr N Howa	Resigned 29 April 2003	None
	Mr G Mampone	Active	2
	Ms T Zungu	Active	3
	Ms I Mackay Langa	Active	4
	Mr K Semakane	Active	3
	Ms Z Manase	Appointed 22 May 2003	
	Ms M Vuso	Appointed 22 May 2003	

## 2. Audit Committee responsibility

The Audit Committee has carried out its responsibilities in accordance with Section 38(1)(a) of the PFMA and Paragraph 3.1.13 of the Treasury Regulations. 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.

## 3. The effectiveness of internal control

The Committee considered and adopted the reports of the Internal and External Auditors on the effectiveness of internal controls.

The Committee also took note of three significant control weaknesses, which have been reported by the Auditor-

General under emphasis of matter in its audit report. The effect of one of the weaknesses identified, relating to irregular expenditure, has been included in the annual financial statements and the management report of the Accounting Officer.

The Committee is working very closely with senior management in ensuring the weaknesses reported are effectively addressed.

## 4. The quality of in year management and monthly/quarterly reports submitted in terms of the Act and The Division of Revenue Act

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the department during the year under review.

## 5. Evaluation of financial statements

The Audit Committee has reviewed

- and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the annual report
- the Auditor-General's management letter and management response
- significant adjustments resulting from the audit referred to under Item 3 of this report.

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

.....  
Chairperson of the Audit Committee: Zodwa Manase  
Date: 31/07/03



RP 102/2003

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