



PART FIVE: ANNUAL FINANCIAL STATEMENTS

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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

Government Communications (GCIS) was allocated R375 812 000 for the 2007/08 financial year. An additional R8 200 000 was allocated during the Adjustments Estimates, resulting in a total of R384 012 000 voted funds. The breakdown of the additional funds is as follows:

- R1,4 million was rolled over from the 2006/07 financial year in respect of the employer's contribution to non-statutory forces pension
- R1,8 million was received for salary increases following the Public Service Bargaining Coordinating Council resolution
- R3 million was shifted to GCIS from 12 national departments in the Economic Cluster to jointly fund the Mass Communication Campaign on Second-Economy Interventions, which GCIS is coordinating on behalf of the cluster
- R150 000 was donated by the SABC and R50 000 by Standard Bank to fund the annual Government Communicators' Awards ceremony
- R1,8 million in respect of the sale of advertising space in *Vuk'uzenzele* was used to increase the printing order and distribution of the magazine.

From the allocated budget of R384, 012 million, R380, 916 million (99,2%) was spent, resulting in an underspending of R3,096 million (0,8%). The breakdown of this underspending is as follows:

- R2 500 000 in respect of the Mass Communication Campaign on Second-Economy Interventions. It was planned that the SABC would flight a range of advertisements during January and February 2008. However, this did not happen as all advertising space was sold out and time was allocated to the Africa Cup of Nations soccer tournament. National Treasury was requested to roll over the funds to the 2008/09 financial year.
- R365 000 in respect of Property Management (municipal services). The expected invoices for municipal services were not received at year-end from the Department of Public Works.
- R154 000 in respect of the upgrading of the switchboard. The extension lines and capacity of the switchboard had to be upgraded due to an increase in the staff establishment and the fact that the *Vuk'uzenzele* staff had to relocate to another building. Although an order was issued for this service, it was not completed before financial year-end. National Treasury was requested to roll over the funds to the 2008/09 financial year.
- R77 000 in respect of the upgrading of the current security system in Head Office.

GCIS continues to adhere to sound financial management as stipulated in the Public Finance Management Act, 1999 (Act 1 of 1999), and National Treasury Regulations. The departmental financial policies are reviewed every second year to ensure that they are aligned to the changed financial environment.

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In between, the financial circulars are issued as guided by National Treasury and the Department of Public Service and Administration.

The aim of GCIS is to provide a comprehensive communication system on behalf of government, and to facilitate the participation of all South Africans in governance, reconstruction and development, nation-building and reconciliation. It is responsible for developing and consolidating the government communication system which, through dynamic co-ordination, ensures that the public is informed about government's programmes, policies and plans.

It primarily strives to ensure that communication between government and its citizens is dynamic. It uses development communication as one of its vehicles in ensuring that information, which enables the citizens to actively participate in improving their lives, is available. Direct interactive communication programmes have been implemented, especially with people in disadvantaged areas. A national communication strategy is developed each year which serves as a national communication framework for all cluster communication strategies.

GCIS, through the International Marketing Council (IMC), ensures that South Africa is marketed abroad. It also promotes the development of media diversity through the Media Development and Diversity Agency (MDDA).

The Chief Executive Officer (CEO) is the official government spokesperson, with GCIS' Exco serving as the strategising body.

GCIS' strategic objectives include:

- fostering a more positive communication environment to improve relations with the media, advertising agencies and other sectors
- having a clear understanding of the information needs of the public as well as those of government
- setting high standards for government communication
- democratising the communication environment.

Other key strategic focus areas include:

- Promoting a more efficient GCIS by improving the use of information technology in communication and developing the core competencies of communicators.
- Expanding capacity to facilitate quick and accurate analysis and timeous action and response to the public, media and government departments. The Communication Resource Centre monitors media on a 24-hour basis. The daily reports enable a rapid response team to advise accordingly.
- Providing professional media and communication services to government.
- Ensuring that information about government programmes and services is accessible to the public and co-ordinating the roll-out of Thusong Service Centres.



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- Working with the South African Local Government Association to promote local municipalities' involvement in Thusong Service Centres and to enhance municipal communication capacity.
- Integrating and co-ordinating the international marketing of South Africa, working with the IMC, which was established in 2000.
- Promoting media development and diversity through institutional support for the MDDA, which provides support to community-based media and small commercial media projects.

The overarching strategic objective of GCIS is to enhance the government communication system and its operations in ways that contribute to the process of further consolidating our democracy and taking the country onto a higher growth and development path.

The strategic objective will be achieved by having the following elements in our strategic approach:

- providing leadership in government communication and ensuring better performance by the communication system
- building a framework of communication partnerships informed by an encompassing vision around common development objectives
- promoting awareness of the opportunities that democracy has brought and how to access them
- promoting awareness of the institutions and programmes of continental and regional integration and development
- communication research and information and a more effective, efficient and well-informed GCIS.

2. Government Communications' main programmes

GCIS consists of the following programmes:

- *Administration* is responsible for the overall management of GCIS.
- *Policy and Research* conducts communication research to provide communication advice on governance, and monitors the development and implementation of government programmes from a communication perspective.
- *Government and Media Liaison (G&ML)* co-ordinates effective, integrated and comprehensive communication and media-liaison services across government.
- *Provincial and Local Liaison (P&LL)* supports development communication and extends government's information infrastructure through partnerships with provincial and local government. It also facilitates the establishment of Thusong Service Centres to make services and information more accessible to the public, particularly the disadvantaged.
- The *Communication Service Agency (CSA)* provides core communication services to GCIS and other government departments, both in-house and through outsourcing.
- The *IMC* markets South Africa internationally and the *MDDA* promotes local media development and diversity.

- The *Government Publication (Vuk'uzenzele)* creates a communication vehicle that provides citizens with information on economic and other opportunities and how these can be accessed.

2.1 Policy decisions and strategic issues facing the department, significant events taking place and major projects undertaken or completed during the year

In ensuring public access to government information, GCIS distributed the Programme of Action as an insert in the March 2008 edition of *Vuk'uzenzele*. This was in addition to the 13-part TV series showcasing economic opportunities, which continued from the previous financial year.

In partnership with civil society, GCIS participated in the 16 Days of Activism Campaign, profiling gender abuse in our society. It further actively participated in izimbizo. GCIS, with its allocated budget for the 2010 FIFA World Cup™, has participated in various partnership ventures meant to promote this event.

Major research projects have been undertaken to ensure that the messages of government are informed by the needs of the public. As a result, in the current financial year, the CSA has set up the Language Unit to ensure that GCIS' communication products reflect all South Africa's official languages.

The priorities of GCIS for 2008/09 to 2010/11 and beyond are to provide communication on mandated targets for 2014 in alignment with the millennium development goals, the Accelerated and Shared Growth Initiative for South Africa, the hosting of the 2010 World Cup and the Five-Year Strategic Agenda for Local Government Communication.

Although the First-Generation Thusong Service Centres were a great success and overcame many obstacles that confronted communities regarding access to government opportunities and services, many challenges still characterised these centres. To overcome these challenges and make these centres operate more efficiently and effectively, a re-engineering process was necessary in terms of the name, services rendered, branding and funding, to name but a few.

A number of issues have been identified as being critical aspects to be dealt with in the second-generation roll-out and associated business plan. These issues have emerged from research activities, including site visits, a Thusong Service Centre survey questionnaire and the Thusong Service Centre Workshop, held from 28 to 30 November 2005 in Buffalo City, in the Eastern Cape. Issues identified in the main included the inconsistency of service-delivery standards in the Thusong Service Centres as well as challenges around co-ordination and infrastructure. Recommendations have been made on how to address these challenges.

The IMC will broaden the monitoring and analysis of international media content to include such content produced in languages other than English. Consideration is being given to French, Portuguese, Spanish and Mandarin (Chinese) as languages in which the new approach could be launched. Furthermore, a process



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has commenced to review some of the institutions that are involved in the marketing of South Africa to ensure a more streamlined approach from all these institutions.

The MDDA will in the coming years focus its work on advocacy in the community and small commercial media sector, giving grants and seed-funding support for community radio in the nodal areas; capacity-building interventions with beneficiaries; monitoring, evaluation and research to improve knowledge of the agency to better structure programme interventions; and innovations, stakeholder management and resource mobilisation.

Forming partnerships with stakeholders

The department, through the 2010 National Communication Partnership Conference in August 2006, contributed to co-ordinating and establishing the 2010 communication structures within government and civil society.

GCIS, together with Unilever, the Mandela-Rhodes Foundation and the Public and Development Management School at the University of the Witwatersrand, are responsible for a course in Marketing and Communication aimed at enhancing the marketing and communication skills of all government communicators. The course started in 2004 and by March 2008, more than 135 government communicators had been trained.

The transformation of the marketing, advertising and communication industry

The process of developing a draft industry charter and scorecard was completed and presented to the Minister in The Presidency for gazetting by the Minister of Trade and Industry in 2008.

Communication strategies and campaigns

GCIS initiated and participated in communication campaigns aimed at informing citizens about issues regarding their freedoms and responsibilities; how they can access opportunities, resources and services; and how they can take part in changing their lives for the better. Some of the key government campaigns included:

- The State of the Nation Address 2007 profiled and promoted government's Programme of Action (PoA) through a multimedia campaign.
- Mass Campaign on Economic Opportunities: The success of the 13-part TV series *Azishe Ke!* will continue over the medium term with innovative stories of ordinary people who have benefited from the economic opportunities offered by government to improve their lives. This will be extended to the public broadcaster's African language radio stations.
- The 16 Days of Activism Campaign continues to raise awareness around women and child abuse and has succeeded in strengthening the partnership with all sectors of society. The aim is to extend the campaign to 365 days.

- The Imbizo Campaign continues to signify the value of unmediated, direct, face-to-face communication as the most appropriate methodology across government.

2.2 Major achievements

2010 FIFA World Cup™

In relation to the 2010 World Cup programme, the 2010 website *www.sa2010.gov.za*, which is linked to FIFA, was launched on 7 June 2007. One thousand Days to the World Cup was marked through live community radio broadcasts and phone-in broadcasts at 40 stations. A government information booklet was printed and distributed. In the second semester of 2007/08, 2010 World Cup research was conducted.

Government and Media Liaison

In 2006/07 and the first quarter of 2007/08, the usage of BuaNews stories by both community and mainstream media continued to increase.

In July 2007, the President briefed the media on the key outcomes of the mid-year Cabinet Lekgotla. Interaction was co-ordinated between the media and directors-general in the justice, economic and social clusters. The communication strategies of all clusters were completed and approved by Cabinet.

Communication Service Agency

Two million copies of the 2007 PoA were produced in all official languages and distributed. A further 3,4 million copies were distributed as inserts in *Vuk'uzenzele*. One thousand Braille and 10 000 audio copies were also produced. Some 27 000 copies of the *South Africa Yearbook* are distributed annually to schools and libraries free of charge.

In 2007/08, the use of communication platforms and products targeted those in the Second Economy. The products included the SABC's African language radio stations and community radio adverts and dramas, photo stories in print media, the printed PoA and *Imbizo Junction* booklet covering the content of the 2007 State of the Nation Address, the Budget Speech and articles on the progress being achieved with respect to the PoA.

Government Publication

In 2007/08, four editions of 1,5 million copies each were printed and distributed. The Braille versions were also printed and distributed. Radio adverts were flighted for the May 2007, July 2007 and September 2007 editions to promote the availability of the magazine. An online version is also available.

Provincial Co-ordination and Programme Support

Twenty Thusong Service Centres were earmarked for establishment in 2007/08 and by 31 March 2008, 27 were launched, bringing the total Thusong Service Centres in operation to 123. In March 2007, the National



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Business Plan for Thusong Service Centres was launched, paving the way forward to 2014 together with the new logo and branding for the Thusong Service Centres.

2.3 Virement

The following virement was approved through the Adjustments Budget process:

Main division	Original budget (R'000)	Virement (R'000)	Additional funds (R'000)	Adjustments budget allocation (R'000)
1 Administration	100,716	2,500	2,799	106,015
2 Policy and Research	16,383	(500)	3,000	18,883
3 G&ML	19,622	–	213	19,835
4 P&LL	46,330	–	–	46,330
5 CSA	39,489	(2,000)	217	37,706
6 IMC and MDDA	123,087	–	–	123,087
7 Government Publication (<i>Vuk'uzenzele</i>)	30,185	–	1,971	32,156
TOTAL	375,812	–	8,200	384,012

The above is represented by:

- an increase of R3 200 000 in the compensation of employees as a result of an allocation of R1,8 million for salary increases following the Public Service Bargaining Co-ordinating Council resolution as well as R1,4 million that was rolled over from the previous financial year in respect of the employer's contribution to non-statutory forces pensions for former employees
- R3 million was shifted from 12 national departments in the Economic Cluster to jointly fund the Mass Communication Campaign on Second-Economy Interventions, which GCIS is co-ordinating on behalf of the Economic Cluster
- self-financing expenditure amounted to R2 million that was deposited into the National Revenue Fund (NRF), and comprised R200 000 that was received from two sponsors in respect of the Government Communicators' Awards and R1,8 million from the sale of advertising space in *Vuk'uzenzele* that was used for printing and distributing more copies of the magazine
- compensation of employees decreased with R175 000 that was shifted to transfers and subsidies (Households) to fund leave gratification of employees
- goods and services decreased with R598 000 to fund the purchase of capital equipment
- transfers and subsidies increased with R175 000 from compensation of employees to fund the leave gratification of employees
- the capital budget increased with R598 000 from goods and services to fund the purchase of capital equipment.

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The following virement was approved by the Accounting Officer and National Treasury after the Adjustments Budget:

Main division	Adjustments budget (R'000)	Virement (R'000)	Final appropriation (R'000)
1 Administration	106,015	287	106,302
2 Policy and Research	18,883	1,583	20,466
3 G&ML	19,835	(1,260)	18,575
4 P&LL	46,330	(1,034)	45,296
5 CSA	37,706	115	37,821
6 IMC and MDDA	123,087	–	123,087
7 Government Publication (<i>Vuk'uzenzele</i>)	32,156	309	32,465
TOTAL	384,012	–	384,012

The above virement is represented by:

- a decrease of R689 000 in the compensation of employees as a result of the period that lapses before vacant posts are filled (R622 000 was shifted to Goods and Services and R67 000 to Transfers and Subsidies)
- the budget of goods and services has a net decrease of R1 865 000 to fund the purchase of capital equipment (R2 487 000 was shifted to Capital Assets while R622 000 was shifted from Compensation of Employees)
- Transfers and Subsidies increased by R67 000 to fund leave gratuity
- the budget for Capital Assets increased by R2 487 000 to fund the purchasing of capital assets.

3. Service rendered by the department

3.1 Tariff policy

GCIS produces a variety of information products, including posters, banners, photos and videos on behalf of other departments. Some of these photos and videos are sold to the public and other departments. The department also provides 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 information products. Tariffs make no provision for a profit margin. A total amount of R34 488 was generated during the 2007/08 financial year from selling photos, videos and cds.



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The income generated from selling media space in the Government Magazine (*Vuk'uzenzele*) to private companies and other government departments amounted to R2 422 000. This is R622 000 more than the projected income of R1 800 000. Previous years' editions recovered in 2007/08 amounted to R576 000. National Treasury approved, through the Adjustments Budget, that R1 800 000 could be requested from the NRF to supplement the 2007/08 budget allocation of Programme 7 (Government Publication). Outstanding funds relating to 2007/08, which will be recovered in 2008/09, amount to R672 000. Advertising space tariffs vary between R80 000 and R100 000 for a full-page advert while an agency commission of 16,5% is offered as discount.

The income generated through sales is deposited directly into the NRF on a monthly basis.

3.2 Inventories

Inventories kept at GCIS' main store consist of limited stock of stationery, government forms and cartridges for printers. The total value of inventory on hand at 31 March 2008 was R254 572.

4. Capacity constraints

Over the past few years, GCIS has been inundated with a number of requests from national departments and some provincial departments. These requests have exerted an enormous pressure on the current capacity, in terms of personnel with the necessary skills. To address these constraints, a review of GCIS as a system has been commissioned. The outcome of this review will hopefully guide the manner in which these constraints can be addressed.

5. Public entities

There are two public entities under the control of GCIS, namely the IMC and the MDDA.

The IMC's main objective is the marketing of South Africa through the Brand South Africa Campaign.

To achieve its objective, the IMC will:

- Establish a brand for South Africa (Brand South Africa), which positions the country in terms of its investment and credit worthiness, exports, tourism and international relations objectives.
- Establish an integrated approach within government and the private sector towards the international marketing of South Africa.
- Build national support for the brand within South Africa itself. To achieve this, the IMC enlists the co-operation of government departments, public entities, the private sector and non-governmental organisations.
- Undertake activities relating to the FIFA 2010 Soccer World Cup™.

The MDDA's main objective is to enable historically disadvantaged communities and persons not adequately served by the media to gain access to it. Its beneficiaries are community and small commercial media.

Both these public entities received transfer payments from GCIS. A once-off payment of R11,991 million was made to the MDDA in April 2007, while four quarterly transfer payments totalling R111,096 million were made to the IMC, resulting in total transfers made to these two public entities of R123,087 million. GCIS holds quarterly meetings with the MDDA and IMC to obtain reports on the full transfer given to them.

6. Organisations to whom transfer payments were made

Apart from the transfer payments made to the MDDA and IMC, an amount of R242 000 was paid in respect of officials who retired or passed away.

7. Corporate governance arrangements

The GCIS Risk Management and Fraud-Prevention Plan is reviewed on an annual basis. A methodology/guideline assists 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. The Risk Management Strategy was compiled following workshops conducted with all chief directorates, regional offices represented by the regional managers and their administration officers. Workshops with other regional office staff members were undertaken as part of promoting awareness, particularly to staff based in Thusong Service Centres.

A fraud-prevention policy has been developed to manage all fraud-related activities within the department. Four audit committee meetings were held during the year under review, which evaluated the reports of Internal Audit and those of the Auditor-General. An internal audit committee meets every second month to discuss Internal Audit's audit reports.

The Occupational Health and Safety Committee consists of eight members. In addition, safety representatives were also appointed within the department to assist in emergency situations. Capacity-building for this team was successfully done through the attendance of relevant conferences. The safety representatives were, among other things, trained up to First Aid Level II.

Monthly and quarterly servicing of equipment takes place to ensure a safety and healthy environment.

The Budget Committee, chaired by the CEO and comprising the deputy CEOs and Chief Financial Officer, meets monthly to review the expenditure reports, which are then subsequently presented to the Exco.



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The Occupational Health and Safety Audit was successfully conducted and recommendations implemented.

The Exco, which is the highest management forum of GCIS, meets weekly to discuss the communication environment and to review the work of the department. Once a month, the Minister in The Presidency, who provides strategic leadership and guidance to the work of GCIS, is briefed on the work of the department. The other management forum, Indibano, consisting of all senior managers from director level upwards, meets monthly to discuss the department's organisational matters. The forum is also used to provide presentations and in-house training on various topics and aspects for senior managers.

Corporate social activities are undertaken by the Corporate Services Programme while the departmental procurement policy and delegations ensure that supply chain management procedures are fully complied with.

8. Discontinued activities/activities to be discontinued

GCIS does not have activities that are to be discontinued.

9. New/proposed activities

New activities for the 2008/09 financial year of which funding was approved by National Treasury include:

2010 FIFA World Cup™

Funds were requested to carry out communication initiatives for the 2010 FIFA World Cup™. The 2010 World Cup Unit has been established and a project manager appointed. The unit is fully functional and progress has been made in activities such as convening technical co-ordination committee meetings and 2010 intergovernmental forums, and launching the South Africa 2010 website, which has a link to FIFA. International research on public opinion on the 2010 World Cup was done.

Additional funding will allow the department to continue its programmes and to add new activities that include:

- South Africa 2010 government/country web-portal
- advertising and marketing exhibitions (*Tour of Africa/Stories of African Soccer*)
- a popular publication
- other publications for key milestones (handover of stadiums)
- a rapid response system for 2010
- BuaNews coverage of 2010 as a service to the public
- international research on public opinion on the 2010 World Cup.

National Treasury allocated R3,314 million to GCIS for this project for 2008/09.

Rental for Thusong Service Centres and operational costs for provincial offices

To bring information closer to where communities live, GCIS requested additional funding to cover the rental and running costs of the newly opened centres. These costs will be requested on an annual basis as new centres are opened in line with the 2014 business plans on Thusong Service Centres. There was an increase in the budget provided for the funding of the lease agreements of the Thusong Service Centres. National Treasury allocated an additional R1,291 million in respect of Thusong Service Centres and R1,290 million for operational costs for 2008/09.

Marketing of the Programme of Action

R1 105 000 was allocated by National Treasury for 2008/09 that will enable GCIS to continue doing high-quality projects. The new Communication Extension Project is intended to broaden the dissemination of Programme of Action information by introducing additional information communication platforms and mechanisms. This will include the development of material that will target specific audiences such as women, youth, etc.

International Marketing Council

National Treasury allocated an additional R13 million to the IMC for 2008/09 of which R8 million is to fund accelerating work towards the 2010 World Cup, especially domestic advertising, the Media Club and advertising and marketing in Africa and China. R5 million will be used for tactical nation-building projects.

Media Development and Diversity Agency

National Treasury allocated R2 million to the MDDA for 2008/09 to address personnel with respect to monitoring and evaluation officers, legal and contract manager and support in the CEO's office.

10. Asset management

All assets are captured in the Asset Register. An asset-management unit has always been in existence within the department. The unit resides under Supply Chain Management and consists of three officials. Responsibility/cost-centre managers are appointed in writing as controllers of assets that fall within their chief directorates and directorates. Asset-management teams are appointed annually to do comprehensive asset verification within the department.

The department has the following in place:

- Asset Register
- Asset-Management Strategy
- a comprehensive asset-management policy that includes maintenance, disposal, etc.



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All policies are reviewed before the commencement of each financial year.

With reference to the compliance with the asset-management reform milestones, it can be confirmed that:

- the condition of all furniture and equipment is updated on the manual Asset Register of the department
- the condition of all equipment was also updated on the Logis system.
- currently, the Logis system does not cater for the updating of the condition of furniture.

11. Events after the reporting date

No material events that had an influence on the financial statements and the financial position of GCIS occurred after the balance sheet date.

12. Performance information

Performance is measured through various processes. Senior managers are required to submit monthly reports to Indibano. The reports contain activities of the previous month and planned activities for the following month, together with progress thereof. In addition, a quarterly performance report of milestones is done through Internal Audit where all the activities of the Indibano reports are consolidated into one document. These reports are tabled at Exco on a quarterly basis and forwarded to National Treasury.

The Exco holds monthly meetings with the Minister in The Presidency to report on expenditure trends as well as the overall performance of activities. Expenditure and performance evaluation reports are also submitted and discussed at the quarterly audit committee meetings in addition to the Internal Audit committee meetings.

13. Standing Committee on Public Accounts (Scopa) resolutions

There were no Scopa resolutions in the 2007/08 financial year.

14. Prior modifications to audit reports

The Auditor-General reported under “Other Matters” in respect of general controls in the information technology environment, as part of the information-systems audit, that certain weaknesses were identified. All these weaknesses have been addressed with the State Information Technology Agency and subsequently discussed through the Audit Committee.

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In addition, the Auditor-General also submitted audit findings in respect of performance information. GCIS has since undergone a major corrective process to ensure that the Strategic Plan, Estimates of National Expenditure and quarterly performance evaluations are linked and reflect correct information and reporting mechanisms as required.

Approval

The annual financial statements have been approved by the Accounting Officer.



Themba J Maseko
Chief Executive Officer
Date: 31 May 2008



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 7: GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM (GCIS) FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the GCIS, which comprise the Appropriation Statement, Statement of Financial Position as at 31 March 2008, Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 117 to 167.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in Accounting Policy Note 1.1 to the financial statements and in the manner required by the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act (PAA), 2004 (Act 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in *Government Gazette No. 31057* of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 7: GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM (GCIS) FOR THE YEAR ENDED 31 MARCH 2008

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting as determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the GCIS as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the PFMA.

Other matters

Without qualifying my audit opinion, I draw attention to the following matter that relates to my responsibilities in the audit of the financial statements:

Matters of governance

10. The PFMA, tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 7: GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM FOR THE YEAR ENDED 31 MARCH 2008

Matter of governance	Yes	No
Audit Committee		
• The department had an Audit Committee in operation throughout the financial year.	✓	
• The Audit Committee operates in accordance with approved, written terms of reference.	✓	
• The Audit Committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	✓	
Internal Audit		
• The department had an Internal Audit function in operation throughout the financial year.	✓	
• The Internal Audit function operates in terms of an approved internal audit plan.	✓	
• The Internal Audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	✓	
Other matters of governance		
• The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	✓	
• The financial statements submitted for auditing were not subject to any material amendments resulting from the audit.	✓	
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	✓	
• The prior year's external audit recommendations have been substantially implemented.	✓	

OTHER REPORTING RESPONSIBILITIES REPORT ON PERFORMANCE INFORMATION

11. I have reviewed the performance information as set out on pages 16 to 58.

Responsibility of the accounting officer for the performance information

12. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA, to ensure that the Annual Report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA, 2004, read with General Notice 616 of 2008, issued in *Government Gazette No. 31057* of 15 May 2008.

14. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

15. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS
AND PERFORMANCE INFORMATION OF VOTE NO. 7: GOVERNMENT COMMUNICATION AND
INFORMATION SYSTEM FOR THE YEAR ENDED 31 MARCH 2008**

APPRECIATION

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

Auditor-General

Pretoria
31 July 2008



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008**

										2007/08				2006/07			
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure								
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000		R'000	R'000		R'000	R'000	
1 Administration																	
Current payment	104,343	-	(1,558)	102,785	102,189	596	99.4%	68,744	68,376								
Transfers and subsidies	145	-	22	167	167	-	100.0%	42	42								
Payment for capital assets	1,527	-	1,823	3,350	3,350	-	100.0%	2,521	2,521								
2 Policy and Research																	
Current payment	18,883	-	1,467	20,350	17,850	2,500	87.7%	11,950	11,950								
Transfers and subsidies	-	-	-	-	-	-	0.0%	4	4								
Payment for capital assets	-	-	116	116	116	-	100.0%	140	140								
3 Government and Media Liaison																	
Current payment	19,473	-	(1,345)	18,128	18,128	-	100.0%	16,304	16,304								
Transfers and subsidies	-	-	-	-	-	-	0.0%	9	9								
Payment for capital assets	362	-	85	447	447	-	100.0%	260	260								
4 Provincial and Local Liaison																	
Current payment	46,162	-	(1,734)	44,428	44,428	-	100.0%	38,473	38,186								
Transfers and subsidies	30	-	45	75	75	-	100.0%	78	78								
Payment for capital assets	138	-	655	793	793	-	100.0%	548	547								
5 Communication Service Agency																	
Current payment	36,925	-	336	37,261	37,261	-	100.0%	32,222	31,914								
Transfers and subsidies	-	-	-	-	-	-	0.0%	130	130								
Payment for capital assets	781	-	(221)	560	560	-	100.0%	618	618								

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008**

		2007/08						2006/07	
	Adjusted appropriation	Shifting of Funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6 International Marketing and Media Development									
Transfers and subsidies	123,087	-	-	123,087	123,087	-	100.0%	93,045	93,045
7 Government Publication									
Current payment	32,156	-	280	32,436	32,436	-	100.0%	29,416	28,908
Transfers and subsidies	-	-	-	-	-	-	0.0%	1	1
Payment for capital assets	-	-	29	29	29	-	100.0%	75	75
	384,012	-	-	384,012	380,916	3,096	99.2%	294,580	293,108
Reconciliation with Statement of Financial Performance									
Prior year unauthorised expenditure approved with funding			-					1,591	
Departmental revenue				3,134				3,060	
Actual amounts per Statement of Financial Performance (total revenue)				387,146				299,231	
Prior year unauthorised expenditure approved									1,591
Actual amounts per Statement of Financial Performance Expenditure					380,916				294,699

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Appropriation per economic classification

Programme per subprogramme	2007/08						2006/07		
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	116,848	-	(689)	116,159	116,160	(1)	100.0%	84,053	84,052
Goods and services	141,094	-	(1,865)	139,229	136,088	3,141	97.7%	113,056	109,469
Financial transactions in assets and liabilities	-	-	-	-	44	(44)	0.0%	-	2,117
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	0.0%	69	69
Departmental agencies and accounts	123,087	-	-	123,087	123,087	-	100.0%	93,045	93,045
Households	175	-	67	242	242	-	100.0%	195	195
Payment for capital assets									
Machinery and equipment	2,808	-	1,759	4,567	4,567	-	100.0%	3,306	3,305
Software and other intangible assets	-	-	728	728	728	-	100.0%	856	856
Total	384,012	-	-	384,012	380,916	3,096	99.2	294,580	293,108



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Detail per Programme One - Administration										
Programme per subprogramme	2007/08					2006/07				
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000		
1.1 Management										
Current payment	5,402	234	5,636	5,636	-	100.0%	6,395	6,395		
Transfers and subsidies	126	-	126	126	-	100.0%	3	3		
Payment for capital assets	22	28	50	50	-	100.0%	79	79		
1.2 Corporate Services										
Current payment	87,366	(792)	86,574	86,343	231	99.7%	52,565	52,565		
Transfers and subsidies	19	22	41	41	-	100.0%	39	39		
Payment for capital assets	1,505	1,795	3,300	3,300	-	100.0%	2,442	2,442		
1.3 Property Management										
Current payment	11,575	(1,000)	10,575	10,210	365	96.5%	9,784	9,416		
Total	106,015	287	106,302	105,706	596	99.4%	71,307	70,939		

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Economic classification	2007/08						2006/07	
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments								
Compensation of employees	53,599	748	54,347	54,347	-	100.0%	31,138	31,138
Goods and services	50,744	(2,306)	48,438	47,832	606	98.7%	37,606	35,351
Financial transactions in assets and liabilities	-	-	-	10	(10)	0.0%	-	1,887
Transfers and subsidies								
Provinces and municipalities	-	-	-	-	-	0.0%	25	25
Households	145	22	167	167	-	100.0%	17	17
Payments for capital assets								
Machinery and equipment	1,527	1,124	2,651	2,651	-	100.0%	1,833	1,833
Software and other intangible assets	-	699	699	699	-	100.0%	688	688
Total	106,015	287	106,302	105,706	596	99.4%	71,307	70,939



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Detail per Programme Two - Policy and Research										
Programme per subprogramme	2007/08					2006/07				
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000		
2.1 Management										
Current payment	4,507	(2,671)	1,836	1,836	-	100.0%	933	933		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	-	13	13	13	-	100.0%	12	12		
2.2 Policy										
Current payment	6,959	2,220	9,179	6,679	2,500	72.8%	3,566	3,566		
Transfers and subsidies	-	-	-	-	-	0.0%	2	2		
Payment for capital assets	-	44	44	44	-	100.0%	31	31		
2.3 Research										
Current payment	7,417	1,918	9,335	9,335	-	100.0%	7,451	7,451		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	-	59	59	59	-	100.0%	97	97		
Total	18,883	1,583	20,466	17,966	2,500	87.8%	12,094	12,094		

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Detail per Programme Two - Policy and Research									
Economic classification	2007/08					2006/07			
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final appropriation R'000	Actual expenditure R'000	
Current									
Compensation of employees	5,883	(818)	5,065	5,065	-	100.0%	4,844	4,844	
Goods and services	13,000	2,285	15,285	12,774	2,511	83.6%	7,106	7,104	
Interest and rent on land	-	-	-	-	-	0.0%	-	-	
Financial transactions in assets and liabilities	-	-	-	11	(11)	0.0%	-	-	2
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	0.0%	4	4	
Capital									
Machinery and equipment	-	116	116	116	-	100.0%	94	94	
Software and other intangible assets	-	-	-	-	-	0.0%	46	46	
Total	18,883	1,583	20,466	17,966	2,500	87.8%	12,094	12,094	



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008**

Detail per Programme Three - Government and Media Liaison										
Programme per subprogramme	2007/08					2006/07				
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000		
3.1 Management										
Current payment	3,729	225	3,954	3,954	-	100.0%	3,525	3,525		
Transfers and subsidies	-	-	-	-	-	0.0%	3	3		
Payment for capital assets	261	55	316	316	-	100.0%	150	150		
3.2 National Liaison										
Current payment	4,383	(426)	3,957	3,957	-	100.0%	3,782	3,782		
Transfers and subsidies	-	-	-	-	-	0.0%	2	2		
Payment for capital assets	-	16	16	16	-	100.0%	16	16		
3.3 International and Media Liaison										
Current payment	4,359	(592)	3,767	3,767	-	100.0%	3,409	3,409		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	13	-	13	13	-	100.0%	28	28		
3.4 News Services										
Current payment	4,331	(278)	4,053	4,053	-	100.0%	3,633	3,633		
Transfers and subsidies	-	-	-	-	-	0.0%	2	2		
Payment for capital assets	-	86	86	86	-	100.0%	28	28		
3.5 Parliamentary Liaison										
Current payment	2,671	(274)	2,397	2,397	-	100.0%	1,955	1,955		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	88	(72)	16	16	-	100.0%	38	38		
Total	19,835	(1,260)	18,575	18,575	-	100.0%	16,573	16,573		

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Economic classification	Detail per Programme Three - Government and Media Liaison									
	2007/08					2006/07				
	Adjusted appropriation	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		R'000
Current										
Compensation of employees	12,834	(827)	12,007	12,007	-	100.0%	10,836	10,836		10,836
Goods and services	6,639	(518)	6,121	6,120	1	100.0%	5,468	5,458		5,458
Interest and rent on land	-	-	-	-	-	0.0%	-	-		-
Financial transactions in assets and liabilities	-	-	-	1	(1)	0.0%	-	-		10
Transfers and subsidies										
Provinces and municipalities	-	-	-	-	-	0.0%	9	9		9
Capital										
Machinery and equipment	362	85	447	447	-	100.0%	260	260		260
Total	19,835	(1,260)	18,575	18,575	-	100.0%	16,573	16,573		16,573



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008**

Detail per Programme Four - Provincial and Local Liaison										
Programme per subprogramme	2007/08					2006/07				
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000		
4.1 Management										
Current payment	1,233	(33)	1,200	1,200	-	100.0%	951	951		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	5	18	23	23	-	100.0%	22	22		
4.2 Regional Co-ordination										
Current payment	5,157	147	5,304	5,304	-	100.0%	-	-		
Transfers and subsidies	-	-	-	-	-	0.0%	-	-		
Payment for capital assets	14	63	77	77	-	100.0%	-	-		
4.3 Regional Office Liaison										
Current payment	39,772	(1,848)	37,924	37,924	-	100.0%	30,641	30,641		
Transfers and subsidies	30	45	75	75	-	100.0%	74	74		
Payment for capital assets	119	574	693	693	-	100.0%	502	501		
4.4 Institutional Development										
Current payment	-	-	-	-	-	0.0%	3,776	3,489		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	-	-	-	-	-	0.0%	8	8		
4.5 Local Liaison and Information Management										
Current payment	-	-	-	-	-	0.0%	1,764	1,764		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	-	-	-	-	-	0.0%	-	-		
4.6 Provincial and Local Liaison Administration										
Current payment	-	-	-	-	-	0.0%	1,341	1,341		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	-	-	-	-	-	0.0%	16	16		
Total	46,330	(1,034)	45,296	45,296	-	100.0%	39,099	38,811		

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Detail per Programme Four - Provincial and Local Liaison

Economic classification	2007/08						2006/07	
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current								
Compensation of employees	30,805	(1,105)	29,700	29,700		100.0%	24,567	24,566
Goods and services	15,357	(629)	14,728	14,708	20	99.9%	13,906	13,419
Financial transactions in assets and liabilities	-	-	-	20	(20)	0.0%	-	201
Transfers and subsidies								
Provinces and municipalities						0.0%	21	21
Households	30	45	75	75		100.0%	57	57
Capital								
Machinery and equipment	138	655	793	793		100.0%	548	547
Total	46,330	(1,034)	45,296	45,296	-	100.0%	39,099	38,811



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008**

Detail per Programme Five - Communication Service Agency										
Programme per subprogramme	2007/08					2006/07				
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000		
5.1 Management										
Current payment	2,275	83	2,358	2,358	-	100.0%	2,019	2,019		
Transfers and subsidies	-	-	-	-	-	0.0%	123	123		
Payment for capital assets	19	2	21	21	-	100.0%	31	31		
5.2 Regional Co-ordination										
Current payment	15,705	947	16,652	16,652	-	100.0%	15,843	15,535		
Transfers and subsidies	-	-	-	-	-	0.0%	2	2		
Payment for capital assets	-	-	-	-	-	0.0%	28	28		
5.3 Regional Office Liaison										
Current payment	12,656	(436)	12,220	12,220	-	100.0%	9,642	9,642		
Transfers and subsidies	-	-	-	-	-	0.0%	4	4		
Payment for capital assets	730	(256)	474	474	-	100.0%	508	508		
5.4 Institutional Development										
Current payment	6,289	(258)	6,031	6,031	-	100.0%	4,718	4,718		
Transfers and subsidies	-	-	-	-	-	0.0%	1	1		
Payment for capital assets	32	33	65	65	-	100.0%	51	51		
Total	37,706	115	37,821	37,821	-	100.0%	32,970	32,662		

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Detail per Programme Five - Communication Service Agency										
Economic classification	2007/08					2006/07				
	Adjusted appropriation R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000		
Current										
Compensation of employees	10,871	995	11,866	11,866	-	100.0%	10,140	10,140		
Goods and services	26,054	(659)	25,395	25,393	2	100.0%	22,082	21,757		
Financial transactions in assets and liabilities	-	-	-	2	(2)	0.0%	-	17		
Transfers and subsidies										
Provinces and municipalities	-	-	-	-	-	0.0%	9	9		
Households	-	(250)	531	531	-	0.0%	121	121		
Capital										
Machinery and equipment	781	29	29	29	-	100.0%	504	504		
Software and other intangible assets	-	-	-	-	-	100.0%	114	114		
Total	37,706	115	37,821	37,821	-	100.0%	32,970	32,662		



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Detail per Programme Six - International Marketing and Media Development									
2007/08									2006/07
Programme per subprogramme	Adjusted appropriation	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
6.1 International Marketing Council									
Transfers and subsidies	111,096	-	111,096	111,096	-	100.0%	83,425	83,425	
6.2 Media Development and Diversity Agency									
Transfers and subsidies	11,991	-	11,991	11,991	-	100.0%	9,620	9,620	
Total	123,087		123,087	123,087	-	100.0%	93,045	93,045	
2007/08									2006/07
Economic classification	Adjusted appropriation	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Transfers and subsidies									
Dept agencies and accounts	123,087	-	123,087	123,087	-	100.0%	93,045	93,045	
Total	123,087	-	123,087	123,087	-	100.0%	93,045	93,045	

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
APPROPRIATION STATEMENT for the year ended 31 March 2008

Detail per Programme Seven - Government Publication										
2007/08										2006/07
Programme per subprogramme	Adjusted appropriation	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
7.1 Vuk'uzenzele magazine										
Current payment	32,156	280	32,436	32,436	-	100.0%	29,416	28,908	29,416	28,908
Transfers and subsidies	-	-	-	-	-	0.0%	1	1	1	1
Payment for capital assets	-	29	29	29	-	100.0%	75	75	75	75
Total	32,156	309	32,465	32,465	-	100.0%	29,492	28,984	29,492	28,984
2007/08										2006/07
Economic classification	Adjusted appropriation	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current										
Compensation of employees	2,856	318	3,174	3,175	(1)	100.0%	2,528	2,528	2,528	2,528
Goods and services	29,300	(38)	29,262	29,261	1	100.0%	26,888	26,380	26,888	26,380
Transfers and subsidies										
Provinces and municipalities	-	-	-	-	-	0.0%	1	1	1	1
Capital										
Machinery and equipment	-	29	29	29	-	100.0%	67	67	67	67
Software and other intangible assets	-	-	-	-	-	0.0%	8	8	8	8
Total	32,156	309	32,465	32,465	-	100.0%	29,492	28,984	29,492	28,984



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7 NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2008

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

Detail of these transactions can be viewed in Note 6 (Transfers and subsidies) and Annexure 1 (A-C) to the annual financial statements.

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

Detail of these transactions can be viewed in Note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in Note 5 (Details of special functions [theft and losses]) to the annual financial statements.

4. Explanations of material variances from amounts voted (after virement):

4.1 Per programme:

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Administration	106,302	105,706	596	1%

The underspending of R596 000 is represented by the following: R365 000 in respect of Property Management (Municipal Services) of which the expected invoices for municipal services were not received at year-end from the Department of Public Works. R154 000 in respect of the extension lines and capacity of the switchboard that had to be upgraded due to an increase in the staff establishment as well as the *Vuk'uzenzele* Section that had to be accommodated separately as a result of the relocation to another building. Although an order was issued for this service, it was not completed before financial year-end. National Treasury was requested to roll over the funds to the 2008/09 financial year. R77 000 in respect of the upgrading of the security system that is postponed until GCIS relocates to a new head office building during the 2009/10 financial year.

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Policy and Research	20,466	17,966	2,500	12%

An underspending of R2 500 000 in respect of the Second-Economy Interventions Project. It was planned that the SABC would flight a range of advertisements during January/February 2008 but it did not realise due to all advertising space being sold out and time allocated to the Africa Cup of Nations soccer tournament. National Treasury was requested to roll over the funds to the 2008/09 financial year.

4.2 Per economic classification

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Current expenditure				
Goods and services	139,229	136,133	3,096	2%



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	384,012	294,580
Appropriation for unauthorised expenditure approved	8	-	1,591
Departmental revenue	2	3,134	3,060
TOTAL REVENUE		<u>387,146</u>	<u>299,231</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	3	116,160	84,052
Goods and services	4	136,088	109,469
Financial transactions in assets and liabilities	5	44	2,117
Unauthorised expenditure approved	8	-	1,591
Total current expenditure		<u>252,292</u>	<u>197,229</u>
Transfers and subsidies	6	123,329	93,309
Expenditure for capital assets			
Machinery and equipment	7	4,567	3,305
Software and other intangible assets	7	728	856
Total expenditure for capital assets		<u>5,295</u>	<u>4,161</u>
TOTAL EXPENDITURE		<u>380,916</u>	<u>294,699</u>
SURPLUS FOR THE YEAR		<u>6,230</u>	<u>4,532</u>
Reconciliation of net surplus for the year			
Voted funds to be surrendered to the Revenue Fund	12	3,096	1,472
Departmental revenue to be surrendered to the Revenue Fund	13	3,134	3,060
SURPLUS/(DEFICIT) FOR THE YEAR		<u>6,230</u>	<u>4,532</u>

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2008

	<i>Note</i>	2007/08	2006/07
		R'000	R'000
ASSETS			
Current assets		83,008	11,970
Cash and cash equivalents	9	82,690	11,208
Prepayments and advances	10	78	49
Receivables	11	240	713
TOTAL ASSETS		<u>83,008</u>	<u>11,970</u>
 LIABILITIES			
Current liabilities		82,981	11,785
Voted funds to be surrendered to the Revenue Fund	12	3,096	964
Departmental revenue to be surrendered to the Revenue Fund	13	18	121
Payables	14	79,867	10,700
 Non-current liabilities			
Payables	15	-	139
TOTAL LIABILITIES		<u>82,981</u>	<u>11,924</u>
 NET ASSETS		<u>27</u>	<u>46</u>
Represented by:			
Recoverable revenue		27	46
TOTAL		<u>27</u>	<u>46</u>



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
Recoverable revenue			
Opening balance		46	1,997
Transfers		(19)	(1,951)
Irrecoverable amounts written off	5.5	-	(2,060)
Debts recovered (included in departmental receipts)		(41)	-
Debts raised		22	109
Closing balance		<u>27</u>	<u>46</u>
TOTAL		<u><u>27</u></u>	<u><u>46</u></u>

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
CASH FLOW STATEMENT for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		387,146	298,723
Annual appropriated funds received	1.1	384,012	294,072
Appropriation for unauthorised expenditure received	8	-	1,591
Departmental revenue received	2	3,134	3,060
Net (increase)/decrease in working capital		69,611	9,679
Surrendered to Revenue Fund		(4,201)	(7,646)
Current payments		(252,292)	(195,638)
Unauthorised expenditure - current payment	8	-	(1,591)
Transfers and subsidies paid		(123,329)	(93,309)
Net cash flow available from operating activities	16	<u>76,935</u>	<u>10,218</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(5,295)	(4,161)
Net cash flows from investing activities		<u>(5,295)</u>	<u>(4,161)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(19)	(1,951)
Increase/(decrease) in non-current payables		(139)	139
Net cash flows from financing activities		<u>(158)</u>	<u>(1,812)</u>
Net increase/(decrease) in cash and cash equivalents		71,482	4,245
Cash and cash equivalents at beginning of period		11,208	6,963
Cash and cash equivalents at end of period	17	<u><u>82,690</u></u>	<u><u>11,208</u></u>



ACCOUNTING POLICIES for the year ended 31 March 2008

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, 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), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act.

1. Presentation of the financial statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated, all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period's financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures – Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

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

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.2.2 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

2.2.3 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.



ACCOUNTING POLICIES for the year ended 31 March 2008

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

2.2.4 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, 13th cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.1.2 Post-retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). 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.

ACCOUNTING POLICIES for the year ended 31 March 2008

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Written-off debts are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.4 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, re-



ACCOUNTING POLICIES for the year ended 31 March 2008

covered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding, it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.5 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Position.

3.6 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.7 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31 March of each year).

3.8 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost.

4.5 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.6 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the Asset Register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure notes 26 and 27 reflect the total movement in the Asset Register for the current financial year.



ACCOUNTING POLICIES for the year ended 31 March 2008

5. Liabilities

5.1 Voted funds to be surrendered to the National Revenue Fund

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

5.2 Departmental revenue to be surrendered to the National Revenue Fund

Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

5.3 Payables

Recognised payables mainly comprise amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

5.4 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.6 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.7 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

5.8 Lease commitments

Lease commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7 NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

1 Annual appropriation

1.1 Annual appropriation

Included are funds appropriated in terms of the Appropriation Act for national departments (voted funds)

	Final appropriation	Actual funds received	Funds not requested/ not received	Appropriation received 2006/07
Programmes	R'000	R'000	R'000	%
Administration	106,302	106,302	-	71,307
Policy and Research	20,466	20,466	-	12,094
Government and Media Liaison	18,575	18,575	-	16,573
Provincial and Local Liaison	45,296	45,296	-	39,099
Communication Service Agency	37,821	37,821	-	32,970
International Marketing and Media Development	123,087	123,087	-	93,045
Government Publication	32,465	32,465	-	28,984
Total	384,012	384,012	-	294,072

	Note	2007/08 R'000	2006/07 R'000
2 Departmental revenue to be surrendered to Revenue Fund			
Sales of goods and services other than capital assets	2.1	2,657	1,925
Interest, dividends and rent on land	2.2	137	244
Financial transactions in assets and liabilities	2.3	340	891
Total revenue collected		<u>3,134</u>	<u>3,060</u>
Total		<u>3,134</u>	<u>3,060</u>

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	2,653	1,925
Other sales	<u>2,653</u>	<u>1,925</u>
Sales of scrap, waste and other used current goods	4	-
Total	<u>2,657</u>	<u>1,925</u>

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
2.2 Interest, dividends and rent on land and buildings			
Interest		137	244
Total		<u>137</u>	<u>244</u>
2.3 Financial transactions in assets and liabilities			
Nature of loss recovered			
Stale cheques written back		–	1
Other receipts, including recoverable revenue		340	890
Total		<u>340</u>	<u>891</u>
3 Compensation of employees			
3.1 Salaries and wages			
Basic salary		64,005	56,273
Performance award		4,131	2,702
Service-based		4	3
Compensative/circumstantial		1,116	1,050
Periodic payments		2,626	1,751
Other non-pensionable allowances		15,411	11,961
Total		<u>87,293</u>	<u>73,740</u>
3.2 Social contributions			
3.2.1 Employer contributions			
Pension		25,315	7,199
Medical		3,539	3,101
Bargaining Council		13	12
Total		<u>28,867</u>	<u>10,312</u>
Total compensation of employees		<u>116,160</u>	<u>84,052</u>
Average number of employees		<u>424</u>	<u>420</u>
4 Goods and services			
Advertising		13,273	14,971
Attendance fees (including registration fees)		30	8
Bank charges and card fees		56	50



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
Bursaries (employees)		494	450
Catering		1,171	-
Communication		10,407	6,116
Computer services		9,789	7,773
Consultants, contractors and special services		20,504	12,235
Courier and delivery services		8,729	5,466
Drivers' licences and permits		1	1
Entertainment		-	843
External audit fees	4.1	1,241	1,083
Equipment less than R5 000		2,065	2,242
Freight service		-	757
Inventory	4.2	32,548	26,883
Legal fees		50	343
Maintenance, repair and running costs		863	1,197
Medical services		67	15
Municipal services		265	212
Operating leases		10,713	10,312
Photographic services		2	157
Plant flowers and other decorations		53	70
Printing and publications		22	6
Professional bodies and membership fees		32	34
Resettlement costs		686	489
Subscriptions		455	303
Translations and transcriptions		1,367	1,045
Travel and subsistence	4.3	13,661	12,080
Venues and facilities		3,353	2,330
Training and staff development		4,191	1,998
Total		<u>136,088</u>	<u>109,469</u>
4.1 External audit fees			
Regularity audits		<u>1,241</u>	<u>1,083</u>
Total external audit fees		<u>1,241</u>	<u>1,083</u>

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	<i>Note</i>	2007/08	2006/07
		R'000	R'000
4.2 Inventory			
Domestic consumables		771	611
Fuel, oil and gas		1	-
Parts and other maintenance material		155	155
Stationery and printing		31,613	26,115
Medical supplies		8	2
Total inventory		<u>32,548</u>	<u>26,883</u>
4.3 Travel and subsistence			
Local		12,830	11,609
Foreign		831	471
Total travel and subsistence		<u>13,661</u>	<u>12,080</u>
5 Financial transactions in assets and liabilities			
Material losses through criminal conduct:		30	35
Theft	5.4	29	23
Other material losses	5.1	1	12
Other material losses written off	5.2	7	18
Debts written off	5.3	7	2,064
Total		<u>44</u>	<u>2,117</u>

5.1 Other material losses
Nature of losses

Incident	Disciplinary steps taken/criminal proceedings		
Loss of furniture due to arson – reported to SAPS	None	1	-
Missing furniture at Parliamentary Office	None	-	6
Departmental entertainment	None	-	6
Total		<u>1</u>	<u>12</u>

A case of arson was opened at the SAPS with case number 92/08/2007

5.2 Other material losses written off
Nature of losses

Accidents with rented vehicles	7	18
Total	<u>7</u>	<u>18</u>



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
5.3 Debts written off			
Nature of debts written off			
Ex-personnel debt		-	2,061
Tax debt		<u>7</u>	<u>3</u>
Total		<u><u>7</u></u>	<u><u>2,064</u></u>
5.4 Details of theft			
Theft of two laptops		23	-
Theft of radio from hired vehicle		2	-
Theft of camera		4	-
Theft of equipment – Mount Frere MPCC		-	20
Damage to GG vehicle that was stolen and recovered		-	1
Digital camera		-	2
Total		<u><u>29</u></u>	<u><u>23</u></u>
5.5 Irrecoverable amounts written off			
Receivables written off		-	2,060
Debt iro of former CEO, Mr S Kotane		-	1,882
Debt iro Mr L Shezi		-	178
Total		<u><u>-</u></u>	<u><u>2,060</u></u>
6 Transfers and subsidies			
Provinces and municipalities	<i>Annexure 1A</i>	-	69
Departmental agencies and accounts	<i>Annexure 1B</i>	123,087	93,045
Households	<i>Annexure 1C</i>	242	195
Total		<u><u>123,329</u></u>	<u><u>93,309</u></u>
7 Expenditure on capital assets			
Machinery and equipment	26	4,567	3,305
Software and other intangible assets		728	856
Computer software	27	<u>728</u>	<u>856</u>
Total		<u><u>5,295</u></u>	<u><u>4,161</u></u>

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
8 Unauthorised expenditure		
8.1 Reconciliation of unauthorised expenditure		
Opening balance	-	1,591
Amounts approved by Parliament (with funding)	-	(1,591)
Current expenditure	-	(1,591)
Unauthorised expenditure awaiting authorisation	-	-
	<u>-</u>	<u>-</u>
9 Cash and cash equivalents		
Consolidated Paymaster General Account	92,897	15,127
Disbursements	(10,325)	(4,027)
Cash on hand	118	108
Total	<u>82,690</u>	<u>11,208</u>
10 Pre-payments and advances		
Description		
Travel and subsistence	78	49
Total	<u>78</u>	<u>49</u>

11 Receivables

		Less than one year	One to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Staff debtors	11.1	16	-	-	16	48
Other debtors	11.2	68	-	67	135	117
Intergovernmental receivables Annexure		89	-	-	89	548
Total		<u>173</u>	<u>-</u>	<u>67</u>	<u>240</u>	<u>713</u>

11.1 Staff debtors

Employees	14	34
Private telephone	1	13
Tax debt	1	1
Total	<u>16</u>	<u>48</u>



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	<i>Note</i>	2007/08 R'000	2006/07 R'000
11.2 Other debtors			
Theft and Losses – pending matters		21	-
Ex-employees		114	117
Total		<u>135</u>	<u>117</u>
12 Voted funds to be surrendered to the Revenue Fund			
Opening balance		964	4,703
Transfer from Statement of Financial Performance		3,096	1,472
Voted funds not requested/not received	12.1	-	(508)
Paid during the year		(964)	(4,703)
Closing balance		<u>3,096</u>	<u>964</u>
12.1 Voted funds not requested/not received			
Funds not to be requested		-	508
		<u>-</u>	<u>508</u>
13 Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		121	4
Transfer from Statement of Financial Performance		3,134	3,060
Paid during the year		(3,237)	(2,943)
Closing balance		<u>18</u>	<u>121</u>

14 Payables – current

Description				2007/08	2006/07
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Amounts owing to other entities		72,008	7,841	79,849	10,593
Advances received	14.1	-	-	-	98
Clearing accounts	14.2	4	-	4	-
Other payables	14.3	14	-	14	9
Total		<u>72,026</u>	<u>7,841</u>	<u>79,867</u>	<u>10,700</u>

14.1 Advances received

International Marketing Council		-	98
Total		<u>-</u>	<u>98</u>

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

	2007/08 R'000	2006/07 R'000
14.2 Clearing accounts		
Salary Reversal Account	4	-
Total	<u>4</u>	<u>-</u>
14.3 Other payables		
Income Tax	14	9
Total	<u>14</u>	<u>9</u>

15 Payables – Non-current

Description				2007/08	2006/07
	One to two years	Two to three years	More than three years	Total	Total
	R'000	R'000	R'000	R'000	R'000
Amounts owing to other entities	-	-	-	-	139
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139</u>

16 Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	6,351	4,532
Add back non-cash/cash movements not deemed operating activities	70,584	5,686
(Increase)/decrease in receivables – current	473	3,438
(Increase)/decrease in prepayments and advances	(29)	12
(Increase)/decrease in other current assets	-	1,591
Increase/(decrease) in payables – current	69,167	4,638
Expenditure on capital assets	5,295	4,161
Surrenders to Revenue Fund	(4,322)	(7,646)
Voted funds not requested/not received	-	(508)
Net cash flow generated by operating activities	<u>76,935</u>	<u>10,218</u>

17 Consolidated Paymaster General Account

	92,897	15,127
Disbursements	(10,325)	(4,027)
Cash on hand	118	108
Total	<u>82,690</u>	<u>11,208</u>



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended
31 March 2008**

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

		<i>Note</i>	2007/08 R'000	2006/07 R'000
18 Contingent liabilities				
Motor vehicles guarantees	Employees	<i>Annexure 2</i>	302	-
Housing loan guarantees	Employees	<i>Annexure 2</i>	204	466
Other departments (interdepartmental unconfirmed balances)		<i>Annexure 4</i>	59,998	1,972
Total			<u>60,504</u>	<u>2,438</u>
19 Commitments				
Current expenditure				
Approved and contracted			18,132	16,490
			<u>18,132</u>	<u>16,490</u>
Non-current expenditure				
Approved and contracted			447	454
			<u>447</u>	<u>454</u>
Total commitments			<u>18,579</u>	<u>16,944</u>

20 Accruals

By economic classification			2007/08	2006/07
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
Goods and services	2,829	758	3,587	3,032
Machinery and equipment	65	20	85	72
Software and other intangible assets	-	64	64	6
Total	<u>2,894</u>	<u>842</u>	<u>3,736</u>	<u>3,110</u>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended
31 March 2008**

	<i>Note</i>	2007/08 R'000	2006/07 R'000
Listed by programme level			
Programme 1: Administration		862	966
Programme 2: Policy and Research		110	27
Programme 3: Government and Media Liaison		326	215
Programme 4: Provincial and Local Liaison		192	436
Programme 5: Communication Service Agency		49	808
Programme 7: Government Publication		2,197	658
Total		<u>3,736</u>	<u>3,110</u>
Confirmed balances with departments	<i>Annexure 4</i>	19,851	8,760
Total		<u>19,851</u>	<u>8,760</u>
21 Employee benefits			
Leave entitlement		2,636	1,430
Thirteenth cheque		2,669	4,400
Performance awards		4,803	4,101
Capped leave commitments		4,223	3,909
Total		<u>14,331</u>	<u>13,840</u>
22 Lease commitments			
22.1 Operating leases		Machinery and equipment	Total
2007/08		R'000	R'000
Not later than one year		428	428
Later than one year and not later than five years		276	276
Total present value of lease liabilities		<u>704</u>	<u>704</u>
2006/07			
Not later than one year		501	501
Later than one year and not later than five years		444	444
Total present value of lease liabilities		<u>945</u>	<u>945</u>
23 Receivables for departmental revenue			
		2007/08	2006/07
		R'000	R'000
Sales of goods and services other than capital assets		672	531
Total		<u>672</u>	<u>531</u>



GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended
31 March 2008

2007/08 **2006/07**
R'000 **R'000**

Receivables for departmental revenue amounts to R672 000 in respect of the sale of advertising space in the *Vuk'uzenzele* magazine.

24 Irregular expenditure

24.1 Reconciliation of irregular expenditure

Opening balance	-	663
Less: amounts condoned	-	663
Current expenditure	-	663
Irregular expenditure awaiting condonement	-	-

25 Key management personnel

	No of individuals	Total	Total
Description		R'000	R'000
Level 15 to 16	4	2,473	2,342
Level 14 (includes CFO)	11	5,985	4,666
Total		8,458	7,008

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER for the year ended
31 March 2008**

26 Tangible capital assets

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
MACHINERY AND EQUIPMENT	29,337	(113)	4,567	1,576	32,215
Transport assets	124	-	6	-	130
Specialised military assets	-	-	-	-	-
Computer equipment	15,893	(121)	2,477	1,066	17,183
Furniture and office equipment	8,195	(11)	1,530	168	9,546
Other machinery and equipment	5,125	19	554	342	5,356
Total	29,337	(113)	4,567	1,576	32,215

**26.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Cash Cost R'000	Total Cost R'000
MACHINERY AND EQUIPMENT	4,567	4,567
Transport assets	6	6
Computer equipment	2,477	2,477
Furniture and office equipment	1,530	1,530
Other machinery and equipment	554	554
TOTAL CAPITAL ASSETS	4,567	4,567



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended
31 March 2008**

**26.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Non-cash fair value R'000	Total cost R'000
MACHINERY AND EQUIPMENT	1,576	1,576
Computer equipment	1,066	1,066
Furniture and Office equipment	168	168
Other machinery and equipment	342	342
TOTAL	<u>1,576</u>	<u>1,576</u>

**26.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2007**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT				
Transport assets	-	124	-	124
Computer equipment	7,115	9,358	580	15,893
Furniture and office equipment	1,915	6,400	120	8,195
Other machinery and equipment	1,973	3,277	125	5,125
TOTAL TANGIBLE ASSETS	<u>11,003</u>	<u>19,159</u>	<u>825</u>	<u>29,337</u>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER for the year ended
31 March 2008**

27 Intangible capital assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Opening balance Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
COMPUTER SOFTWARE	1,343	728	8	2,063
TOTAL INTANGIBLE ASSETS	1,343	728	8	2,063

**27.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Cash cost R'000	Total cost R'000
COMPUTER SOFTWARE	728	728
TOTAL	728	728

**27.2 DISPOSALS OF INTANGIBLE CAPITAL PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Non-cash Fair value R'000	Total cost R'000
COMPUTER SOFTWARE	8	8
TOTAL	8	8

**27.3 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH
2007**

	Opening balance cost R'000	Additions cost R'000	Disposals cost R'000	Closing cost R'000
COMPUTER SOFTWARE	1,508	856	1,021	1,343
TOTAL INTANGIBLE ASSETS	1,508	856	1,021	1,343

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 1A – STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2006/07 Division of Revenue Act	
	Division of Revenue Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Amount received by municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Cacadu	-	-	-	-	-	0.0%	-	-	0.0%	4
Motheo	-	-	-	-	-	0.0%	-	-	0.0%	2
Ehlanzeni	-	-	-	-	-	0.0%	-	-	0.0%	1
Frances Baard	-	-	-	-	-	0.0%	-	-	0.0%	2
Capricorn	-	-	-	-	-	0.0%	-	-	0.0%	2
Tshwane	-	-	-	-	-	0.0%	-	-	0.0%	50
Greater JHB	-	-	-	-	-	0.0%	-	-	0.0%	3
Cape Metropolitan	-	-	-	-	-	0.0%	-	-	0.0%	1
Ethekwini	-	-	-	-	-	0.0%	-	-	0.0%	2
Central	-	-	-	-	-	0.0%	-	-	0.0%	2
	-	-	-	-	-		-	-		69



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 1B – STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

AGENCY	TRANSFER ALLOCATION				TRANSFER		2006/07 Final Appropriation Act
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	
International Marketing Council	111,096	-	-	111,096	111,096	100.0%	83,425
Media Development and Diversity Agency	11,991	-	-	11,991	11,991	100.0%	9,620
	123,087	-	-	123,087	123,087		93,045

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 1C – STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS**

HOUSEHOLD	TRANSFER ALLOCATION				EXPENDITURE		2006/07 Final Appropriation Act
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available transferred %	
Leave gratuity in respect of retirement of five officials	-	-	187	187	187	100%	-
Leave gratuity in respect of ill-health of one official	-	-	5	5	5	100%	-
Leave gratuity in respect of death of three officials	-	-	50	50	50	0.0%	-
Leave gratuity in respect of death of four officials	-	-	-	-	-	0.0%	17
Leave gratuity in respect of retirement of four officials	-	-	-	-	-	0.0%	178
Total			242	242	242		195



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 1D – STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR
THE YEAR ENDED 31 MARCH 2008**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08 R'000	2006/07 R'000
Received in cash			
Standard Bank	Sponsorship for Government Communicators Awards (GCA)	50	100
South African Broadcasting Corporation (SABC)	Sponsorship for GCA	150	100
Mercury Media	Sponsorship for GCA	-	100
Subtotal		200	300
Received in kind			
Mercury Media	Ipod	1	-
Mercury Media	Set of Chivas Regal Whiskey	2	-
Amazing Group	Four weekend vouchers for accommodation for two people at the Villa Palmeria Guest House	8	-
Mangwanani River Valley (Pty) Limited	Two persons – African Queen Premier Spa package	7	-
Primedia	Sponsorships for two media workshops	70	-
SABC	GCIS year-end function	30	-
Mercury Media	Sponsorship for GCA – venue; printing of 1 000 copies of GCA booklet, design and printing of a newspaper, networking lounge at the venue, goodie bags for guests and prizes for lucky draw, dinner for two at Annica's place in Sandton, two hampers from Slaone Florists	194	-
SABC	Sponsorship for GCA – DJ and photographer	32	-
Three cities Group	Sponsorship for GCA – two nights accommodation for two people at three venues at the Kruger Park	50	-
ITEC	Sponsorship for GCA – printer for lucky draw	10	-
Datacentrix	Sponsorship for GCA – printer and projector for lucky draw	1	-
Primedia	GCIS golf day	60	-
SABC	GCIS golf day	100	-
Formeset Printers	GCIS golf day	48	-
Mercury Media	GCIS golf day	395	-
Siemens	Accommodation, catering and promotional bags for Ministerial Liaison Officer's Forum	-	30
Jet Travel	Bed and breakfast plus dinner for secretaries course	-	1
Independent Group Jazz	Independent Festival Tickets	-	2
Subtotal		1,008	33
Total		1,208	333

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 1D (continued) – STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS
RECEIVED FOR THE YEAR ENDED 31 MARCH 2007**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2006/07 R'000	2005/06 R'000
Received in cash			
Standard Bank	Sponsorship for Government Communicators Awards (GCA)	100	-
South African Broadcasting Corporation (SABC)	Sponsorship for GCA	100	-
Mercury Media	Sponsorship for GCA	100	-
USAID	Sponsorship for 16 Days of Activism	-	400
Danish Embassy	Sponsorship for 16 Days of Activism	-	500
Finnish Embassy	Sponsorship for 16 Days of Activism	-	197
Mercury Media	Sponsorship for strategic workshop	-	10
Sechaba Travel	Sponsorship for strategic workshop	-	10
Siyafrica	Sponsorship for year-end function	-	10
Subtotal		300	1,127
Received in kind			
Siemens	Accommodation, catering and promotional bags for Ministerial Liaison Officers Forum	30	
Jet Travel	Bed-and-breakfast, plus dinner for secretaries' course	1	
Independent Group Jazz	Independent Festival Tickets	2	
SABC	GCA	-	300
SAA	GCA	-	150
Johnnic	GCA	-	150
Mercury Media, Siemens, Sanlam, Standard Bank and Konica Minolta	GCA	-	227
SABC	Air ticket, accommodation and entrance for Easter Jazz Event	-	3
DEP, Dell, Datacentrix, Bula technologies	T-shirts, caps, memory sticks and folders for secretaries' team-building	-	4
Mercury Media	One bottle wine and R1 000 gift voucher	-	1
Subtotal		33	835
		333	1,962

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 1E – STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND
REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2008**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08 R'000	2006/07 R'000
Made in kind		
Computer equipment (12 computer screens, four computers)	-	-
Office equipment (one modem, one scanner Hp, 10 printers, seven fax machines and one Honda generator)	-	-
Office furniture (one pigeon hole, seven tray desks, one stove, four shelving storages, one calculating sharp machine, two tikstertafels, four bar stools of wood, 11 bookcases, one bed, five whiteboards, one white board stand, two customer apperals, two rack distributor desks, one credenza, one visitors chair, two chair managers visitors, one waste bin, nine desks flat top, two dining room tables, two hi-back tilt chairs, 13 rotary chairs, 23 tables office, two OHP stander steel, two OHP Bell and Howell, 41 Filing cabinets, 96 straight chairs, three stand office machines, 12 stands telephone, one cupboard, one heater and three newspaper stands)	-	-
Audiovisual equipment (eight TVs, 13 video machines, one amplifier – jeil, one fostex speaker and one distributor film, one steel dect 16-mm and one telecinema machine)	-	-
Photographic equipment (one camera, three tripods and one flash pentax)	-	-
The following were recipients of the above items: Mafukuzela P School, Jongilianga P School, Arebaokeng Day Care, Childline Sebokeng, Department of Arts and Culture, Klipvalley P School, George Multipurpose Centre, Eletheni P School, Nkululeko P School, Lucretia Intermediate School, Ngazi Ndlovu Secondary School, Chweni P School, Tibboneleni P School, Central College, Mmasekaseka P School, Tswelelope Adult Care Centre, Oranjekrag Middelbare Skool, Zamaleke P School, Clearmont P School, Lindela TSC Kwanxamalala, Magekeni P School, Laerskool Langlaaseland, Selang P School and Mafubaka P School.	-	-
Computer equipment (21computers, 25 monitors, six printers, one sun park server, one sun park station 4, two sun monitors and four external hard drives)	-	-
Office equipment (five fax machines and one scanner)	-	-
Office furniture (two stand telephones, three shelving storage, eight filing cabinets, two newspaper stand telephones, three stools straight, five chairs straight, nine rotary chairs, four storage cabinets, two TV trolleys, four cupboards, two cupboards, two leather settees, one chair straight upholstered, one credenza sliding door, two waste receptacles, one letter tray, one pot plant, one shelving wood frame, two flipcharts, and one multi-screen frame electric)	-	-
Audiovisual equipment (four televisions, eight video machines, one sony betamax, one power amplifier, one editing controller, five goldstar monitors, one video light, PA system, one fostex transmitter and one fostex speaker)	-	-
Photographic equipment (four camera lenses, two camera flash gun metz, two camera flash units and two cameras still picture)	-	-
The following schools were recipients of the above items: Skansdam State-Aided School, Seale Secondary School, Worcester Boy Scouts, Tsemaleftu Primary School, Khlipha Primary School, Boegoeberg Combined School, Singobile Primary School, Phumala Primary School, Matsusl Primary School Nemisa, Laerskool Visserhoek en Samuel Intermediate.	-	-
Subtotal	-	-
Remissions, refunds, and payments made as an act of grace	-	-
Subtotal	-	-
Total	-	-

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 2 – STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of	TRANSFER ALLOCATION						EXPENDITURE			2006/07
		R'000	Original guaranteed capital amount	Opening balance 01/04/2007	Guarantee drawdowns during the year	Guarantee repayments/ cancelled/ reduced/ released during the year	Currency revaluations	Closing balance 31/03/2008	Guaranteed interest outstanding 31/03/2008	Realised losses not recoverable, i.e. claims paid out	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Stannic	Motor vehicles		302	-	302	-	-	-	302	-	-
			302	-	302	-	-	-	302	-	-
Absa	Housing		265	135	-	102	-	-	33	-	-
Old Mutual			20	60	-	13	-	-	47	-	-
First National Bank (Firststrand, Saambou)			230	119	-	52	-	-	67	-	-
Nedbank (People's Bank)			405	33	-	33	-	-	-	-	-
Standard Bank			158	119	47	109	-	-	57	-	-
			1,078	466	47	309	-	-	204	-	-
	Total		1,380	466	349	309	-	-	506	-	-

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 3 – INTERGOVERNMENTAL RECEIVABLES**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000	31/03/2008 R'000	31/03/2007 R'000
Department						
Public Service and Administration	-	-	53	-	53	-
Justice and Constitutional Development	-	-	24	-	24	-
Foreign Affairs	-	-	1	-	1	-
Correctional Services	-	-	11	488	11	488
Local Government: Gauteng	-	-	-	46	-	46
Office of the Premier: Gauteng	-	-	-	14	-	14
Total	-	-	89	548	89	548



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 4 INTERDEPARTMENTAL PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Provincial and Local Government	1,300	-	-	-	1,300	-
Education	3,286	-	-	-	3,286	-
Presidency	69	-	-	-	6	-
Transport	15,196	-	-	-	15,196	-
Housing	-	8,712	11,446	-	11,446	8,712
Water Affairs and Forestry	-	-	3,481	1,881	3,481	1,881
Defence	-	-	1,232	-	1,232	-
Public Service and Administration	-	-	4,325	-	4,325	-
Health	-	-	7,841	-	7,841	-
Justice	-	-	3,867	-	3,867	-
Labour	-	-	9,728	-	9,728	-
Minerals and Energy	-	-	12,457	-	12,457	-
South African Police Service	-	-	5,621	-	5,621	-
Subtotal	19,851	8,712	59,998	1,881	79,849	10,593

GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM VOTE 7
ANNEXURE 4 INTERDEPARTMENTAL PAYABLES (continues)

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Non-current						
Communication	-	8	-	-	-	8
Environmental Affairs and Tourism	-	8	-	-	-	8
Provincial and Local Government	-	8	-	-	-	8
Transport	-	8	-	-	-	8
Agriculture	-	8	-	-	-	8
National Treasury	-	8	-	-	-	8
Land Affairs	-	-	-	9	-	9
Public Works	-	-	-	8	-	8
Science and Technology	-	-	-	8	-	8
Public Enterprises	-	-	-	8	-	8
Trade and Industry	-	-	-	9	-	9
Housing	-	-	-	8	-	8
Arts and Culture	-	-	-	8	-	8
Minerals and Energy	-	-	-	8	-	8
Labour	-	-	-	9	-	9
Small Enterprise Development Agency	-	-	-	8	-	8
Water Affairs and Forestry	-	-	-	8	-	8
Subtotal	-	48	-	91	-	139
Total	19,851	8,760	59,998	1,972	79,849	10,732



REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2008.

Audit Committee members and attendance

The Audit Committee consists of the members listed hereunder and meets at least two times per year as per its approved terms of reference. During the current year, four meetings were held.

Name of member	Number of meetings attended
ZP Manase (Chairperson)	4
G Mampone	2
I Mackay Langa	4
M Vuso	1
Y Mjiako	0
L Lloyd	4

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), and Treasury Regulation 3.1.

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.

The effectiveness of internal control

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA, 1999 requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk-management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the internal auditors, the Audit Report on the Annual Financial Statements and Performance Information and the management report of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was efficient and effective.

The quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA, 1999

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

Evaluation of financial statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements and performance information to be included in the Annual Report, with the Auditor-General and the Accounting Officer
- reviewed the Auditor-General's management letter and management's response thereto.

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

Ms ZP Manase
Chairperson of the Audit Committee

Date: 31 July 2008

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