



## PART FIVE: ANNUAL FINANCIAL STATEMENTS

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

The Government Communication and Information System (GCIS) was allocated R418 255 000 for the 2008/09 financial year. An additional R21 577 000 was allocated during the Adjustments Estimates, resulting in a total of R439 832 000 in voted funds. The breakdown of the additional funds is as follows:

- R2,654 million was rolled over from the 2007/08 financial year in respect of the upgrading of the switchboard system (R154 000), as well as second-economy programmes by the South African Broadcasting Corporation (SABC) (R2,5 million).
- R15 million was made available for communication campaigns that arose from the Energy Efficiency Campaign.
- R3,713 million was allocated to cover costs related to a higher-than-budgeted wage increase awarded by the Minister of Public Service and Administration.
- R150 000 was donated by the SABC and R60 000 by Standard Bank to fund the annual Government Communicators' Award Ceremony. The funds were deposited into the National Revenue Fund (NRF).

From the allocated budget of R439,832 million, R427,484 million (97,2%) was spent, resulting in R12,348 million (2,8%) going unspent. The breakdown of this underspending is as follows:

- R7,4 million is from the Energy Efficiency Campaign allocation. This was due to the late allocation of the Energy Efficiency Campaign funds. It should, however, be noted that the full allocation of R15 million was committed as at 31 March 2009. R7,4 million went unspent because services were not delivered fully. National Treasury will be asked to roll over the funds to the 2009/10 financial year during which year all committed funds will be spent.
- R171 000 was made available in the 2008/09 financial year to be rolled over to the 2009/10 financial year for the purchase of a research dataset to prepare the GCIS' input for the May 2009 Cabinet Lekgotla.
- R324 000 was earmarked for the Compensation of Employees for the 2010 FIFA World Cup™. The underspending is mainly because of sudden understaffing: one official resigned in December while another official was transferred to another section within the GCIS. Neither of these posts were filled in time for the funds to be spent.

- R251 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.
- Approximately R185 000 was made available under Goods and Services to fund losses written and allocated to the Theft and Losses structure.
- R4 017 million was allocated to the Communication Strategy for the Opening of Parliament and Presidential Inauguration. The funds had to be rolled over as both the Opening of Parliament and the Inauguration took place in the new financial year.

The 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. To ensure that GCIS is in line with the changed financial environment, the departmental financial policies are reviewed every second year. The review was finalised during February/March 2009 and at the time of preparing this report, a new policy manual was being printed and bound. In between, the financial circulars were issued as guided by National Treasury and the Department of Public Service and Administration (DPSA).

The aim of the 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. The GCIS is primarily responsible for providing leadership and coordinating a government communication system that ensures that the public is informed about government's policies, plans and programmes.

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

The 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.

**Government Communications' strategic objectives include:**

- fostering a more positive communication environment to improve relations with the media, advertising agencies and other sectors

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- having a clear understanding of the public's information needs 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 (IT) in communication and developing communicators' core competencies.
- Expanding capacity to facilitate quick and accurate analysis and timely action and response to the public, media and government departments. The Communication Resource Centre does 24-hour media monitoring. 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 coordinating the roll-out of Thusong Service Centres.
- Working with the South African Local Government Association (Salga) to promote local municipalities' involvement in Thusong Service Centres and to enhance municipal communication capacity.
- Integrating and coordinating 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 the 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

The GCIS consists of the following programmes:

- **Administration** is responsible for the overall management of the 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)** coordinates effective, integrated and comprehensive communication and media liaison services across government
- **Provincial Coordination and Programme Support (PC&PS)** promotes development communication, strengthens the government communication and information system in all spheres of government and facilitates the establishment of Thusong Service Centres to make services and information more accessible to the public, particularly disadvantaged communities
- The **Communication Service Agency (CSA)** provides core communication services to the 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

#### Raising public awareness

The GCIS' priorities for 2009/10 to 2011/12 and beyond are to continue providing communication support on the mandated targets for 2014. It should be further indicated that the GCIS' work of the past decade was reviewed. The outcome of this will be refocused the GCIS priorities as we move forward. The GCIS will be submitting its revised corporate strategy to Parliament in the next month. We will be engaging with National Treasury in respect of the costing of the GCIS' new priorities.

The roll-out of Thusong Service Centres to broaden public access to government information and services is still on track towards achieving the target of at least one centre per local municipality by 2014. The clean-up of first-generation Thusong Service Centres will address challenges regarding issues such as inconsistency in service-delivery standards, coordination and infrastructure development, implementation of service standards, as well as branding. In the coming Medium Term Expenditure Framework (MTEF) period and beyond, the GCIS

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will ensure that the first-generation centres continue serving as access points that provide communities with government information, opportunities and services.

In line with the commitment made in the previous year, we have finalised the creation of a translation unit in line with government's mandate to provide communication to people in all the official languages and to empower communities with information that is easily accessible to fulfil the objectives of the Language Bill of 2000.

The Government has identified the 2010 FIFA World Cup™ as a timeless communication opportunity to market the country as a tourism and investment destination, to build national unity and promote African solidarity.

In 2008, a partnership agreement was entered into with South African Tourism, which saw a quantitative tracker research study into international perceptions of South Africa carried out. The partnership also included an analysis of media coverage of the 2010 World Cup and the image of South Africa in 158 opinion-leading foreign and South African media being undertaken. The GCIS provides daily and weekly monitoring and qualitative analyses of the media to government and all key partners. Publications on government preparations for the 2010 World Cup were produced.

### **Broadening access to information**

The provision of information products in all official languages for major government campaigns remained a key focus area for broadening access to government information and making progress towards achieving the 2014 targets. The products developed focused on providing information in relevant languages to marginalised members of society. To extend access, over three years, the GCIS has coordinated and produced a graphic booklet that pulls together all of government's second-economy programmes targeting lower income earners, as well as community-based organisations that work with this sector of the community. This initiative included profiling programmes on both the African language stations (radio) and SABC TV 1 prime-time slots.

### **Market South Africa abroad**

The IMC is in its sixth year of operation. In the past year, the IMC's board approved a review of its mandate. A private company was commissioned to do the review. Among the recommendations made was that its international media monitoring unit (Communication Resource Centre [CRC]) merge with the GCIS media monitoring unit. The merger took effect on 1 April 2009. The recommendations also indicate the need to strengthen the guidance that GCIS gives the IMC.

In the coming years, the IMC will increase its marketing focus in the East (India and China) with a comprehensive marketing plan, in-depth research, media buying and the hiring of a Joint Brand Manager with the Department of International Relations and Cooperation to

market the South African brand. In the medium term, it will further broaden its focus to include Russia, Brazil and the Middle East. It will also increase domestic mobilisation and collaboration with partners to deliver active citizenship.

### **Develop media diversity**

Over the MTEF period, the MDDA will continue increasing its focus on providing media grant support for rural and poor communities, as well as historically diminished languages, cultural groups and inadequately serviced communities. The agency will continue its efforts to ensure that all citizens have access to media that provides information in a language of their choice; and contribute to the transformation of media access, ownership and control patterns in South Africa.

### **The transformation of the marketing, advertising and communication (MAC) industry**

The transformation of the MAC industry reached a milestone with the gazetting of the MAC Industry Transformation Charter in August 2008. The GCIS is engaging with industry stakeholders concerning the implementation of the charter. To this end, workshops are being planned with respect to the charter's requirements.

## **2.2 Major achievements**

### **Policy and Research**

The Tracker Project helps government keep track of the perceptions and information needs of the public. In 2008/09, five national departments and one public entity participated in Tracker. A further 12 research projects in 2008/09 improved the effectiveness of various government communication products and initiatives. The economic opportunities publication was updated, and, for the first time, a 12-page insert on province-specific programmes was included. At the end of October 2008, a radio programme profiling government's second-economy programmes and people who have accessed them was broadcast on all SABC stations.

### **Government and Media Liaison**

BuaNews produces three editions every weekday and one on weekends. The BuaNews website is updated throughout the day, as news events occur.

Three Government Communicators' Forum meetings were held. Two Ministerial Liaison Officer Forum meetings, two Provincial Heads of Communication meetings and 14 pre-Cabinet meetings (Communication Planning) were held. All communication clusters' strategies were drafted. There were media briefings for directors-general to brief the media on the cluster programmes' progress. Based on research, the *Government Communicators' Handbook* was improved. Parliamentary media briefings and four sets of Programme of Action (PoA) media briefings were held.



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Networking sessions promoted good relations with the media, and strategic input from the GCIS contributed to the successful hosting of the Inter-Parliamentary Union's Conference and to government media briefings.

### **Provincial Coordination and Programme Support**

In 2007/08, the Eighth Annual Assessment Workshop for the Thusong Service Centre programme was held with stakeholders from national, provincial and local spheres. GCIS, with the South African Local Government Association (Salga) and the Department of Provincial and Local Government (DPLG), released a set of guidelines for local government communication. Ward councillors were trained in North West, Northern Cape and Free State.

All provincial core teams on local government communication and 35 district communication forums are operational. The forums serve as points from which communication activities for the third sphere of government can be coordinated with national and provincial government.

In the first half of 2008/09, six Thusong Service Centres were operationalised and nine in the second half of 2008/09, thus increasing the total number of operationalised Thusong Service Centres to 137. By September 2008, 686 new distribution points had been established in local municipalities. In the second half of 2008/09, 701 new distribution points were established, increasing the total to 7 033 by the end March 2009. By March 2009, there were 4 876 communication projects and activities.

### **Communication Service Agency**

In 2008/09, 45 000 copies of the *South Africa Yearbook* and 20 000 copies of the *Pocket Guide to South Africa* were printed. Some 27 000 copies of the South Africa Yearbook were distributed to, among other things, schools, public libraries and tertiary institutions. As in preceding years, the GCIS contributed to multimedia products for campaigns, celebrations and awards.

In 2008/09, the GCIS spearheaded the use of innovative marketing products such as MXit technology, mobile communications platforms, and the branding of delivery vehicles for several campaigns. Several capacity-building activities saw the GCIS taking a leading role in government.

### **Government Publication**

In 2008/09, 1,6 million copies of each of the five editions and two million copies of the sixth edition of *Vuk'uzenzele* magazine were printed. The five editions consisted of 32 pages each, while the sixth issue, which incorporated the PoA, consisted of 48 pages. The magazine was distributed in all provinces in peri-urban, rural and deep rural areas with a particular focus on the poorer sectors of society. The web version is updated each time a new edition is printed and distributed. *Vuk'uzenzele* is a member of the Audit Bureau of Circulations.

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During the reporting period, the magazine received three certificates that authenticated the distribution processes and quantity of each edition.

### 2.3 Virement and additional allocation during Adjustment Estimates

The following virement and additional budget allocation was approved through the Adjustments Estimates process:

Main division	Original budget (R'000)	Virement (R'000)	Roll-overs (R'000)	Other adjustments (R'000)	Adjustments budget allocation (R'000)
1 Administration	101 128	2 053	154	1 207	104 542
2 Policy and Research	17 171	(405)	2 500	-	19 266
3 G&ML	22 696	(564)	-	210	22 342
4 PC&PS	48 980	(1 408)	-	1 923	49 495
5 CSA	41 509	324	15 000	419	57 252
6 IMC and MDDA	154 280	-	-	-	154 280
7 Government Publication ( <i>Vuk'uzenzele</i> )	32 491	-	-	164	32 655
<b>Total</b>	<b>418 255</b>	<b>-</b>	<b>17 654</b>	<b>3 923</b>	<b>439 832</b>

The above is represented by the following:

- an increase of R4,588 million in the Compensation of Employees as a result of an allocation of R3,713 million for salary increases following the Public Service Bargaining Coordinating Council resolution, as well as R875 000 that was shifted from Goods and Services to fund salaries and wages of new staff members at the 2010 FIFA World Cup™ Unit
- Goods and Services had a net increase of R16,193 million that consisted of:
  - R15 million that was allocated by National Treasury to fund the Electricity Efficiency Campaign
  - R2,5 million rolled over from 2007/08 for advertising second-economy programmes by the SABC
  - R154 000 rolled over from 2007/08 for the upgrading of the switchboard system
  - R210 000 of self-financing expenditure that was received from two sponsors in respect of the Government Communicators' Awards and that was deposited into the National Revenue Fund (NRF)
  - R1,671 was shifted from Goods and Services of which Compensation of Employees was increased by R875 000 to fund salaries and wages of new staff members at the 2010 Unit, R754 000 was shifted to payments for capital assets to fund the purchase of capi-

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tal equipment and R42 000 was shifted to Transfer Payments (Households) in respect of a leave gratuity payment of one official who passed away.

- transfers and subsidies increased by R42 000 from Goods and Services to fund the leave gratification of one employee who passed away
- the capital budget increased by R754 000 from Goods and Services to fund the purchase of capital equipment.

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	104 542	279	104 821
2 Policy and Research	19 266	985	20 251
3 G&ML	22 342	(689)	21 653
4 PC&PS	49 495	942	50 437
5 CSA	57 252	(1 452)	55 800
6 IMC and MDDA	154 280	-	154 280
7 Government Publication ( <i>Vuk'uzenzele</i> )	32 655	(65)	32 590
<b>Total</b>	<b>439 832</b>	<b>-</b>	<b>439 832</b>

The above virement is represented by the following:

- a decrease of R401 000 in the Compensation of Employees as a result of the period that lapses before vacant posts are filled (R171 000 was shifted to Goods and Services and R230 000 to transfers and subsidies)
- the net budget of Goods and Services decreased by R495 000 to fund the purchase of capital equipment (R666 000 was shifted to capital assets while R171 000 was shifted from Compensation of Employees)
- transfers and subsidies increased by R230 000 to fund leave gratuity
- the budget for capital assets increased by R666 000 to fund the purchasing of capital assets.

### 3. Service rendered by the department

#### 3.1 Tariff policy

The GCIS produces various 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 information products. Tariffs make no provision for a profit margin. A total amount of R503 252 was generated during the 2008/09 financial year from selling photos, videos and CDs.

The income generated from selling media space in the Government Magazine (*Vuk'uzenzele*) to private companies and other government departments amounted to R2 444 477. This was R44 477 more than the projected income of R2 400 000. Amounts owing from advertising sold in previous years' editions and recovered in 2008/09 amounted to R600 000. Outstanding funds relating to 2008/09, which will be recovered in 2009/10, amount to R40 000. Advertising space tariffs vary between R80 000 and R100 000 for a full-page advertisement, while an agency commission of 16,5% is offered as a discount.

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

### 3.2 Inventories

Inventories to the value of R552 871 are kept at our main store and consist of minimum requirements stock of stationery, government forms and cartridges for printers.

## 4. Capacity constraints

Over the past few years, the GCIS has been inundated with a number of requests from national departments and some provincial departments. These requests have exerted enormous pressure on GCIS' current capacity, in terms of personnel with the necessary skills. To address these constraints and to ensure that the GCIS remains effective in communicating government information, a review of GCIS was conducted. The outcome of this review guides the manner in which the improvement in government communication and capacity constraints will be addressed from the 2009/10 financial year onwards.

## 5. Public entities

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

### 5.1 International Marketing Council

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

To achieve its objective, the IMC:

- Through Brand South Africa, positions the country in terms of its investment- and credit-worthiness, exports, tourism and international relations objectives.

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- Establishes an integrated approach within government and the private sector towards the international marketing of South Africa.
- Builds national support for the brand within South Africa itself. To achieve this, the IMC enlists the cooperation of government departments, public entities, the private sector and non-governmental organisations.
- Undertakes activities relating to the 2010 World Cup.

In addition to the GCIS review, the IMC's operations were assessed. Both reviews indicated that the CRC within the IMC should reside directly within GCIS as it monitors international news that is in line with the objectives of the GCIS. Consultations were conducted with, among others, National Treasury, the DPSA, union representatives, as well as CRC employees. The integration process was finalised, resulting in the CRC being incorporated in the GCIS structure.

### **5.2 Media Development and Diversity Agency**

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

- creating an enabling environment for media development and diversity that reflects the needs and aspirations of all South Africans
- redressing the exclusion and marginalisation of disadvantaged communities and individuals from having access to the media and the media industry
- promoting media development and diversity by providing support primarily to community and small commercial media projects.

Both these public entities received transfer payments from the GCIS. A once-off payment of R14,558 million was made to the MDDA in April 2008, while four quarterly transfer payments totalling R139,722 million were made to the IMC, resulting in total transfers made to these two public entities of R154,280 million. The GCIS holds quarterly meetings with the MDDA and IMC to obtain reports on the full transfers given to them.

## **6. Organisations to whom transfer payments have been made**

Apart from the transfer payments made to the MDDA and IMC, an amount of R271 985 was paid in respect of officials who retired or passed away.

## **7. Corporate governance arrangements**

The GCIS Risk-Management Strategy and Fraud-Prevention Plan are reviewed yearly. A methodology/guideline assists in determining the risks facing GCIS. Among the factors taken into account in developing a risk-management strategy were the 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 regional managers, and their administration officers. Workshops with other regional office staff members were undertaken as part of promoting awareness, particularly among 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 reports.

The Occupational Health and Safety Committee has eight members. In addition, safety representatives were appointed within the GCIS to assist in emergency situations. Capacity-building for this team was successfully done. The safety representatives are, among other things, trained up to First Aid Level II.

Equipment is serviced monthly and quarterly to ensure a safe 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 subsequently presented to Exco.

The Exco, which is the highest management forum of the GCIS, meets weekly to discuss the communication environment and review the department's work. 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 as well as the expenditure trends. 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.

The Corporate Services Programme undertakes corporate social activities, while the departmental procurement policy and delegations ensure that supply chain management procedures are complied with fully.

### **8. Discontinued activities/activities to be discontinued**

None of the GCIS' activities are to be discontinued.

### **9. New/proposed activities**

New activities for the 2009/10 financial year for which funding was approved by National Treasury include:

#### **State of the Nation Address (SoNA) and Opening of Parliament**

With the MTEF budget allocation letters sent by National Treasury in November 2008, National Treasury allocated R1,733 million for the SoNA and Opening of Parliament in May 2009 after the election. However, due to the global economic environment and domestic economic outlook having deteriorated significantly, National Treasury revised the MTEF allocations during January 2009 and decreased the baseline allocation to GCIS by R10,867 million. Consequently, funds for the Opening of Parliament were drastically reduced. However, during preparations for the closure of the 2008/09 financial year, GCIS, together with other departments, calculated the cost of the Presidential Inauguration after the election. The GCIS will cover the cost of the Communication Strategy and made provision for R4 million in 2008/09 to be rolled over to 2009/10 to fund the aforementioned.

#### **Energy Efficiency Campaign**

Higher-than-anticipated demand for electricity has seen the country experience power outages, resulting in immediate intervention measures in the form of load-shedding to minimise the impact on the economy in general. Government has identified a need for an ongoing awareness campaign to educate citizens and the business sector about the importance of energy conservation. To this end, the GCIS has been allocated R10 million per annum over the MTEF period to spearhead the campaign, working with other key partners and stakeholders. The Energy Efficiency Campaign commenced mid-2008 and will continue over the MTEF period.

#### **Inflation-related adjustment: Compensation of Employees**

Due to the growth in the GCIS' staff corps, and to absorb inflation-related adjustments as well as adjustments to the salary structures of certain occupational classes by the DPSA, National Treasury allocated R4,161 million to cover additional salary costs.

#### **Inflation-related adjustment: Payments for capital assets**

An additional R98 000 was allocated by National Treasury to accommodate prices of capital equipment that had increased due to higher-than-projected inflation costs.

### 10. Asset management

All assets are captured in the Asset Register. The GCIS has always had an asset-management unit, which 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.

All policies are reviewed every two years.

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

- information in the department's manual asset register about the condition of all furniture and equipment is updated
- information in the Logis system about the condition of all equipment was updated
- the Logis system does not cater for information about 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 the 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 next month, together with progress reports. In addition, a quarterly performance report on the attainment of milestones is done through the Office of the CEO 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 regular 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 external 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 2008/09 financial year.

### **14. Prior modifications to audit reports**

No prior modifications relating to the 2007/08 *Audit Report* were required. The Auditor-General reported that no significant findings had been identified during 2007/08.

#### **Approval**

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



Themba J Maseko  
Chief Executive Officer  
Date: 31 May 2009

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 6: GCIS FOR THE YEAR ENDED 31 MARCH 2009

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the accompanying financial statements of the Government Communication and Information System (GCIS), which comprise the Appropriation Statement, the Statement of Financial Position as at 31 March 2009, the Statement of Financial Performance, the Statement of Changes in Net Assets and the Cash-Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 142 to 195.

### The Accounting Officer's responsibility 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 the 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), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### The Auditor-General's responsibility

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 read with 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 about 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 6: GCIS FOR THE YEAR ENDED 31 MARCH 2009

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

### Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the GCIS as at 31 March 2009 and its financial performance and its 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 the accounting policy note 1.1 to the financial statements and in the manner required by the PFMA, 1999.

### Basis of accounting

8. Without qualifying my opinion, I draw attention to note 1.1 of the financial statements which describes the accounting policy. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury.

### Other matters

9. Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

### Governance framework

10. The governance principles that impact on the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the Accounting Officer and executive management and are reflected in the key governance responsibilities addressed below:

### Key governance responsibilities

11. The PFMA, 1999 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 key governance responsibilities, which I have assessed as follows (see the next page):

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF  
VOTE NO. 6: GCIS FOR THE YEAR ENDED 31 MARCH 2009**

No.	Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	x	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.	x	
3.	The Annual Report was submitted for consideration prior to the tabling of the auditor's report.	x	
<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (Section 40 of the PFMA, 1999).	x	
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	x	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6.	Audit Committee		
	• The department had an audit committee in operation throughout the financial year.	x	
	• The Audit Committee operates in accordance with approved, written terms of reference.	x	
	• The Audit Committee substantially fulfilled its responsibilities for the year, as set out in Section 77 of the PFMA, 1999 and Treasury Regulation 3.1.10.	x	
7.	Internal audit		
	• The department had an internal audit function in operation throughout the financial year.	x	
	• The internal audit function operates in terms of an approved internal audit plan.	x	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	x	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	x	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	x	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	x	

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF  
VOTE NO. 6: GCIS FOR THE YEAR ENDED 31 MARCH 2009**

No.	Matter	Y	N
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.	x	
12.	Powers and duties have been assigned as set out in Section 44 of the PFMA, 1999.	x	
<b>Follow-up of audit findings</b>			
13.	The prior year audit findings have been substantially addressed.	x	
<b>Issues relating to the reporting of performance information</b>			
14.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	x	
15.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	x	
16.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the GCIS against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulations 5.1, 5.2 and 6.1).	x	
17.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	x	

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Report on performance information**

12. I have reviewed the performance information as set out on pages 15 to 74.

**The Accounting Officer's responsibility for the performance information**

13. The accounting officer has additional responsibilities as required by Section 40(3)(a) of the PFMA, 1999 to ensure that the Annual Report and audited financial statements fairly present the performance against predetermined objectives of the department.

**The Auditor-General's responsibility**

14. 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.

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF  
VOTE NO. 6: GCIS FOR THE YEAR ENDED 31 MARCH 2009**

15. 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.
16. 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.

**APPRECIATION**

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

*Auditor-General*

Pretoria

31 July 2009



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
APPROPRIATION STATEMENT – for the year ended 31 March 2009**

**Appropriation per programme**

	2008/09						2007/08		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	102,829	-	(174)	102,655	100,336	2,319	97,7	102,785	102,189
Transfers and subsidies	-	-	30	30	29	1	96,7	167	167
Payment for capital assets	1,713	-	423	2,136	2,135	1	100,0	3,350	3,350
<b>2. Policy and Research</b>									
Current payment	19,228	-	934	20,162	19,524	638	96,8	20,350	17,850
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	38	-	51	89	89	-	100,0	116	116
<b>3. Government and Media Liaison</b>									
Current payment	21,963	-	(691)	21,272	19,905	1,367	93,6	18,128	18,128
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	379	-	2	381	381	-	100,0	447	447
<b>4. Provincial Coordination and Programme Support</b>									
Current payment	49,372	-	442	49,814	49,804	10	100,0	44,428	44,428
Transfers and subsidies	-	-	200	200	200	-	100,0	75	75
Payment for capital assets	123	-	300	423	423	-	100,0	793	793
<b>5. Communication Service Agency</b>									
Current payment	56,392	-	(1,328)	55,064	47,230	7,834	85,8	37,261	37,261
Transfer and subsidies	42	-	-	42	42	-	100,0	-	-
Payment for capital assets	818	-	(124)	694	694	-	100,0	560	560

2008/09							2007/08		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>6. International Marketing and Media Development</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfer and subsidies	154,280	-	-	154,280	154,280	-	100,0	123,087	123,087
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>7. Government Publication</b>									
Current payment	32,655	-	(79)	32,576	32,391	185	99,4	32,436	32,436
Transfer and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	14	14	14	-	100,0	29	29
<b>Total</b>	<b>439,832</b>	<b>-</b>	<b>-</b>	<b>439,832</b>	<b>427,477</b>	<b>12,355</b>	<b>97,2</b>	<b>384,012</b>	<b>380,916</b>



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
APPROPRIATION STATEMENT – for the year ended 31 March 2009**

	2008/09			2007/08		
	Final appropriation	Actual expenditure		Final appropriation	Actual expenditure	
<b>TOTAL (brought forward)</b>						
<b>Reconciliation with statement of financial performance</b>						
<b>ADD</b>						
Departmental receipts	3,341			3,134		
Direct exchequer receipts	-			-		
Aid assistance	-			-		
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>443,173</b>			<b>387,146</b>		
<b>ADD</b>						
Aid assistance		-			-	
Direct exchequer payments		-			-	
Prior year unauthorised expenditure approved without funding		-			-	
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>427,477</b>			<b>380,916</b>	

## Appropriation per economic classification

		2008/09						2007/08	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	118,226	-	(401)	117,825	113,963	3,862	96,7	116,159	116,160
Goods and services	164,213	-	(495)	163,718	155,044	8,674	94,7	139,229	136,088
Interest and rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	184	(184)	-	-	44
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	154,280	-	-	154,280	154,280	-	100	123,087	123,087
Households	42	-	230	272	271	1	99,6	242	242
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,071	-	666	3,737	3,735	2	99,9	4,567	4,567
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	728	728
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>439,832</b>	<b>-</b>	<b>-</b>	<b>439,832</b>	<b>427,477</b>	<b>12,355</b>	<b>97,2</b>	<b>384,012</b>	<b>380,916</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
APPROPRIATION STATEMENT – for the year ended 31 March 2009**

**Detail per Programme 1 – Administration  
for the year ended 31 March 2009**

Detail per subprogramme	2008/09							2007/08	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Management</b>									
Current payment	7,503	-	467	7,970	7,968	2	100,0	5,636	5,636
Transfers and subsidies	-	-	-	-	-	-	-	126	126
Payment for capital assets	24	-	26	50	50	-	100,0	50	50
<b>1.2 Corporate Services</b>									
Current payment	81,580	-	685	82,265	80,199	2,066	97,5	86,574	86,343
Transfers and subsidies	-	-	30	30	29	1	96,7	41	41
Payment for capital assets	1,689	-	397	2,086	2,085	1	100,0	3,300	3,300
<b>1.3 Property Management</b>									
Current payment	13,746	-	(1,326)	12,420	12,169	251	98,6	10,575	10,210
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>104,542</b>	<b>-</b>	<b>279</b>	<b>104,821</b>	<b>102,500</b>	<b>2,321</b>	<b>97,8</b>	<b>106,302</b>	<b>105,706</b>

**Detail per Programme 1 – Administration  
for the year ended 31 March 2009**

Programme 1 per economic classification	2008/09						2007/08		
	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
<b>Current payments</b>									
Compensation of employees	45,178	-	(383)	44,795	43,414	1,381	96,9	54,347	54,347
Goods and services	57,651	-	209	57,860	56,821	1,039	98,2	48,438	47,832
Financial transactions in assets and liabilities	-	-	-	-	102	(102)	-	-	10
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	-	-	30	30	29	1	96,7	167	167
<b>Payment for capital assets</b>									
Machinery and equipment	1,713	-	423	2,136	2,134	2	99,9	2,651	2,651
Software and other intangible assets	-	-	-	-	-	-	-	699	699
<b>Total</b>	<b>104,542</b>	<b>-</b>	<b>279</b>	<b>104,821</b>	<b>102,500</b>	<b>2,321</b>	<b>97,8</b>	<b>106,302</b>	<b>105,706</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
APPROPRIATION STATEMENT – for the year ended 31 March 2009**

**Detail per Programme 2 – Policy and Research  
for the year ended 31 March 2009**

Detail per subprogramme	2008/09							2007/08	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Management</b>									
Current payment	1,501	-	(171)	1,330	1,201	129	90,3	1,836	1,836
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	16	-	7	23	23	-	100,0	13	13
<b>2.2 Policy</b>									
Current payment	9,934	-	(774)	9,160	8,805	355	96,1	9,179	6,679
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	14	-	44	58	58	-	100,0	44	44
<b>2.3 Research</b>									
Current payment	7,793	-	1,879	9,672	9,518	154	98,4	9,335	9,335
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	8	-	-	8	8	-	100,0	59	59
<b>Total</b>	<b>19,266</b>	<b>-</b>	<b>985</b>	<b>20,251</b>	<b>19,613</b>	<b>638</b>	<b>96,8</b>	<b>20,466</b>	<b>17,966</b>

**Detail per Programme 2 – Policy and Research  
for the year ended 31 March 2009**

Programme 2 per economic classification	2008/09						2007/08		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	6,494	-	-	6,494	6,006	488	92,5	5,065	5,065
Goods and services	12,734	-	934	13,668	13,518	150	98,9	15,285	12,774
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	11
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	38	-	51	89	89	-	100,0	116	116
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19,266</b>	<b>-</b>	<b>985</b>	<b>20,251</b>	<b>19,613</b>	<b>638</b>	<b>96,8</b>	<b>20,466</b>	<b>17,966</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
APPROPRIATION STATEMENT – for the year ended 31 March 2009**

**Detail per Programme 3 – Government and Media Liaison  
for the year ended 31 March 2009**

Detail per subprogramme	2008/09						2007/08		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Management</b>									
Current payment	4,065	-	333	4,398	4,333	65	98,5	3,954	3,954
Payment for capital assets	287	-	(87)	200	200	-	100,0	316	316
<b>3.2 National Liaison</b>									
Current payment	5,084	-	(35)	5,049	5,047	2	100,0	3,957	3,957
Payment for capital assets	-	-	106	106	106	-	100,0	16	16
<b>3.3 International and Media Liaison</b>									
Current payment	5,622	-	(624)	4,998	4,056	942	81,2	3,767	3,767
Payment for capital assets	-	-	-	-	-	-	-	13	13
<b>3.4 News Services</b>									
Current payment	3,319	-	1,070	4,389	4,070	319	92,7	4,053	4,053
Payment for capital assets	-	-	75	75	75	-	100,0	86	86
<b>3.5 Parliamentary Liaison</b>									
Current payment	3,873	-	(1,435)	2,438	2,399	39	98,4	2,397	2,397
Payment for capital assets	92	-	(92)	-	-	-	-	16	16
<b>Total</b>	<b>22,342</b>	<b>-</b>	<b>(689)</b>	<b>21,653</b>	<b>20,286</b>	<b>1,367</b>	<b>93,7</b>	<b>18,575</b>	<b>18,575</b>

**Detail per Programme 3 – Government and Media Liaison  
for the year ended 31 March 2009**

Programme 3 per economic classification	2008/09						2007/08		
	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
<b>Current payments</b>									
Compensation of employees	15,349	-	-	15,349	13,983	1,366	91,1	12,007	12,007
Goods and services	6,614	-	(691)	5,923	5,898	25	99,6	6,121	6,120
Financial transactions in assets and liabilities	-	-	-	-	24	(24)		-	1
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	-	-	-	-	-	-		-	-
Households	-	-	-	-	-	-		-	-
<b>Payment for capital assets</b>									
Machinery and equipment	379	-	2	381	381	-	100,0	447	447
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,342</b>	<b>-</b>	<b>(689)</b>	<b>21,653</b>	<b>20,286</b>	<b>1,367</b>	<b>93,7</b>	<b>18,575</b>	<b>18,575</b>



**Detail per Programme 4 – Provincial Coordination and Programme Support  
for the year ended 31 March 2009**

Detail per subprogramme	2008/09						2007/08		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Management</b>									
Current payment	1,208	-	(171)	1,037	1,036	1	99,9	1,200	1,200
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	5	-	3	8	8	-	100,0	23	23
<b>4.2 Provincial Coordination</b>									
Current payment	4,317	-	(794)	3,523	3,523	-	100,0	5,304	5,304
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	77	77
<b>4.3 Provincial Liaison</b>									
Current payment	43,847	-	1,407	45,254	45,245	9	100,0	37,924	37,924
Transfers and subsidies	-	-	200	200	200	-	100,0	75	75
Payment for capital assets	118	-	297	415	415	-	100,0	693	693
<b>Total</b>	<b>49,495</b>	<b>-</b>	<b>942</b>	<b>50,437</b>	<b>50,427</b>	<b>10</b>	<b>100,0</b>	<b>45,296</b>	<b>45,296</b>

**Detail per Programme 4 – Provincial Coordination and Programme Support  
for the year ended 31 March 2009**

Programme 4 per economic classification	2008/09						2007/08		
	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
<b>Current payments</b>									
Compensation of employees	34,287	-	(18)	34,269	34,260	9	100,0	29,700	29,700
Goods and services	15,085	-	460	15,545	15,507	38	99,8	14,728	14,708
Financial transactions in assets and liabilities	-	-	-	-	37	(37)		-	20
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	-	-	-	-	-	-		-	-
Households	-	-	200	200	200	-	100,0	75	75
<b>Payment for capital assets</b>									
Machinery and equipment	123	-	300	423	423	-	100,0	793	793
Software and other intangible assets	-	-	-	-	-	-		-	-
<b>Total</b>	<b>49,495</b>	<b>-</b>	<b>942</b>	<b>50,437</b>	<b>50,427</b>	<b>10</b>	<b>100,0</b>	<b>45,296</b>	<b>45,296</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
APPROPRIATION STATEMENT – for the year ended 31 March 2009**

**Detail per Programme 5 – Communication Service Agency  
for the year ended 31 March 2009**

Detail per subprogramme	2008/09						2007/08		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>5.1 Management</b>									
Current payment	2,582	-	(67)	2,515	2,514	1	100,0	2,358	2,358
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	20	-	6	26	26	-	100,0	21	21
<b>5.2 Marketing</b>									
Current payment	31,747	-	(1,243)	30,504	23,064	7,440	75,6	16,652	16,652
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	44	44	44	-	100,0	-	-
<b>5.3 Product Development</b>									
Current payment	11,008	-	96	11,104	10,711	393	96,5	12,220	12,220
Transfers and subsidies	42	-	-	42	42	-	100,0	-	-
Payment for capital assets	764	-	(180)	584	584	-	100,0	474	474
<b>5.4 Content Development</b>									
Current payment	11,055	-	(114)	10,941	10,941	-	100,0	6,031	6,031
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	34	-	6	40	40	-	100,0	65	65
<b>Total</b>	<b>57,252</b>	<b>-</b>	<b>(1,452)</b>	<b>55,800</b>	<b>47,966</b>	<b>7,834</b>	<b>86,0</b>	<b>37,821</b>	<b>37,821</b>

**Detail per Programme 5 – Communication Service Agency  
for the year ended 31 March 2009**

2008/09		2007/08							
Programme 5 per economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	13,482	-	-	13,482	13,049	433	96,8	11,866	11,866
Goods and services	42,910	-	(1,328)	41,582	34,163	7,419	82,2	25,395	25,393
Financial transactions in assets and liabilities	-	-	-	-	18	(18)		-	2
<b>Transfers and subsidies to:</b>									
Provinces and municipalities	-	-	-	-	-	-		-	-
Households	42	-	-	42	42	-	100,0	531	531
<b>Payment for capital assets</b>									
Machinery and equipment	818	-	(124)	694	694	-	100,0	29	29
Software and other intangible assets	-	-	-	-	-	-		-	-
<b>Total</b>	<b>57,252</b>	<b>-</b>	<b>(1,452)</b>	<b>55,800</b>	<b>47,966</b>	<b>7,834</b>	<b>86,0</b>	<b>37,821</b>	<b>37,821</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
APPROPRIATION STATEMENT – for the year ended 31 March 2009**

**Detail per Programme 6 – International Marketing and Media Development  
for the year ended 31 March 2009**

Detail per subprogramme	2008/09						2007/08		
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>6.1 International Marketing Council</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	139,722	-	-	139,722	139,722	-	100,0	111,096	111,096
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>6.2 Media Development and Diversity Agency</b>									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	14,558	-	-	14,558	14,558	-	100,0	11,991	11,991
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>154,280</b>	<b>-</b>	<b>-</b>	<b>154,280</b>	<b>154,280</b>	<b>-</b>	<b>100,0</b>	<b>123,087</b>	<b>123,087</b>

**Detail per Programme 6 – International Marketing and Media Development  
for the year ended 31 March 2009**

Programme 6 per economic classification	2008/09						2007/08		
	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
<b>Current payments</b>									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Financial transactions in as-sets and liabilities	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>									
Departmental and agencies and accounts	154,280	-	-	154,280	154,280	-	100,0	123,087	123,087
Households	-	-	-	-	-	-	-	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>154,280</b>	<b>-</b>	<b>-</b>	<b>154,280</b>	<b>154,280</b>	<b>-</b>	<b>100,0</b>	<b>123,087</b>	<b>123,087</b>

**Detail per Programme 7 – Government Publication  
for the year ended 31 March 2009**

Detail per subprogramme	2008/09					2007/08			
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>7.1 Vuk'uzenzele Magazine</b>									
Current payment	32,655	-	(79)	32,576	32,391	185	99,4	32,436	32,436
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	14	14	14	-	100,0	29	29
<b>Total</b>	<b>32,655</b>	<b>-</b>	<b>(65)</b>	<b>32,590</b>	<b>32,405</b>	<b>185</b>	<b>99,4</b>	<b>32,465</b>	<b>32,465</b>

Programme 7 per economic classification	2008/09					2007/08			
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	3,436	-	-	3,436	3,251	185	94,6	3,174	3,175
Goods and services	29,219	-	(79)	29,140	29,137	3	100,0	29,262	29,261
Financial transactions in assets and liabilities	-	-	-	-	3	(3)	-	-	-
<b>Transfers and subsidies to:</b>									
Departmental and agencies and accounts	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payment for capital assets</b>									
Machinery and equipment	-	-	14	14	14	-	100,0	29	29
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>32,655</b>	<b>-</b>	<b>(65)</b>	<b>32,590</b>	<b>32,405</b>	<b>185</b>	<b>99,4</b>	<b>32,465</b>	<b>32,465</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6**  
**Notes to the Appropriation Statement**  
**for the year ended 31 March 2009**

**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 1A 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 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per programme	Final appropriation	Actual expenditure	Variance R'000	Variance as a % of final appropriation
	R'000	R'000	R'000	%
<b>Administration</b>	104,821	102,500	2,321	2
The underspending of R2 321 000 is mainly represented by R1 381 000 in respect of Compensation of Employees due to vacant posts as a result of resignations and transfer of officials; R251 000 in respect of Property Management (Municipal Services) of which the expected invoices were not received at year-end from the Department of Public Works as well as R686 000 in respect of security equipment, which will be upgraded during the occupation of the new building. National Treasury was requested to roll over R2 067 000 to the 2009/10 financial year to fund the Presidential Inauguration.				
<b>Policy and Research</b>	20,251	19,613	638	3
The underspending of R638 000 is represented by R488 000 in respect of Compensation of Employees due to vacant posts as a result of resignations and transfers of officials; R150 000 in respect of pre-election survey research of which the order was issued for the service and completed before the end of the financial year but the invoice was not received on 31 March 2009. National Treasury was requested to roll over the funds to the 2009/10 financial year to fund the Presidential Inauguration (R488 000) and the pre-election research survey (R150 000).				
<b>Government and Media Liaison</b>	21,653	20,286	1,367	6
The underspending of R1 367 000 is in respect of Compensation of Employees that is due to vacant posts as a result of resignations and transfers of officials.				



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6**  
**Notes to the Appropriation Statement**  
**for the year ended 31 March 2009**

	R'000	R'000	R'000	%
<b>Communication Service Agency</b>	55,800	47,966	7,834	14
The underspending of R7 834 000 is represented by R433 000 in respect of Compensation of Employees due to vacant posts as a result of resignations and transfers of officials; R7 401 000 in respect of the Energy Efficiency Campaign of which orders were issued for the rendering of services but were not completed before the end of the 2008/09 financial year. National Treasury was requested to roll over the funds to the 2009/10 financial year.				
<b>Government Publication</b>	32,590	32,405	185	1
The underspending of R185 000 is in respect of Compensation of Employees due to vacant posts as a result of resignations and transfers of officials.				

<b>4.2 Per economic classification</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Variance as a % of final appropriation</b>
	R'000	R'000	R'000	%
<b>Current payments:</b>				
Compensation of employees	117,825	113,963	3,862	3,3
Goods and services	163,718	155,044	8,674	5,3
Financial transactions in assets and liabilities	-	185	(185)	(100,0)
<b>Transfers and subsidies:</b>				
Departmental agencies and accounts	154,280	154,280	-	-
Households	272	271	1	-
<b>Payments for capital assets:</b>				
Machinery and equipment	3,737	3,735	2	-

## GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6

<b>Statement of Financial Performance – for the year ended 31 March 2009</b>			
		2008/09	2007/08
	Note	R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	439,832	384,012
Departmental revenue	2	3,341	3,134
<b>TOTAL REVENUE</b>		<b>443,173</b>	<b>387,146</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	113,963	116,160
Goods and services	4	155,043	136,088
Financial transactions in assets and liabilities	5	185	44
<b>Total current expenditure</b>		<b>269,191</b>	<b>252,292</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	154,552	123,329
<b>Expenditure for capital assets</b>			
Tangible capital assets	7	3,734	4,567
Software and other intangible assets	7	-	728
<b>Total expenditure for capital assets</b>		<b>3,734</b>	<b>5,295</b>
<b>TOTAL EXPENDITURE</b>		<b>427,477</b>	<b>380,916</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>15,696</b>	<b>6,230</b>
<b>Reconciliation of net surplus/(deficit) for the year</b>			
Voted funds		12,355	3,096
Departmental revenue	12	3,341	3,134
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>15,696</b>	<b>6,230</b>

## GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6

### Statement of financial position at 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>67,781</b>	<b>83,008</b>
Cash and cash equivalents	8	67,417	82,690
Prepayments and advances	9	40	78
Receivables	10	324	240
<b>TOTAL ASSETS</b>		<b>67,781</b>	<b>83,008</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>62,063</b>	<b>82,981</b>
Voted funds to be surrendered to the Revenue Fund	11	12,355	3,096
Departmental revenue to be surrendered to the Revenue Fund	12	3	18
Payables	13	49,705	79,867
<b>Non-current liabilities</b>			
Payables	14	5,670	-
<b>TOTAL LIABILITIES</b>		<b>67,733</b>	<b>82,981</b>
<b>NET ASSETS</b>		<b>48</b>	<b>27</b>
<b>Represented by:</b>			
Recoverable revenue		48	27
<b>Total</b>		<b>48</b>	<b>27</b>

## GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6

### Statement of changes in net assets – for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
<b>Recoverable revenue</b>			
Opening balance		27	46
Transfers:		21	(19)
Debts recovered (included in departmental receipts)		(23)	(41)
Debts raised		44	22
Closing balance		48	27
<b>Total</b>		<b>48</b>	<b>27</b>



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6**

**Cash-flow statement – for the year ended 31 March 2009**

		2008/09	2007/08
	Note	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>443,173</b>	<b>387,146</b>
Annual appropriated funds received	1	439,832	384,012
Departmental revenue received	2	3,341	3,134
Net (increase)/decrease in working capital		(30,208)	69,611
Surrendered to Revenue Fund		(6,452)	(4,201)
Current payments		(269,191)	(252,292)
Transfers and subsidies paid		(154,552)	(123,329)
<b>Net cash-flow available from operating activities</b>	<b>15</b>	<b>(17,230)</b>	<b>76,935</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(3,734)	(5,295)
<b>Net cash flows from investing activities</b>		<b>(3,734)</b>	<b>(5,295)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		21	(19)
Increase/(decrease) in non-current payables		5,670	(139)
<b>Net cash flows from financing activities</b>		<b>5,691</b>	<b>(158)</b>
Net increase/(decrease) in cash and cash equivalents		(15,273)	71,482
Cash and cash equivalents at the beginning of the period		82,690	11,208
<b>Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>67,417</b>	<b>82,690</b>

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), (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, 2006 (Act 2 of 2006).

## **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 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.

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.



## **GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6 ACCOUNTING POLICIES – for the year ended 31 March 2009**

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. Debts written-off 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 Transfers and subsidies**

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

### **3.5 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 plus any accrued interest.

### **4.5 Inventory**

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

## **4.6 Capital assets**

### **4.6.1 Movable 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 movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset” and is capitalised in the Asset Register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

## **5. Liabilities**

### **5.1 Voted funds to be surrendered to the 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 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 to the financial statements.

## **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**

### **Operating leases**

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the 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 6  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
– for the year ended 31 March 2009**

## 1. Annual appropriation

	Final appropriation	Actual funds received	Funds not requested / not received	Appropriation received 2007/08
	R'000	R'000	R'000	R'000
Administration	104,821	104,821	-	106,302
Policy and Research	20,251	20,251	-	20,466
Government and Media Liaison	21,653	21,653	-	18,575
Provincial Coordination and Programme Support	50,437	50,437	-	45,296
Communication Service Agency	55,800	55,800	-	37,821
International Marketing and Media Development	154,280	154,280	-	123,087
Government Publication	32,590	32,590	-	32,465
<b>Total</b>	<b>439,832</b>	<b>439,832</b>	<b>-</b>	<b>384,012</b>

## 2. Departmental revenue

		2008/09	2007/08
	Note	R'000	R'000
Sales of goods and services other than capital assets	2.1	3,064	2,657
Interest, dividends and rent on land	2.2	197	137
Financial transactions in assets and liabilities	2.3	80	340
<b>Departmental revenue collected</b>		<b>3,341</b>	<b>3,134</b>

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

		2008/09	2007/08
	Note	R'000	R'000
Sales of goods and services produced by the department		<b>3,062</b>	<b>2,653</b>
Sales by market establishment		84	-
Administrative fees		-	-
Other sales		2,978	2,653
Sales of scrap, waste and other used current goods		2	4
<b>Total</b>	<b>2</b>	<b>3,064</b>	<b>2,657</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
– for the year ended 31 March 2009**

## 2.2 Interest, dividends and rent on land

		2008/09	2007/08
	Note	R'000	R'000
Interest		197	137
<b>Total</b>	<b>2</b>	<b>197</b>	<b>137</b>

## 2.3 Financial transactions in assets and liabilities

		2008/09	2007/08
	Note	R'000	R'000
Other receipts, including recoverable revenue		80	340
<b>Total</b>	<b>2</b>	<b>80</b>	<b>340</b>

## 3. Compensation of employees

### 3.1 Salaries and wages

		2008/09	2007/08
	Note	R'000	R'000
Basic salary		74,268	64,005
Performance award		4,998	4,131
Service-based		14	4
Compensative/circumstantial		1,511	1,116
Periodic payments		1,443	2,626
Other non-pensionable allowances		18,245	15,411
<b>Total</b>		<b>100,479</b>	<b>87,293</b>

### 3.2 Social contributions

		2008/09	2007/08
	Note	R'000	R'000
<b>Employer contributions</b>			
Pension		9,387	25,315
Medical		4,084	3,539
Bargaining Council		13	13
<b>Total</b>		<b>13,484</b>	<b>28,867</b>
<b>Total compensation of employees</b>			
		<b>113,963</b>	<b>116,160</b>
Average number of employees		464	424

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#### 4. Goods and services

		2008/09	2007/08
	Note	R'000	R'000
Administrative fees		64	86
Advertising		20,755	13,273
Assets less than R5 000	4.1	1,030	2,065
Bursaries (employees)		652	494
Catering		1,435	1,171
Communication		8,544	10,407
Computer services	4.2	14,143	9,789
Consultants, contractors and agency/outsourced services	4.3	22,020	22,645
Audit cost – external	4.4	1,051	1,241
Inventory	4.5	10,410	31,954
Operating leases		12,232	10,713
Owned and leasehold property expenditure	4.6	1,495	1,119
Travel and subsistence	4.7	18,650	13,661
Venues and facilities		2,870	3,353
Training and staff development		4,238	4,191
Other operating expenditure	4.8	35,454	9,926
<b>Total</b>		<b>155,043</b>	<b>136,088</b>

##### 4.1 Assets less than R5 000

		2008/09	2007/08
	Note	R'000	R'000
<b>Tangible assets</b>		<b>1,024</b>	<b>2,065</b>
Machinery and equipment		1,024	2,065
<b>Intangible assets</b>		<b>6</b>	<b>-</b>
Computer software		6	-
<b>Total</b>	<b>4</b>	<b>1,030</b>	<b>2,065</b>

##### 4.2 Computer services

		2008/09	2007/08
	Note	R'000	R'000
Sita computer services		10,098	8,035
External computer service-providers		4,045	1,754
<b>Total</b>	<b>4</b>	<b>14,143</b>	<b>9,789</b>

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**4.3 Consultants, contractors and agency/outsourced services**

		2008/09	2007/08
	Note	R'000	R'000
Business and advisory services		1,915	18,356
Legal costs		245	50
Contractors		6,055	2,901
Agency and support/outsourced services		13,805	1,338
<b>Total</b>	<b>4</b>	<b>22,020</b>	<b>22,645</b>

**4.4 Audit cost – external**

		2008/09	2007/08
	Note	R'000	R'000
Regularity audits		948	1,241
Other audits		103	-
<b>Total</b>	<b>4</b>	<b>1,051</b>	<b>1,241</b>

**4.5 Inventory**

		2008/09	2007/08
	Note	R'000	R'000
Learning and teaching support material		87	-
Fuel, oil and gas		-	1
Other consumable material		158	178
Maintenance material		50	154
Stationery and printing		10,085	31,613
Medical supplies		30	8
<b>Total</b>	<b>4</b>	<b>10,410</b>	<b>31,954</b>

**4.6 Owned and leasehold property expenditure**

		2008/09	2007/08
	Note	R'000	R'000
Municipal services		564	266
Other		931	853
<b>Total</b>	<b>4</b>	<b>1,495</b>	<b>1,119</b>



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#### 4.7 Travel and subsistence

		2008/09	2007/08
	Note	R'000	R'000
Local		16,919	12,830
Foreign		1,731	831
<b>Total</b>	<b>4</b>	<b>18,650</b>	<b>13,661</b>

#### 4.8 Other operating expenditure

		2008/09	2007/08
	Note	R'000	R'000
Professional bodies, membership and subscription fees		46	-
Resettlement costs		778	686
Other		34,630	9,240
<b>Total</b>	<b>4</b>	<b>35,454</b>	<b>9,926</b>

### 5 Financial transactions in assets and liability

		2008/09	2007/08
	Note	R'000	R'000
Material losses through criminal conduct		<b>98</b>	<b>30</b>
Theft	5.4	98	29
Other material losses	5.1	-	1
Other material losses written off	5.2	77	7
Debts written off	5.3	10	7
<b>Total</b>		<b>185</b>	<b>44</b>

#### 5.1 Other material losses

			2008/09	2007/08
		Note	R'000	R'000
<b>Nature of other material losses</b>				
<b>Incident</b>	<b>Disciplinary steps taken/ criminal proceedings</b>			
Loss of furniture due to arson	Reported to South African Police Service (SAPS)		-	1
<b>Total</b>		<b>5</b>	<b>-</b>	<b>1</b>

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### 5.2 Other material losses written off

		2008/09	2007/08
	Note	R'000	R'000
<b>Nature of losses</b>			
Accident with rented vehicles		14	7
Accident with Mobile Studio vehicle		6	-
Accident with GG vehicle		26	-
Loss of laptop		14	
Loss of office keys – replacement of multi locks		3	-
Missing library books		3	-
“No show” accommodation costs in respect of foreign visit		5	-
Cancellation of training		6	-
<b>Total</b>	<b>5</b>	<b>77</b>	<b>7</b>

### 5.3 Debts written off

		2008/09	2007/08
	Note	R'000	R'000
<b>Nature of debts written off</b>			
Private telephone cost		2	7
Interest on state guarantee debt		6	-
Housing disallowance		2	-
<b>Total</b>	<b>5</b>	<b>10</b>	<b>7</b>

### 5.4 Details of theft

		2008/09	2007/08
	Note	R'000	R'000
<b>Nature of theft</b>			
Theft of laptops		85	23
Theft of equipment at Gauteng Provincial Office		3	-
Theft of equipment at Inhlazuka Thusong Service Centre		7	-
Theft of equipment at Marapyane Thusong Service Centre		2	-
Theft of generator		1	-
Theft of radio from hired vehicle		-	2
Theft of camera		-	4
<b>Total</b>	<b>5</b>	<b>98</b>	<b>29</b>

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## 6 Transfers and subsidies

		2008/09	2007/08
		R'000	R'000
Departmental agencies and accounts	Annex 1A	154,280	123,087
Households	Annex 1B	272	242
<b>Total</b>		<b>154,552</b>	<b>123,329</b>

## 7 Expenditure for capital assets

		2008/09	2007/08
	Note	R'000	R'000
<b>Tangible assets</b>		<b>3,734</b>	<b>4,567</b>
Machinery and equipment		3,734	4,567
<b>Software and other intangible assets</b>		<b>-</b>	<b>728</b>
Computer software		-	728
<b>Total</b>		<b>3,734</b>	<b>5,295</b>

### 7.1 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds	Total
	R'000	R'000
Tangible assets	3,734	3,734
Machinery and equipment	3,734	3,734
<b>Total</b>	<b>3,734</b>	<b>3,734</b>

### 7.2 Analysis of funds utilised to acquire capital assets – 2007/08

	Voted funds	Total
	R'000	R'000
<b>Total assets acquired</b>	<b>5,295</b>	<b>5,295</b>

## 8 Cash and cash equivalents

		2008/09	2007/08
	Note	R'000	R'000
Consolidated Paymaster General Account		70,978	92,897
Disbursements		(3,679)	(10,325)
Cash on hand		118	118
<b>Total</b>		<b>67,417</b>	<b>82,690</b>

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## 9 Prepayments and advances

		2008/09	2007/08
	Note	R'000	R'000
Travel and subsistence		40	78
<b>Total</b>		<b>40</b>	<b>78</b>

## 10 Receivables

		2008/09			2007/08
		Less than one year	One to three years	Total	Total
	Note	R'000	R'000	R'000	R'000
Claims recoverable	10.1 Annex 3	149	-	149	89
Staff debt	10.2	39	-	39	16
Other debtors	10.3	43	93	136	135
<b>Total</b>		<b>231</b>	<b>93</b>	<b>324</b>	<b>240</b>

### 10.1 Claims recoverable

		2008/09	2007/08
	Note	R'000	R'000
National departments		149	89
<b>Total</b>	<b>10</b>	<b>149</b>	<b>89</b>

### 10.2 Staff debt

		2008/09	2007/08
	Note	R'000	R'000
Employees		16	14
Private telephone		23	1
Tax debt		-	1
<b>Total</b>	<b>10</b>	<b>39</b>	<b>16</b>

### 10.3 Other debtors

		2008/09	2007/08
	Note	R'000	R'000
Theft and losses – pending letters		4	21
Ex-employees		123	114
Tax debt		9	-
<b>Total</b>	<b>10</b>	<b>136</b>	<b>135</b>

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### 11 Voted funds to be surrendered to the Revenue Fund

		2008/09	2007/08
	Note	R'000	R'000
Opening balance		3,096	964
Transfer from statement of financial performance		12,355	3,096
Paid during the year		(3,096)	(964)
<b>Closing balance</b>		<b>12,355</b>	<b>3,096</b>

### 12 Departmental revenue to be surrendered to the Revenue Fund

		2008/09	2007/08
	Note	R'000	R'000
Opening balance		18	121
Transfer from Statement of Financial Performance		3,341	3,134
Paid during the year		(3,356)	(3,237)
<b>Closing balance</b>		<b>3</b>	<b>18</b>

### 13 Payables – current

	Note	30 Days	30+ Days	2008/09 Total	2007/08 Total
Amounts owing to other entities	Annex 4	19,848	29,846	49,694	79,849
Clearing accounts	13.1	-	-	-	4
Other payables	13.2	11	-	11	14
<b>Total</b>		<b>19,859</b>	<b>29,846</b>	<b>49,705</b>	<b>79,867</b>

#### 13.1 Clearing accounts

		2008/09	2007/08
	Note	R'000	R'000
Salary Reversal Account		-	4
<b>Total</b>	<b>13</b>	<b>-</b>	<b>4</b>

#### 13.2 Other payables

		2008/09	2007/08
	Note	R'000	R'000
Income Tax		9	14
Pension fund		2	-
<b>Total</b>	<b>13</b>	<b>11</b>	<b>14</b>

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### 14 Payable – non-current

		2008/09		2007/08
		One to two years	Total	Total
	Note	R'000	R'000	R'000
Amounts owing to other entities		5,670	5,670	-
<b>Total</b>		<b>5,670</b>	<b>5,670</b>	<b>-</b>

### 15 Net cash-flow available from operating activities

	Note	2008/09	2007/08
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		15,696	6,230
Add back non-cash/cash movements not deemed operating activities		<b>(32,926)</b>	<b>70,705</b>
(Increase)/decrease in receivables – current		(84)	473
(Increase)/decrease in prepayments and advances		38	(29)
Increase/(decrease) in payables – current		(30,162)	69,167
Expenditure on capital assets		3,734	5,295
Surrenders to Revenue Fund		(6,452)	(4,201)
<b>Net cash-flow generated by operating activities</b>		<b>(17,230)</b>	<b>76,935</b>

### 16 Reconciliation of cash and cash equivalents for cash-flow purposes

		2008/09	2007/08
	Note	R'000	R'000
Consolidated Paymaster General Account		70,978	92,897
Disbursements		(3,679)	(10,325)
Cash on hand		118	118
<b>Total</b>		<b>67,417</b>	<b>82,690</b>

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## 17 Contingent liabilities

			2008/09	2007/08
		Note	R'000	R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 2	302	302
Housing loan guarantees	Employees	Annex 2	166	204
Other departments (interdepartmental unconfirmed balances)		Annex 4	36,300	59,998
<b>Total</b>			<b>36,768</b>	<b>60,504</b>

## 18 Commitments

			2008/09	2007/08
		Note	R'000	R'000
<b>Current expenditure</b>				
Approved and contracted			26,102	18,132
Approved but not yet contracted			-	-
			<b>26,102</b>	<b>18,132</b>
<b>Capital expenditure</b>				
Approved and contracted			144	447
Approved but not yet contracted			-	-
			<b>144</b>	<b>447</b>
<b>Total commitments</b>			<b>26,246</b>	<b>18,579</b>

## 19 Accruals

			2008/09	2007/08
			R'000	R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	1,343	1,710	3,053	3,587
Machinery and equipment	155	143	298	85
Software and other intangible assets	-	20	20	64
<b>Total</b>	<b>1,498</b>	<b>1,873</b>	<b>3,371</b>	<b>3,736</b>

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		2008/09	2007/08
	Note	R'000	R'000
Programme 1: Administration		2,217	862
Programme 2: Policy and Research		627	110
Programme 3: Government and Media Liaison		220	326
Programme 4: Provincial Coordination and Programme Support		172	192
Programme 5 : Communication Service Agency		116	49
Programme 7: Government Publication		19	2,197
<b>Total</b>		<b>3,371</b>	<b>3,736</b>

		2008/09	2007/08
	Note	R'000	R'000
Confirmed balances with departments	Annex 4	19,064	19,851
<b>Total</b>		<b>19,064</b>	<b>19,851</b>

## 20 Employee benefits

		2008/09	2007/08
	Note	R'000	R'000
Leave entitlement		3,224	2,636
Thirteenth cheque		3,114	2,669
Performance awards		6,949	4,803
Capped leave commitments		4,298	4,223
<b>Total</b>		<b>17,585</b>	<b>14,331</b>

## 21 Lease commitment

### 21.1 Operating leases expenditure

2008/09	Machinery and equipment	Total
Not later than one year	384	384
Later than one year and not later than five years	286	286
<b>Total lease commitments</b>	<b>670</b>	<b>670</b>
2007/08	Machinery and equipment	Total
Not later than one year	428	428
Later than one year and not later than five years	276	276
<b>Total lease commitments</b>	<b>704</b>	<b>704</b>



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## 22 Receivables for departmental revenue

		2008/09	2007/08
	Note	R'000	R'000
Sales of goods and services other than capital assets		40	672
<b>Total</b>		<b>40</b>	<b>672</b>

### 22.1 Analysis of receivables for departmental revenue

		2008/09
	Note	R'000
Opening balance		672
Less: amounts received		672
Add: amounts recognised		40
<b>Closing balance</b>		<b>40</b>

## 23 Key management personnel

	No. of Individuals	2008/09	2007/08
		R'000	R'000
Officials:			
Level 15 to 16	4	4,150	2,473
Level 14 (incl. CFO if at a lower level)	11	8,070	5,985
<b>Total</b>		<b>12,220</b>	<b>8,458</b>

## 24 Provisions

		2008/09	2007/08
	Note	R'000	R'000
Potential irrecoverable debts			
Other debtors		53	-
<b>Total</b>		<b>53</b>	<b>-</b>

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## 25 Movable tangible capital assets

<b>MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009</b>					
	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>32,328</b>	<b>99</b>	<b>3,738</b>	<b>892</b>	<b>35,273</b>
Transport assets	130	130	-	-	260
Computer equipment	17,304	(117)	2,615	725	19,077
Furniture and office equipment	9,557	73	379	80	9,929
Other machinery and equipment	5,337	13	744	87	6,007
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>32,328</b>	<b>99</b>	<b>3,738</b>	<b>892</b>	<b>35,273</b>

### 25.1 Additions

<b>ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009</b>			
	Cash	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>3,552</b>	<b>186</b>	<b>3,738</b>
Computer equipment	2,484	131	2,615
Furniture and office equipment	350	29	379
Other machinery and equipment	718	26	744
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3,552</b>	<b>186</b>	<b>3,738</b>

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## 25.2 Disposal

<b>DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009</b>		
	<b>Transfer out or destroyed or scrapped</b>	<b>Total disposals</b>
	<b>R'000</b>	<b>R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>892</b>	<b>892</b>
Computer equipment	725	725
Furniture and office equipment	80	80
Other machinery and equipment	87	87
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>892</b>	<b>892</b>

## 25.3 Movement for 2007/08

<b>MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008</b>				
	<b>Opening balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>29,337</b>	<b>4,567</b>	<b>1,576</b>	<b>32,328</b>
Transport assets	124	6	-	130
Computer equipment	15,893	2,477	1,066	17,304
Furniture and office equipment	8,195	1,530	168	9,557
Other machinery and equipment	5,125	554	342	5,337
<b>TOTAL MOVABLE TANGIBLE ASSETS</b>	<b>29,337</b>	<b>4,567</b>	<b>1,576</b>	<b>32,328</b>

## 25.4 Minor assets

<b>MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2009</b>			
	<b>Intangible assets</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Minor assets	229	9,595	9,824
<b>Total</b>	<b>229</b>	<b>9,595</b>	<b>9,824</b>
	<b>Intangible assets</b>	<b>Machinery and equipment</b>	<b>Total</b>
Number of minor assets	569	7,280	7,849
<b>Total</b>	<b>569</b>	<b>7,280</b>	<b>7,849</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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## 26 Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009					
	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Computer software	2,063	(183)	182	8	2,054
<b>Total intangible capital assets</b>	<b>2,063</b>	<b>(183)</b>	<b>182</b>	<b>8</b>	<b>2,054</b>

### 26.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009		
	Cash	Total
	R'000	R'000
Computer software	182	182
<b>Total additions to intangible capital assets</b>	<b>182</b>	<b>182</b>

### 26.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009		
	Transfer out, destroyed or scrapped	Total disposals
	R'000	R'000
Computer software	8	8
<b>Total disposals of intangible capital assets</b>	<b>8</b>	<b>8</b>

### 26.3 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008				
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	2,063	-	-	2,063
<b>Total</b>	<b>2,063</b>	<b>-</b>	<b>-</b>	<b>2,063</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM - VOTE 6  
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS - for the year ended 31 March 2009**

**ANNEXURE 1A  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2007/08 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	
IMC	139,722	-	-	139,722	139,722	100	111,096
MDDA	14,558	-	-	14,558	14,558	100	11,991
<b>Total</b>	<b>154,280</b>	<b>-</b>	<b>-</b>	<b>154,280</b>	<b>154,280</b>		<b>123,087</b>

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2007/08 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	
<b>Transfers</b>							
Leave gratuity – retirement of two officials	-	-	218	218	218	100	-
Leave gratuity – death of two officials	42	-	12	54	54	100	-
Leave gratuity – death of three officials	-	-	-	-	-	-	50
Leave gratuity – retirement of five officials	-	-	-	-	-	-	187
Leave gratuity – ill-health of one official	-	-	-	-	-	-	5
<b>Total</b>	<b>42</b>	<b>-</b>	<b>230</b>	<b>272</b>	<b>272</b>		<b>242</b>

**ANNEXURE 1C  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09 R'000	2007/08 R'000
<b>Received in cash</b>			
South African Broadcasting Corporation (SABC)	Sponsorship for Government Communicators' Awards (GCA)	150	150
Standard Bank	Sponsorship for GCA	60	50
<b>Subtotal</b>		<b>210</b>	<b>200</b>
<b>Received in kind</b>			
DSTV Mobile	Sponsorship for GCA	549	-
Mercury Media	Sponsorship for GCA	300	-
Eskom	Sponsorship for GCA	100	-
SABC	Sponsorship for GCA	85	-
Three Cities Group	Sponsorship for GCA	30	-
Nestle	Sponsorship for GCA	13	-
Ited	Sponsorship for GCA	12	-
Datacentrix	Sponsorship for GCA	6	-
Public Service and Administration (DPSA)	100 memory sticks for Western Cape Thusong Service Centre workshop	13	-
Sherino Printers	GClS year-end function	8	-
Formset	GClS year-end function	3	-
Radmark	GClS year-end function	2	-
Formset	Content Development section year-end function	5	-
Mercury Media	Marketing Section year-end function	5	-
SAPS	Printing of certificates for Kwamdakane Thusong Service Centre	2	-
<b>Subtotal</b>		<b>1,133</b>	<b>-</b>
<b>Total</b>		<b>1,343</b>	<b>-</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – for the year ended 31 March 2009**

**ANNEXURE 1C (continue)**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09 R'000	2007/08 R'000
<b>Received in kind</b>			
Mercury Media	Ipod	-	1
Mercury Media	Set of Chivas Regal whiskey	-	2
Amazing Group	Four week-end 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	Sponsorship for two media workshops	-	70
SABC	GCS 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	GCS Golf Day	-	60
SABC	GCS Golf Day	-	100
Formaset Printers	GCS Golf Day	-	48
Mercury Media	GCS Golf Day	-	395
<b>Subtotal</b>		<b>-</b>	<b>1,008</b>
<b>Total</b>		<b>-</b>	<b>1,208</b>

**ANNEXURE 1D**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP		2008/09	2007/08
		R'000	R'000
<b>Made in kind (2008/09)</b>			
Computer equipment (17 computers, 19 computer screens)		-	
Office equipment (seven printers, 11 Canon fax machines)		-	
Office furniture (four stool straight, six table office, two screen folding metal , two portable all weather, four whiteboards, one trolley tea, one tv trolley, two table occasional, two desk flat top, two stand telephone, one arm chair Tikswivel, one rack distribution desk, two cabinet, one franking machine, 20 SA Panorama)		-	
Audiovisual equipment (two loud speakers, one loud speaker phone, one stand microphones, four microphones,one projector stand , six overhead projector, one amplifier)		-	
Photographic equipment (five tripod microphone stand, one aluminium flight case, one leen pa system)		-	
The following were recipients of the above items: Durban Naval Station, Emafezeni Junior Primary School, Nantes Primary School, Jakaranda Primary School, Mafisa Primary School, Mosima Primary School, Laastehoop Primary School, Chivirikani Multi Arts Project (Lulekani)			
<b>Total</b>		-	
<b>Made in kind (2007/08)</b>			
Computer equipment (12 computer screens, four computers)			-
Office equipment (one modem, one scanner HP, ten printers, seven fax machines and Honda Generator)			-
Office furniture (one pigeon hole, seven tray desks, one stove, four shelving storages, one calculating Sharp machine, two typing tables, four bar stools of wood, 11 bookcases, one bed, five whiteboards, one whiteboard stand, two customer apparels, two rack distributor desks, one credenza, one visitors, 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 offices, two OHP stander steel, two OHP bell and Howell, 41 filling cabinets, 96 straight chairs, three stand office machines, 12 stands telephone, one cupboard, one heater and tree 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: Mafukuzel P School, Jongilanga P School, Arebaokeng Day Care, Children Sebokeng, Department of Arts and Culture, Klipvalley P School, George Multipurpose Centre, Elietheni P School, Nkululeko P School, Ngazi Ndlovu Secondary School, Chweni P School, Tiboneleni P School, Central College, Mmasekaseka P School, Tselopele Adult Care Centre,Oranjekrag Middelbare Skool, Zameleke P School, Clearmont P School, Lindela TSC Kwanxamalala, Magekeni P School, Learskool Langlaaseland, Selang P School and Mafubaka P School			-
<b>Total</b>			-



**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6  
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – for the year ended 31 March 2009**

**ANNEXURE 2  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2009 – Local**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	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
	<b>Motor vehicles</b>								
Stannic		302	302	-	-	-	302	-	-
	<b>Subtotal</b>	<b>302</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>302</b>	<b>-</b>	<b>-</b>
	<b>Housing</b>								
ABSA		265	33	-	33	-	-	-	-
Old Mutual		20	47	-	-	-	47	-	-
First National Bank (First Rand, Saambou)		<b>230</b>	67	-	-	-	67	-	-
Standard Bank		158	57	42	47	-	52	-	-
	<b>Subtotal</b>	<b>673</b>	<b>204</b>	<b>42</b>	<b>80</b>	<b>-</b>	<b>166</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>975</b>	<b>506</b>	<b>42</b>	<b>80</b>	<b>-</b>	<b>468</b>	<b>-</b>	<b>-</b>

**ANNEXURE 3  
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Home Affairs	-	-	91	-	91	-
Trade and Industry	-	-	3	-	3	-
DPSA	-	-	55	53	55	53
Justice and Constitutional Development	-	-	-	24	-	24
Foreign Affairs	-	-	-	1	-	1
Correctional Services	-	-	-	11	-	11
<b>Total</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>89</b>	<b>149</b>	<b>89</b>

**GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM – VOTE 6**  
**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS – for the year ended 31 March 2009**

**ANNEXURE 4**  
**INTERGOVERNMENT PAYABLES**

DEPARTMENT	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	GOVERNMENT ENTITY		GOVERNMENT ENTITY		GOVERNMENT ENTITY	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Current</b>						
Agriculture	-	-	186	-	186	-
Arts and Culture	300	-	-	-	300	-
Defence	4,008	-	-	1,232	4,008	1,232
Provincial and Local Government	-	1,300	1,199	-	1,199	1,300
DPSA	9,374	-	-	4,325	9,374	4,325
Trade and Industry	-	-	83	-	83	-
Eastern Cape: Premier's Office	-	-	2,083	-	2,083	-
The Presidency	-	69	-	-	-	69
Education	-	3,286	1,019	-	1,019	3,286
Health	-	-	18	7,841	18	7,841
Housing	-	-	4,699	11,446	4,699	11,446
Justice	66	-	-	3,867	66	3,867
Labour	-	-	3,509	9,728	3,509	9,728
Northern Cape: Premier's Office	-	-	22	-	22	-
North West: Premier's Offices	-	-	13	-	13	-
SAPS	-	-	2,171	5,621	2,171	5,621
Social Development	-	-	676	-	676	-
Science and Technology	-	-	70	-	70	-
Transport	653	15,196	-	-	653	15,196

**ANNEXURE 4 continued  
INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
Water Affairs	-	-	10,298	3,481	10,298	3,481
Western Cape: Premier's Offices	-	-	31	-	31	-
Mineral and Energy Affairs	-	-	-	12,457	-	12,457
<b>Subtotal</b>	<b>14,401</b>	<b>19,851</b>	<b>26,077</b>	<b>59,998</b>	<b>40,478</b>	<b>79,849</b>
<b>Non-current</b>						
Mineral and Energy Affairs	546	-	-	-	546	-
SAPS	-	-	289	-	289	-
Transport	3,900	-	-	-	3,900	-
Water Affairs	-	-	652	-	652	-
Defence	217	-	-	-	217	-
Health	-	-	66	-	66	-
<b>Subtotal</b>	<b>4,663</b>	<b>-</b>	<b>1,007</b>	<b>-</b>	<b>5,670</b>	<b>-</b>
<b>Total</b>	<b>19,064</b>	<b>19,851</b>	<b>27,084</b>	<b>59,998</b>	<b>46,148</b>	<b>79,849</b>
<b>OTHER GOVERNMENT ENTITY</b>						
<b>Current</b>						
Electricity Distribution Industry	-	-	9,000	-	9,000	-
IMC	-	-	216	-	216	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,216</b>	<b>-</b>	<b>9,216</b>	<b>-</b>

## REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2009.

### Audit Committee members and attendance

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

Name of member	Number of meetings attended
Ms ZP Manase (Chairperson)	3
Mr G Mampone (resigned August 2008)	1
Mr Keitu Semakane	4
Ms I Mackay Langa (membership ended April 2009)	4
Ms M Vuso (term ended May 2009)	3
Ms Y Mjiako (resigned November 2008)	1
Ms L Lloyd	2
Ms T Molefe (appointed December 2008)	2
Ms M Mosweu (appointed December 2008)	0
Mr V Ndzimande (appointed December 2008)	2

### 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, 1999 (Act 1 of 1999) (PFMA), 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 the 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 letter 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 and the Division of Revenue Act.**

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 and discussed the Auditor-General's management letter and management's response thereto, including the Audit Report.

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 2009









Produced by **Government Communication and Information System (GCIS)**