



PUBLIC PROTECTOR
SOUTH AFRICA

Accountability • Integrity • Responsiveness

PUBLIC PROTECTOR SOUTH AFRICA

ANNUAL REPORT 2021/2022

PUBLIC PROTECTOR VISION 2023

TAKING THE SERVICES OF THE PUBLIC PROTECTOR TO THE GRASSROOTS





**TAKING THE
SERVICES OF THE
PUBLIC PROTECTOR
TO THE GRASSROOTS**



CONTENTS

PART A: GENERAL INFORMATION	7
1. PUBLIC PROTECTOR SOUTH AFRICA GENERAL INFORMATION	7
2. LIST OF ABBREVIATIONS/ACRONYMS	9
3. FOREWORD BY THE ACTING PUBLIC PROTECTOR	10
4. REPORT OF THE CHIEF EXECUTIVE OFFICER	13
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	17
6. THE YEAR – 2021/22 AT A GLANCE	18
7. STRATEGIC OVERVIEW	20
7.1. Vision	20
7.2. Mission	20
7.3. Institutional Purpose Statement	20
7.4. Principles and Values	20
8. LEGISLATIVE AND OTHER MANDATES	21
8.1. Constitutional mandate	21
8.2. Policy mandates	23
9. ORGANISATIONAL STRUCTURE	25
PART B: PERFORMANCE INFORMATION	27
1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	28
2. OVERVIEW OF INSTITUTIONAL PERFORMANCE	28
2.1 Service Delivery Environment	28
2.2 Organisational environment	29
2.3 Key policy developments and legislative changes	30
3. HIGHLIGHTS:ALTERNATIVE DISPUTE RESOLUTION MATTERS	30

4.	SUMMARY OF INVESTIGATION WORK CARRIED OUT IN THE 2021/22 FINANCIAL YEAR	33
5.	ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES	44
6.	CASELOAD AND STATISTICS FOR THE 2020/21 FINANCIAL YEAR	46
7.	INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	47
7.1	Programme 1:Administration	47
7.2	Programme 2: Investigations	48
7.3	Programme 3: Stakeholder Management	51
8.	CAPITAL INVESTMENT	53
8.1	Capital investment, maintenance and asset management plan	53
	PART C: GOVERNANCE	55
1.	INTRODUCTION	56
2.	RISK MANAGEMENT	56
3.	FRAUD AND CORRUPTION	56
4.	MINIMISING CONFLICT OF INTEREST	56
5.	CODE OF CONDUCT	57
6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	58
7.	PORTFOLIO COMMITTEE	58
8.	INTERNAL AUDIT AND AUDIT COMMITTEES	60
9.	AUDIT COMMITTEE REPORT	62
10.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	66
	PART D: HUMAN RESOURCE MANAGEMENT	67
1.	INTRODUCTION	68
2.	OVERVIEW OF HUMAN RESOURCES	68
3.	HUMAN RESOURCES OVERSIGHT STATISTICS	69
	PART E: FINANCIAL INFORMATION	105
1.	REPORT OF THE AUDITOR GENERAL	106
2.	ANNUAL FINANCIAL STATEMENTS	113

PART A: GENERAL INFORMATION

I. PUBLIC PROTECTOR SOUTH AFRICA GENERAL INFORMATION

PHYSICAL ADDRESS:	175 Lunnon Street Hillcrest Office Park 0083
POSTAL ADDRESS:	Private Bag X677 PRETORIA 0001
TELEPHONE NUMBER/S:	012 366 7000
FAX NUMBER:	012 362 3473
EMAIL ADDRESS	oupas@pprotect.org
WEBSITE ADDRESS:	www.publicprotector.org
EXTERNAL AUDITORS:	Auditor-General South Africa (AGSA)
BANKERS:	Standard Bank of South Africa

LETTER TO THE SPEAKER

The Hon Ms Nosiviwe Mapisa-Nqakula
Speaker of the National Assembly of South Africa
PO Box 15
CAPE TOWN
8000

Dear Honourable Speaker

It is an honour to submit the Annual Report of the Public Protector South Africa in terms of section 181 (5) of the Constitution of the Republic of South Africa 1996, which covers the period 1 April 2021 to 31 March 2022.

The report seeks to provide an account of how the Office performed in implementing its constitutional mandate and specific commitments for the year under review while capturing our key declarations for the year ahead.

I wish to express the PPSA'S appreciation to the National Assembly, representatives of organs of state and the people of South Africa for supporting my office in facilitating the fulfilment of its constitutional mandate.

Yours sincerely



Adv. Kholeka Gcaleka
Acting Public Protector Of The Republic Of South Africa
31 August 2022

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AIR	Accountability Integrity and Responsiveness
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DG	Director-General
EFF	Economic Freedom Fighters
ER	Early Resolution
FMC	Financial Misconduct Committee
GGI	Good Governance and Integrity
MEC	Member of Executive Council
HOD	Head of Department
ICT	Information and Communication Technologies
PAIA	Promotion of Access to Information Act
PPA	Public Protector Act
PFMA	Public Finance Management Act, Act 1 of 1999
PPSA	Public Protector South Africa
PULE	Passion Ubuntu Leadership and Efficiency
UIF	Unemployment Insurance Fund
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
NPAA	National Ports Authority Act
SASSA	South African Social Security Agency
SASSETA	Safety and Security Sector Education and Training Authority
SD	Service Delivery
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
SITA	State Information Technology Agency

3. FOREWORD BY THE ACTING PUBLIC PROTECTOR



I am pleased to present to the National Assembly the Public Protector South Africa (PPSA) Annual Report for 2021/22. This report comes at a time in the life of the PPSA when the institution finds itself sailing in uncharted waters. This has also prompted us to pause and self-introspect.

It is with utmost importance that our hands, the hands in which accountability of state institutions has been entrusted meet the highest standard of integrity and ethics.

From the reflection, it however appears that we haven't lost the trust of many of the people we exist to serve. The public continues to fill our institution with complaints, a sign that the people still have hope in us. It is for this reason that we have to strengthen our own governance systems to ensure that this historical institution never suffers reputational damage. The impact of the work we do, which touches the lives of many, mostly the poor and the marginalised depends on the credibility of our processes.

Performing our functions with ethics and integrity means going back to the basics by giving effect to the constitutional imperative to be independent and impartial while executing our mandate without fear, favour or prejudice.

Turning to how we have fared during the period under review, we are elated that once again, the PPSA has obtained a record third successive clean audit opinion. To have the country's supreme audit authority and sister independent constitutional institution, the Auditor-General South Africa (AGSA), give us a clean bill of health in so far as our financials, performance and compliance with policies and legislation are concerned is an affirmation of the hard work we put in over the last few years. We therefore walk the talk of good administration and integrity. We however do admit, that this is a normal, ours is to strive for Good Governance.

It would be untenable for us, an institution whose purpose it is to cultivate a culture of good governance across the public sector, to call out other organs of state for conduct that often leads to undesirable audit outcomes if we ourselves were guilty of the same misdeeds.

We note with a sense of pride that our organisational performance continues on an upward trajectory, safe to say we need to improve on quality. Out of the seven performance targets we set for ourselves at the commencement of the period under review, we succeeded on six. All in all, we recorded an 86% achievement of our performance targets, up from 83% in the previous financial year and 79% in 2019/20 financial year.

Apart from the maintenance of a clean audit opinion, which was the first target under Programme 1 (Administration), we exceeded four of the five targets under Programme 2 (Investigations), falling 14% short of meeting the fifth target.

Under this programme, we had set out to finalise 50 investigations reports, 80% of cases within defined turnaround times, one systemic investigation and hold 10 bilateral meetings with organs of state on systemic challenges. We also aimed to finalise 80% of cases that are two years and older in the system with the exception of matters that are very complex. Only on the latter target were we unsuccessful.

Out of a brimming basket of 8 823 cases, which was made up of 5 167 new matters and 1 997 cases which remained active at the end of the 2020/21, we were able to finalise 6 886 complaints. The remaining 1 937 complaints were carried over to the current financial year.

Of concern, we glean from this data that municipalities continue to account for the bulk of all the matters we deal with. This has been the case for as long as one can remember. However, it is not surprising considering the local government audit outcomes from the AGSA reflects that the local sphere of government endures chronic governance issues.

Needless to say, a dysfunctional local government means poor delivery of basic public services such as refuse removal, housing, water, electricity and roads. Some of the investigations we deal with affirm this point.

We also did well on Programme 3 (Stakeholder Management), exceeding the target to execute 42 radio interviews as part of implementing the Integrated Access and Stakeholder Management Strategy. In this regard, 61 more radio interviews aimed at enhancing access to services through public education, giving effect to section 182(4) of the Constitution, were undertaken.

Praise indeed must be given to the 368-strong Public Protector team under the capable leadership of my Chief Executive Officer Ms Thandi Sibanyoni and the Executive Management.

Without the team's collective effort and dedication, these achievements would not have been possible. This team's endeavours is living proof that if we join hands and rally behind a common vision, we can continue to inspire hope amongst the people of South Africa.

Like any other financial year, 2021/22 has not been without hiccups. A key challenge that we would like to draw the attention of the National Assembly to, is the historical problem of inadequate funding, especially during this period that we have to reconstruct the organisation.

While we understand that the PPSA is not the only institution affected by this challenge and that underfunding is a public sector-wide phenomenon, it is important to highlight the problem.

With that said we wish to thank the organs of state which take the opportunity to assist our institution to fulfil its constitutional mandate by responding to allegations put to them and further implementing our remedial action. The implementation of our remedial action, which remains a challenge, is important for Governance Reforms in our country, it becomes a step towards combating corruption.

We are also thankful for the unfailing support of stakeholders, including the public we serve and the legislature we account to. As we set off on the difficult journey of reinventing ourselves, we continue to depend on this unwavering support.



Adv. Kholeka Gcaleka

Acting Public Protector of the Republic of South Africa

Date: 31 July 2022

4. REPORT OF THE CHIEF EXECUTIVE OFFICER



- Overview of the operations of the PPSA:
 - The PPSA operated within a stable environment which resulted in the achievement of 86% performance against predetermined objectives. The institution also succeeded in attaining a clean audit opinion from the AGSA for the year under review. In an effort to improve efficiency of its operations, the Mobile Referral Application was launched to assist complainants to quickly find institutions that will be best placed to assist them before lodging complaints with PPSA. This Application will hopefully reduce the number of no-jurisdiction matters received by the PPSA.
- Overview of the financial results of the PPSA:
 - Institutional receipts

Departmental receipts	2020/21			2021/22		
	Estimate	Actual Amount Collected	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Government Transfers	353 494	353 781	(287)	359 860	359 952	(92)
Finance Income	2 563	1 777	786	2 692	2 332	369
Other Income	154	1 165	(1 011)	162	854	(692)
Revenue in kind	0	10 825	(10 825)	0	11 615	(11 615)
Total	356 211	367 548	(11 337)	362 714	374 753	(12 039)

Government transfers exceeded the expected income budget by R92 273 as a result of additional transfers from SASSETA to fund the interns that are placed at PPSA. Finance income relates to the interest income received from short term investments of surplus funds. Other income relates to recoveries of bursaries, legal fees, parking and access cards paid for by employees. Revenue in kind relates to payments made by the Department of Public Works and Infrastructure for rental on behalf of PPSA. During the year under review, the National Treasury approved a change in baseline for additional funding of R30.8 million which was received from the National Treasury.

Programme Expenditure

Programme Name	2020/21			2021/22		
	Estimate	Actual Amount Collected	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	159 718	158 392	1 326	153 189	146 586	6 604
Investigation	183 043	179 794	3 249	195 270	181 344	13 926
Stakeholder Management	13 450	13 101	349	14 255	11 672	2 583
Total	356 211	351 287	4 924	362 714	339 602	23 113

There was slight under-expenditure on the administration programme as a result of austerity measures and implementation of the cost containment measures. In addition, the underspending on Investigations and Stakeholder Management programmes was due to the constitutional court judgement on the procurement of goods and services that prevented the implementation of certain projects.

PPSA incurred irregular expenditure to the amount of R 36 993.06 due to the provision of hosted telephone system (PABX) in four (4) Provincial office and two (2) Regional offices services without an approval during the period under review. The transactions were detected upon receipt of the invoices where it was established that the call charges were not included as part of the specification for the procurement of the PABX system. The approval for variation of the contract was granted as at the time of reporting the transactions and same were referred to the Financial Misconduct Committee (FMC) for further investigations in terms of the PFMA.

Furthermore, PPSA incurred fruitless and wasteful expenditure to the amount of R52 165.99 for fixed Telkom telephone line charges; loss of UPS and other transactions relating to travel management. Some of the transactions were still under investigation through the Financial Misconduct Committee (FMC) while some were concluded for recovery. Workshops were subsequently held to sensitise all officials about their roles and responsibilities of each individual as outlined in the PFMA.

- There were no unauthorised transactions identified during the year under review.
- Strategic focus over the short to medium term period
- The PPSA will focus on ICT infrastructure refresh to replace its aging infrastructure with a view to improve efficiencies of its operations. Furthermore, PPSA has come to realise that it is expensive to outsource the travel management function and therefore intends to in-source this service to improve effectiveness and efficiency in this regard. Considering the nature of work of the PPSA, it has become necessary for the institution to improve its security system, primarily in its provincial offices to ensure the safety of its personnel, assets as well as information.

● In line with the vision 2023, which focuses on taking services to the ground roots, PPSA intends to replace some of its fleet with off-road vehicles to enable access to areas with unfavourable road infrastructure. Over the years, PPSA's focus shifted to investigations due to the increase in the number of complaints to an extent that its ombudsman's role became insignificant. Over the next financial year, the institution will build capacity to focus on alternative dispute resolution matters to fast track the resolution of matters that do not necessarily require an extensive investigation.

- Supply Chain Management
- PPSA did not receive any unsolicited bid proposals for the year under review.
- The Financial Misconduct Committee (FMC) continued to play an oversight role to monitor compliance with the applicable legislation and ensure that appropriate action is taken where transgressions were identified. SCM also plays a vital role in providing training including to the new appointees and regular issuing of circulars as guidance on procurement processes which must be followed for the sourcing of goods and services.
- Challenges experienced in SCM and how they were resolved
- The unit experienced some challenges due to resource constraint segregation of duties critical to minimise non-compliance. However, the institution was, towards the year under review, able to increase its capacity within the SCM environment to fully comply with applicable legislative prescriptions.
- Gifts and Donations received in kind from non-related parties
- There were no gifts which were received for the year under review.
- Exemptions and deviations received from the National Treasury
- The institution requested an exemption in March 2022 from the use of Preferential Procurement Regulations, 2017 due to Constitutional Court ruling which took place on 16 February 2022. The exemption was only for the tenders and request for quotations (RFQ) which were supposed to have been advertised after the 16 February 2022 (Constitutional court ruling date). The exemption could not be implemented as, subsequently, the National Treasury requested clarity

from the Constitutional Court concerning the validity of the ruling, which was then clarified that the current Preferential Procurement Regulations for 2017 are still valid until 15 February 2023. All the exemption approved by National Treasury were which did not have an impact on PPSA procurement process as all the tenders and RFQ projects which were exempted from the use of Preferential Procurement Regulations, 2017 were still at the specification stage hence the withdrawal was also taken into considerations during the finalisations of the specifications.

- Events after the reporting date
 - There were overstatements of commitments to the amount of R79 233.00 which were not adjusted as they were not material and will be reflected as such in the management report.
- Other
 - There are no material facts or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

- Acknowledgement/s or Appreciation

I wish to express my gratitude to the PPSA management and staff for yet another clean audit for a third consecutive year. The continued guidance and independent advice of the audit committee is highly appreciated. The support provided by the Executive Authority to the institution to focus on the mandate of PPSA, to assist those prejudiced and marginalised by organs of state as close as possible to where they would have been had the state organs not acted prejudicially towards them. Finally, the PPSA team wishes to acknowledge the oversight provided by the Portfolio Committee on Justice and Correctional Services, which motivated the institution to strive to be the best it can be in executing its mandate.



Ms Thandi Sibanyoni
Chief Executive Officer
Public Protector South Africa
Date: 31 July 2022

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

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

All information and amounts disclosed throughout the annual report are consistent.

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the institution for the financial year ended 31 March 2022.

Yours faithfully



Chief Executive Officer

Ms Thandi Sibanyoni

Date: 31 July 2022

6. THE YEAR – 2021/22 AT A GLANCE



R 362 714 000
Total Budget



368
Total funded staff
(excluding interns)



6 886
Cases finalised



8 823
Cases handled



1 997
Cases brought
from 2020/21



6 826
New cases



97
Radio interviews



Footprint
1 National office
9 Provincial offices
8 Regional offices



1 405
Cases referred to
other institutions



798
No Jurisdiction cases

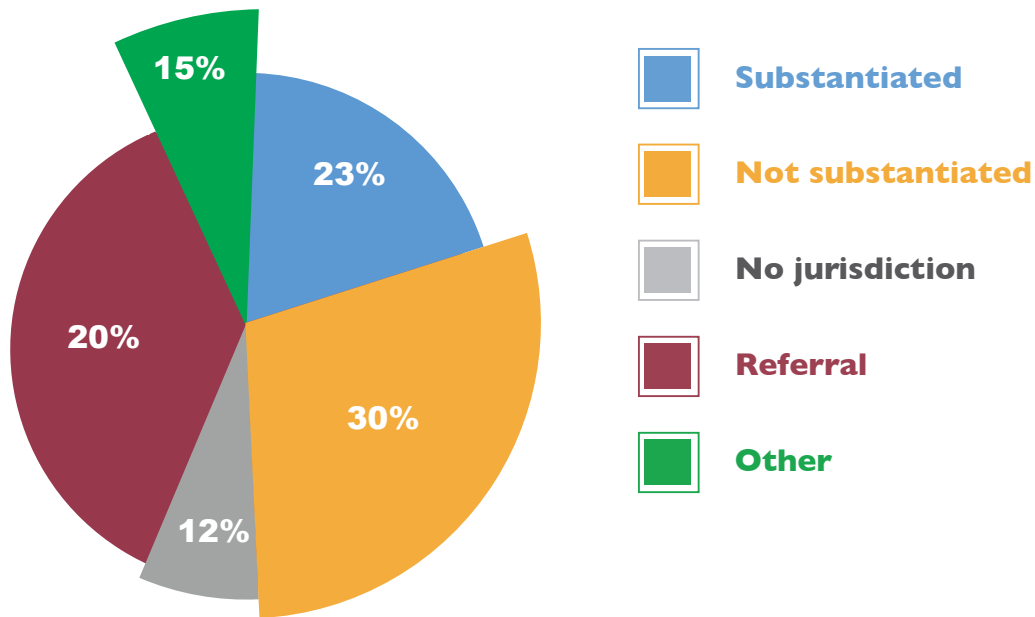


1937
Cases carried over
to 2022/23



PPSA attained a clean
audit opinion from AGSA

Percentage of complaints substantiated / not substantiated



Substantiated: When the office confirms the allegations of the complainant

Not substantiated: When the office does not confirm the allegations of the complainant

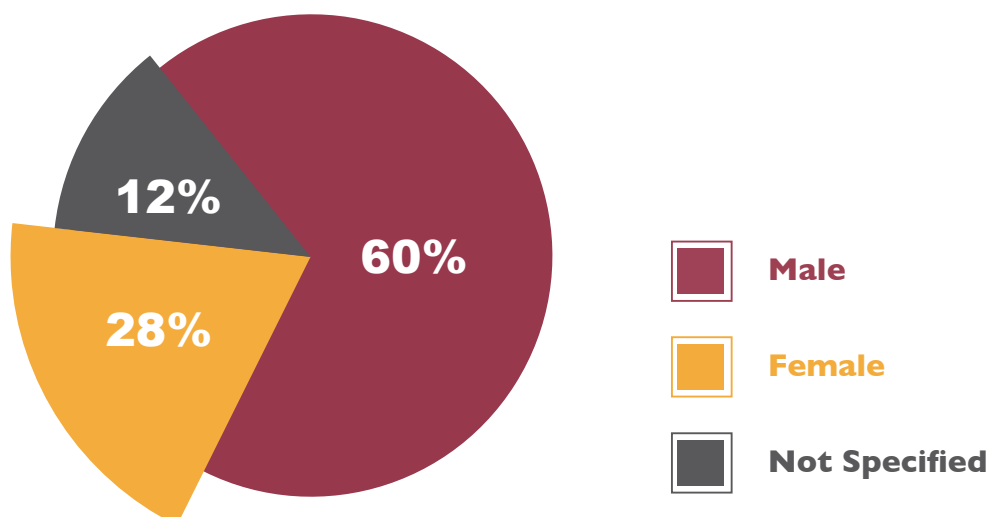
No jurisdiction: These are cases that the PPSA has no powers to investigate

Referral: These are cases that the PPSA has jurisdiction to investigate: However, they are referred to other public bodies or authorities that may be best placed to conduct the investigations

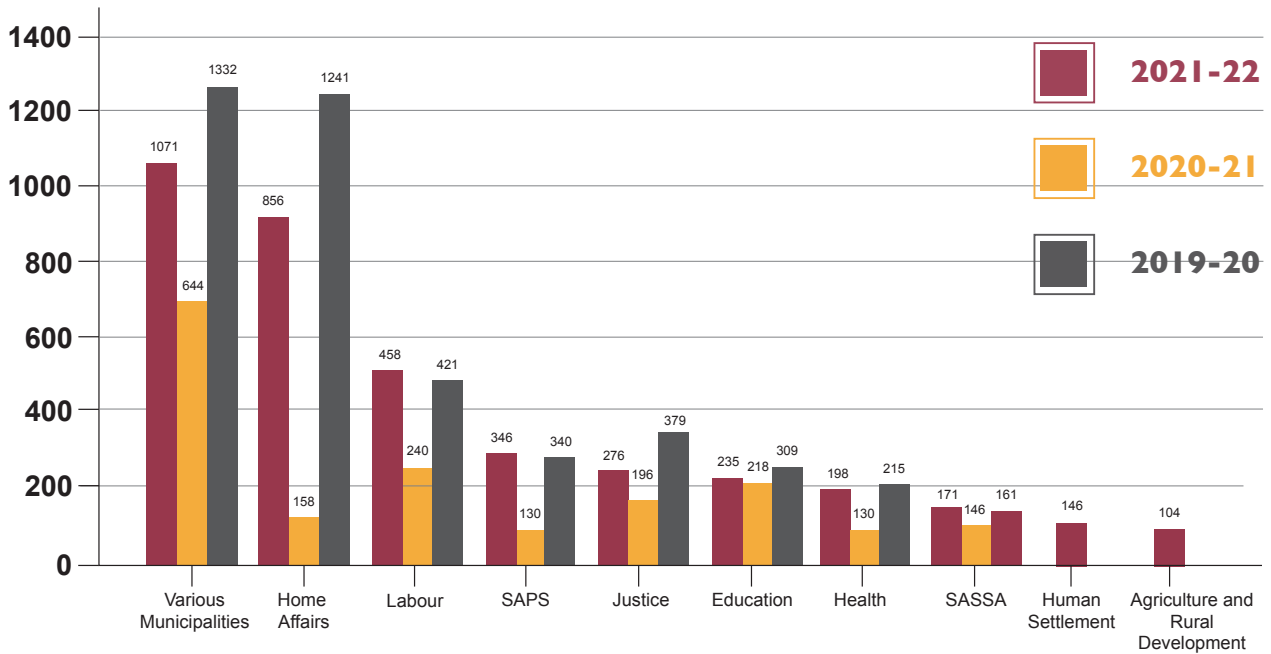
Other: These are cases PPSA may not investigate if the matters are before a court of law or there is a court ruling pertaining to the matters; matters rejected when complainants did not exhaust internal remedies before approaching PPSA: matters withdrawn by complainants; matters resolved by the parties before the office could conclude the investigation

Accessibility indicator

The chart below indicates gender percentage breakdown on complaints received.



The 10 government institutions most complained against



The graph demonstrates that most complaints received by PPSA relate to various municipalities. This trend is consistent with the two prior years. Likewise, the departments of Home Affairs and Labour come in second and third places respectively. The PPSA is committed working with organs of state on best approaches to resolve matters promptly, especially those organs of state that remain in the top 10 list consistently.

7. STRATEGIC OVERVIEW

7.1. Vision

Empowered people and accountable public administration.

7.2. Mission

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

7.3. Institutional Purpose Statement

A catalyst for change in pursuit of good governance.

7.4. Principles and Values

This must be as per the department's strategic plan. Anchored in the pursuit of proper conduct in state affairs and the Batho Pele principles, we seek to uphold and promote the principles of:

- Accountability;
- Integrity;
- Responsiveness; (AIR)

Furthermore our Institutional Value System is articulated by (PULE):

Passion: we will conduct our investigations with passion to ensure that no one suffers prejudice

Ubuntu: we respect the constitutionally protected dignity of all those we interact with as we deliver services and manage our affairs and serve professionally with humanity, empathy, compassion, understanding and respect for every person's human rights

Leadership: we intend to lead by example in how we conduct ourselves in the institution; from the lowest to the highest position

Efficiency: we will deal with our customers and stakeholders with a high level of professionalism, skill, good judgement while ensuring speed and responsiveness in the delivery of our services

8. LEGISLATIVE AND OTHER MANDATES

8.1 Constitutional mandate

The Public Protector as an independent institution established by section 181 of the Constitution of the Republic of South Africa, 1996 (the Constitution) with a mandate to support and strengthen constitutional democracy and operating in a manner that is subject only to the Constitution and the law. The Public Protector operates as a supreme administrative oversight body by investigating and rooting out improper conduct in all state affairs while providing services that are universally accessible to all.

Section 182 of the Constitution provides that:

“ (1) The Public Protector has the power, as regulated by national legislation

a) To investigate any conduct in state affairs, or in the public administration in any sphere of government, that is alleged or suspected to be improper or to result in any impropriety or prejudice;

b) To report on that conduct; and

c) To take appropriate remedial action.

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

(3) The Public Protector may not investigate court decisions.

(4) The Public Protector must be accessible to all persons and communities.

(5) Any report issued by the Public Protector must be open to the public unless exceptional circumstances, to be determined in terms of national legislation, require that a report be kept confidential.”

The additional powers and functions prescribed by national legislation referred to above in Section 182 (2) of the constitution are detailed in the next paragraph dealing with legislative mandates.

The PPSA's mandate is to strengthen constitutional democracy through investigating, reporting on

any alleged improper conduct in state affairs and taking appropriate remedial action. The following are key statutory mandate areas:

a. Maladministration and related improprieties

● To implement the Public Protector Act 23 of 1994 through investigating maladministration or improper or prejudicial conduct, including abuse of power and abuse of state resources in all state affairs;

● To resolve administrative disputes or rectifying any act or omission in administrative conduct through mediation, conciliation or negotiation; and

● To advise on appropriate remedies or employing any other expedient means.

b. Executive Ethics Enforcement

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

c. Investigating Corruption

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

d. Protected Disclosures

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

e. Review of decisions of the National Home Builders Registration Council (NHBRC)

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

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

Electoral Commission Act 51 of 1996 – The Public Protector must serve as a member of a panel that recommends a list of candidates to a National Assembly Committee that nominates Electoral Commissioners.

National Archives and Record Service Act 43 of 1996 – The Public Protector must be consulted on investigations into the unauthorised destruction of records otherwise protected under this Act.

National Energy Act 40 of 2004 – The protection (from civil or criminal liability, dismissal, disciplinary action, prejudice or harassment) of people who make disclosures of health and safety risks or failure

to comply with a duty imposed by this Act to the Public Protector.

Promotion of Equality and Prevention of Unfair Discrimination 4 of 2000 – Recognises the Public Protector as an alternative forum to resolve equality disputes.

Promotion of Access to Information Act (PAIA) 2 of 2000 – Deals with access to information disputes.

Public Finance Management Act 1 of 1999 – The Public Protector must receive a certificate from an accounting officer of an organ of state that has received donations or sponsorship from donors or sponsors who wish to remain anonymous, stating that the identity of the donor or sponsor has been revealed to them, that they have noted it and have no objection. This provision does not limit the Public Protector from supplying this information to his/her staff, and where she/he deems it in the public interest, to report on this.

Lotteries Act 57 of 1997 – The Public Protector receives bona fide confidential disclosures in respect of publishing any information in connection with any grant application or the grant itself.

Special Investigating Units and Special Tribunals Act 74 of 1996 – Referral of cases between the Public Protector and the SIU.

National Environmental Management Act 108 of 1999 – Records and annual reports on environmental conflict management referred to in the Act include proceedings by the Public Protector.

Public Audit Amendment Act 05 of 2018 – The expanded mandate of the Auditor-General provides for the power to refer material irregularities to relevant public bodies, including the Public Protector and the Hawks for further investigations.

8.2 Policy mandates

The National Development Plan (NDP), 2030

Chapter 14 of the NDP states that corruption undermines good governance, and that poor governance “can critically undermine national development”. The NDP reiterates that it is crucial in an effective and democratic state that political leaders and public officials account to the citizens for their actions.

According to the NDP, the country needs an anti-corruption system that “makes public servants accountable, protects whistle-blowers and closely monitors procurement.”

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

- a) Building a resilient anti-corruption system;
- b) Strengthen accountability and responsibility of public servants;

- c) Create a transparent, responsive and accountable public service; and
- d) Strengthen judicial governance and the rule of law.

The NDP calls for South Africa's "anti-corruption arsenal", including the Public Protector and the Auditor-General "to have the resources, independence from political influence, powers to investigate corruption, and their investigations should be acted upon". The NDP highlighted that a functioning anti-corruption system requires "sufficient staff and resources with specific knowledge and skills; special legislative powers; high level information sharing and co-ordination; and operational independence". Independence entails insulating institutions from political pressure and interference. The NDP specifically states that -

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

And further "strengthening the anti-corruption system requires increasing the agencies' specialist resources. More capacity should be created for corruption investigations – more funding is required to employ skilled personnel and sophisticated investigative techniques".

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

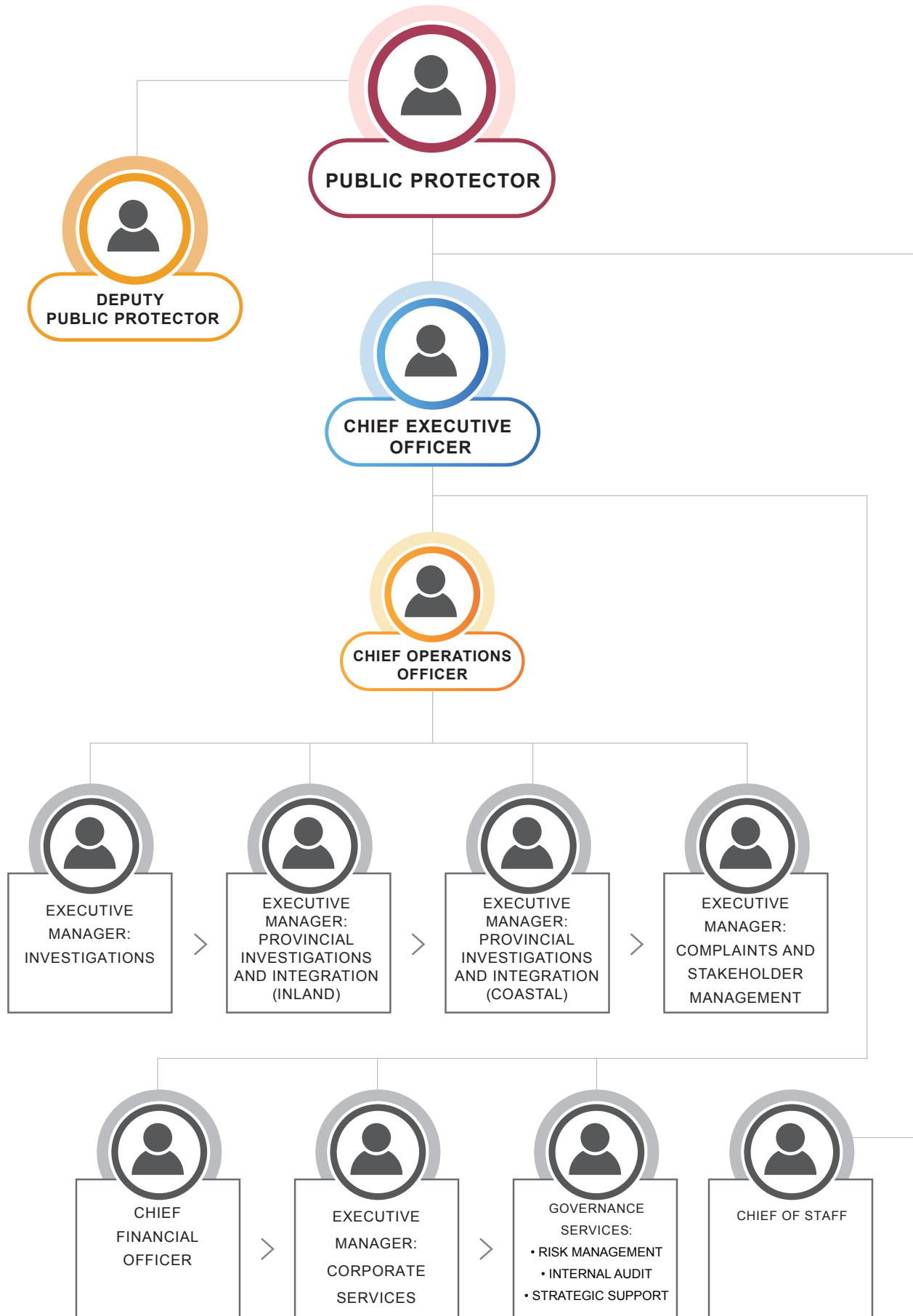
- a) Strengthen the multi-agency anti-corruption system;
- b) Strengthen the protection of whistle-blowers;
- c) Greater central oversight over the awarding of large tenders or tenders with long duration; and
- d) Empower the tender compliance monitoring office to investigate corruption and the value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

The Sustainable Development Goals

The Sustainable Development Goals (Goal 16: Peace, Justice and Strong Institutions) Promoting peace and justice is one of 17 Global Goals that make up the 2030 Agenda for Sustainable Development. Peace, stability, human rights and effective governance based on the rule of law are regarded as important conduits for sustainable development.

Goal 16 contains several sub-priorities which are relevant to the role and mandate of the Public Protector, including reducing corruption; developing effective, accountable, and transparent institutions; ensuring inclusive, participatory, and representative decision-making; and ensuring access to information.

9. ORGANISATIONAL STRUCTURE





PART B: PERFORMANCE INFORMATION



I. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 106 to 112 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF INSTITUTIONAL PERFORMANCE

2.1 Service Delivery Environment

The mandate areas of the Public Protector, including Executive Ethics Management, Anti-corruption and Whistle-blower Management, have expanded significantly through legislation envisaged in the Constitution. This includes ensuring that transgressions in a rapidly evolving public administration are investigated and a proper diagnosis of any conduct failure is fully investigated that proper redress is provided in the form of remedial action. The continuous demand for the Public Protector's intervention to resolve these matters have huge implications in the management and allocation of investigative resources.

The Public Protector's current oversight role extends to approximately 1 000 Organs of State and government agencies operating in all three spheres of government, as well as public institutions and bodies performing a public function. This resulted in the PPSA handling over 9 000 matters during the year under review.

The Constitutional Court, in the *Economic Freedom Fighters vs Speaker of the National Assembly and Others: Democratic Alliance vs Speaker of the National Assembly and Others* matter, held that the Remedial Action taken by the Public Protector has a binding effect. The Court was clear in that, when Remedial Action is binding, compliance is not optional and Remedial Action taken against those under investigation cannot be ignored without any legal consequences. This pronouncement by the Court resulted in an increase of litigation matters against the Public Protector, with serious financial consequences. To this end, a total of 9 investigation reports were taken on judicial review during the year under review.

The investigations by the Public Protector range from matters that can be resolved promptly without engaging in an elaborate investigation, commonly referred to as Early Resolution Matters to complex matters that deal with governance failures, which require more time and specialised skills to resolve. These investigations require the Public Protector to determine what happened, what should have happened and to decide whether there was a deviation from the expected. The participation and

cooperation of all affected parties such as complaints and organs of state becomes critical to resolve such matters. It is unfortunate that the Public Protector had, in some instances, difficulty obtaining the necessary cooperation from the affected parties to ensure prompt resolution of reported matters. In the same breath, the PPSA would like to register its appreciation to those Organs of State who are committed to cooperate to ensure quick response to the needs of communities. However, the institution continues its strides to build partnerships with various Organs of State to ensure appropriate and timeous resolution of matters, as this is critical to respond to the needs of the communities as well as to strengthen our democracy.

The PPSA continued to do its best to respond to the requests for its services in spite of the COVID-19 pandemic that affected its operations. As a result of the pandemic, the institution revised its APP targets in line with what would be reasonably feasible considering the restrictions imposed to minimise the spread of the virus. The Stakeholder Management Programme was affected by restrictions on physical meetings, which resulted in the cancellation of outreach clinics, which normally result in large gatherings.

Despite the challenges as indicated above, the PPSA was able to exceed some of its planned targets following the revision of its APP targets. To this end, 112 Investigation reports were finalised against a target of 50. 85% of matters falling within the categories of ER, SD and GGI, were concluded within prescribed turnaround times, while 65% of cases that have superannuated were finalised. A total of 12 engagements with Organs of State were held to deal with and address systemic challenges, and trends identified by the PPSA. Furthermore, two Systemic Investigations, which aim to identify the root cause of systemic challenges, were finalised and two more were identified and investigations thereof are ongoing. The institution also used radio as the primary means to reach out to communities in line with its Vision 2023, which seeks to make the services accessible to all communities.

2.2 Organisational environment

The PPSA operated within a stable environment subsequent to the appointment of the CEO in March 2021, as well as Executive Management positions that were all filled. The resignation of the Chief Operations Officer at the end of September 2021 had minimal impact on service delivery as acting arrangements were made internally to minimise the effect on operations. The improvement in the audit outcomes and achievement of performance targets is an indication of the stability.

The development of a Case Management Application was finalised towards the end of the reporting period, which means that the institution continued to operate on a manual system, which proved to be time consuming and thus contributing to inefficiencies. The process to migrate data to the newly developed system took longer than expected due to the need to convert the data, which was in different formats. The PPSA will fully implement the Case Management Application (CMA) in the next financial year once all the data has been migrated.

The institution successfully launched a Mobile Referral Application (MRA) that will assist potential complainants to identify institutions that are better positioned to resolve their complaints and only use the Public Protector as the office of last resort. It is envisaged that the use of the Mobile Referral Application App will result in the reduction of the number of non-jurisdiction matters, as the App will direct complainants to relevant institutions for prompt resolution of the complaints. The envisaged reduction, should it materialise, will enable investigators to focus on matters that should be investigated by the PPSA and concluded timeously.

Furthermore, PPSA continues to face the challenges relating to the ICT infrastructure. During the year under review, old laptops that were obsolete and affecting productivity were replaced with new ones. However, projects to revamp servers and switches were delayed due to the Constitutional Court ruling pertaining to SCM Regulations as tenders were temporarily put on hold. These servers and switches will be procured in the next financial year.

2.3 Key policy developments and legislative changes

There were no major legislative or policy changes that affected PPSA operations.

3. HIGHLIGHTS: ALTERNATIVE DISPUTE RESOLUTION MATTERS

3.1 Octogenarian pleased after three-month non-payment of old age grant ends

An 82-year-old Eastern Cape Province pensioner is happy to have finally received three months' worth of his old age grant, which was discontinued abruptly mid-2021 without an explanation.

Mr. Zolyisile Mkani of Hanover rural village near Bhishe turned to the Public Protector after enquires to officials of South African Social Security Agency (SASSA) yielded no results.

Mr. Mkani, who lives in a house fashioned out of corrugated iron with his wife and four grandchildren, told the Public Protector that he had not received the grant for the period April to June 2021.

Prior to the disruption, he had always received the benefits from the SASSA-contracted service provider and subsidiary of ABSA bank, AllPay. After being forced to return home empty-handed for the three successive months, AllPay personnel suggested that he enquires at the SASSA office in King William's Town.

At SASSA, an official, Ms. Phumeza Phehlekwayo, told him to access his money from First National Bank (FNB).

"I asked her who took my money from FNB because all along I had been receiving the money through AllPay. She couldn't explain," Mr. Mkani recalled.

He proceeded to a local FNB branch, where he was told that no funds of his were held at the bank.

“They told me they could not accept money for people who were not the bank’s account-holders. They prepared a letter for me, which I took back to SASSA,” he said.

Sadly, on enquiring from Ms Phehlekwayo, she allegedly dismissed his complaint and referred him to the SASSA provincial office in East London.

Mr. Mkani borrowed money for taxi fare from a micro lender. At the Provincial Office, he was informed that Ms Phehlekwayo had in fact sent him on a wild goose chase. This was because the Provincial Office only dealt with matters pertaining to social grant beneficiaries in the greater East London area while the office in King William’s Town ought to have assisted him.

“On my return to Ms. Phehlekwayo, she denied knowing and ever meeting me. She advised me to open a bank account with Standard Bank, which I did. She said my money would be deposited by June but when the date arrived, there was no money,” he explained.

Mr Mkani went back to SASSA to complain, where he was informed that the officials there did not know what went wrong and advised that he should check again in July. In July, he found that there money had been deposited but that was only for that month. The balance from the preceding three months had not been paid into his bank account.

“When I returned to SASSA, again Ms Phehlekwayo was dismissive again,” he said.

A fellow villager then advised Mr Mkati to try the Public Protector, where he was eventually assisted to get the three-month grant he was owed.

Unfortunately, he had to use a portion of the money to settle the debts he had accumulated in the process of finding justice.

3.2 North West Province widow finally gets pension benefits

A North West Province woman has been paid R130 000 in pension benefits from the estate of her late life partner by the Eskom Pension and Provident Fund after the Public Protector intervened in the dispute between her and the power utility.

The woman in question approached the Public Protector in 2021 alleging that the utility’s pension fund had unduly failed to process and finalise her pension benefits since August 2020.

Her husband, who had been employed by the power utility and was, at the time of his death, receiving a monthly pension from his pension fund. Following the Public Protector’s intervention, she was paid

the lump sum. In addition, she receives a monthly pay-out from the pension fund.

3.3 Roof over heads at last for Zeerust orphans

A family of six orphans in Gopane village, outside Zeerust in the North West is set to receive a completed RDP house from the provincial Department of Human Settlement following an intervention by the Public Protector.

A community member approached the office in 2019 seeking assistance in raising funds to complete a structure the community had crowdfunded to build for the Molokwane family who stayed in a dilapidated shack.

The funds had been depleted before the structure was completed. In its intervention the Public Protector brought to the attention of the North West Provincial Executive the plight of the family and got an undertaking that the matter will be prioritised by the responsible department.

Delays however stalled the project and by August 2021 the family was still waiting for the house they were promised. On following up, the Public Protector has received confirmation that a contractor has been appointed and the house is being completed.

3.4 North West Province pupil walks again after mobility-threatening sport injury

A North West Province learner from Thuto Botshelo Primary School in Mmabatho, who had sustained an injury at school is able to walk properly again after the Public Protector resolved a dispute between the provincial department of Education and the learner's mother.

The parent approached the Public Protector alleging that the department had unduly delayed or failed to attend to her complaint regarding an injury suffered by her child while participating in school sport.

She also complained that the department had failed to assist with the medical costs since the learner had to undergo an operation.

Following an Alternative Dispute Resolution session convened by the office, both parties agreed that the relevant documents detailing the medical costs incurred would be exchanged and the learner was examined to ascertain the extent of the injury.

The examination revealed that the leg was bent and that a second operation was required to straighten the limb out. The learner has since underwent surgery and is now well.

3.5 Free State Province woman finally gets UIF benefits

A Free State Province woman has been paid R 1 700, 00 in Unemployment Insurance Fund (UIF) benefits after the Public Protector intervened in her dispute with the Department of Labour.

The UIF benefits are available to all employees who contribute towards the fund during the time of their employment. Such employees must apply for the benefits once they become unemployed, within six months of the termination of their employment.

The woman in question approached the Public Protector in October 2021, alleging undue delay on the part of UIF to process her payment since May 2021. She had applied for the benefits in March 2020, a month after she was retrenchment.

She confirmed that, upon the Public Protector's intervention, on 03 November 2021, the UIF paid what was due to her.

3.6 Drainage system no longer an issue for Ulundi resident

A resident of the Ulundi Local Municipality in KwaZulu-Natal Province is relieved that the once inconvenient drainage system next to his property has been attended to following the Public Protector intervened.

The resident approached the Public Protector in April 2021, alleging that the municipality failed to maintain the drainage system and that this resulted in water flooding their residence especially during heavy rainfall.

The Public Protector took up the resident's complaint with the Municipal Manager, who reverted with feedback stating that the matter has been referred to the relevant department.

The poorly maintained drainage system has since been cleared of debris, and is now functioning properly.

4. SUMMARY OF INVESTIGATION WORK CARRIED OUT IN THE 2021/22 FINANCIAL YEAR

In line with the Constitutional mandate and other additional mandates given to the Public Protector by various pieces of legislation, the organisation finalised 6886 cases during the period under review. The mandate of the PPSA spans across many forms of complaints ranging from improper conduct to maladministration.

Investigations conducted by the PPSA fall under the categories of:

- Early Resolution (ER)
- Service Delivery (SD)

- Good Governance and Integrity (GGI)
- Very complex GGI matters.

There are other categories of matters that are finalised such as no jurisdiction cases, matters rejected in terms of the PPA, matters referred to other institutions, matters withdrawn by complainants; matters resolved by the parties before the office could conclude the investigation. The PPSA finalised two systemic investigations. Of all 6886 cases finalised in the year under review, 112 investigation reports were signed by the Public Protector were produced.

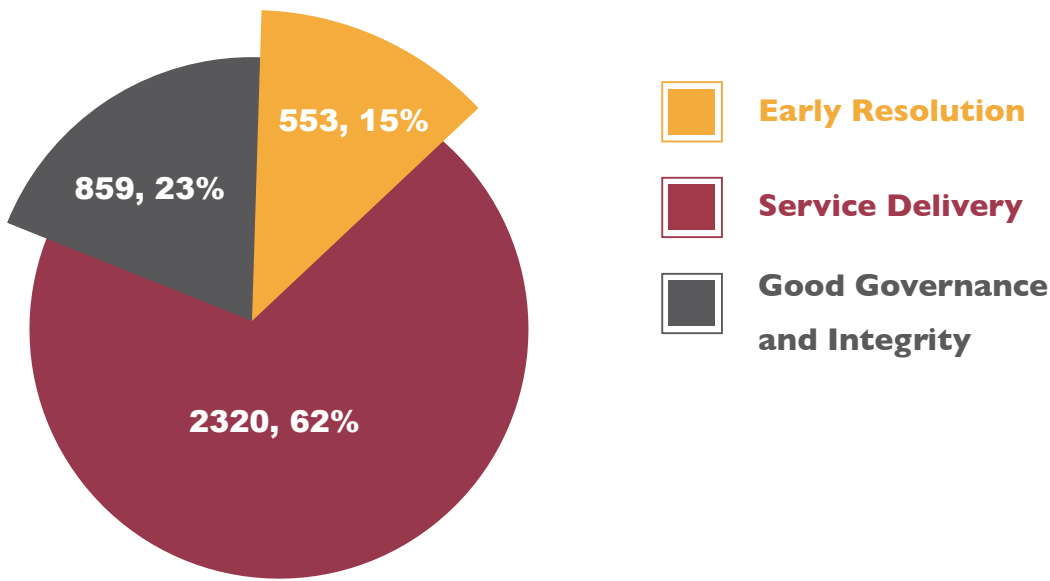
The investigations resulted in any of the following reports:

- Closing reports – these are reports that are issued after an investigation has confirmed that the allegations were unsubstantiated or matters were resolved before the issuing of the report;
- Formal reports with findings and remedial action – these refer to a report issued at the conclusion of the investigation, where the allegations are substantiated. The report covers the findings as well as detailing the remedial action to be taken.
- Advisory reports – reports issued to communicate the Public Protector’s point of view or recommendation in respect of a matter investigated by her, or to refer a matter for action by another appropriate public body or authority, without necessarily having made a finding or taking remedial action as envisaged in section 182(1) (b) and (c) of the Constitution.

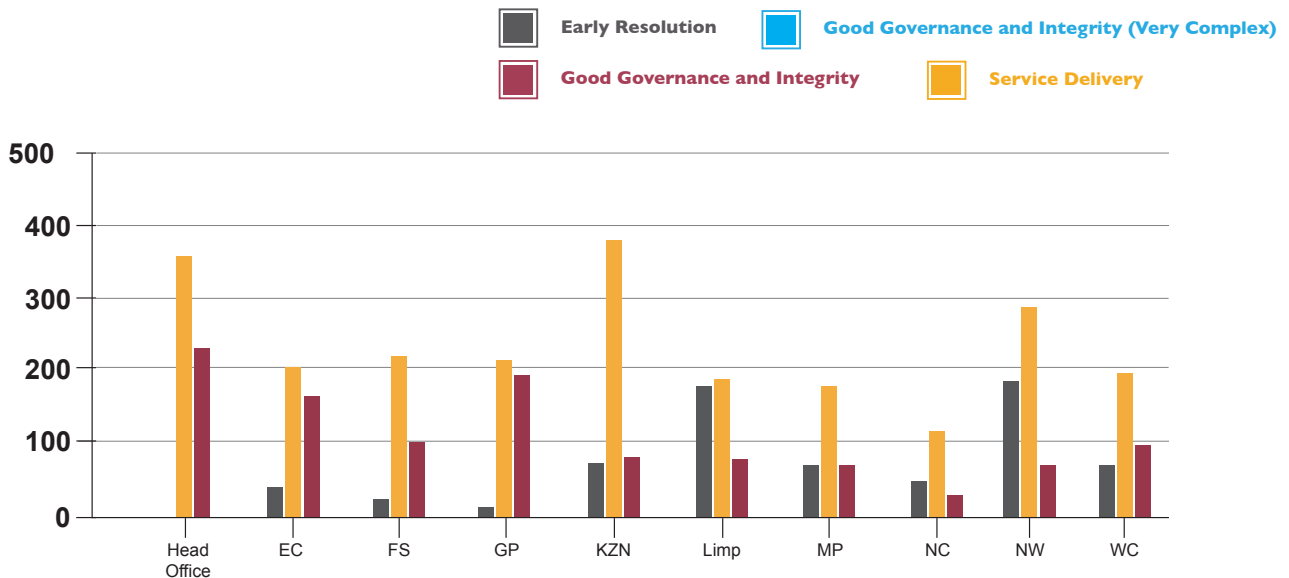
Intervention letters – An intervention letter seeks to communicate the action taken by the Public Protector in terms of section 6(4)(c)(ii) of the Public Protector Act, 1994 before or during an investigation to communicate clear and simple observations of the cause of problems experienced as well as proposed or required remedial measures and improvements to the processes of a public body or authority, to address any a specific problems or trends identified (as opposed to substantive Public Protector’s findings into the merits of a complaint and remedial action as envisaged in section 182(1)(b) and (c) of the Constitution)

The performance of PPSA, has for the period under review, exceeded the set targets on reports issued, due to the commitment of the investigation team in spite of the limited resources. The details of the reports issued are accessible on the website of the PPSA. Some of the complaints finalised by the PPSA are summarised herein below. The outcome of these complaints and the remedial action issued seeks to make a difference and change the lives of the people. The PPSA has for the period under review finalised a combined 3 732 matters as per the categories of ER, SD, and GGI as illustrated below:

FINALISED CASES PER CLASSIFICATION



Finalised cases per office

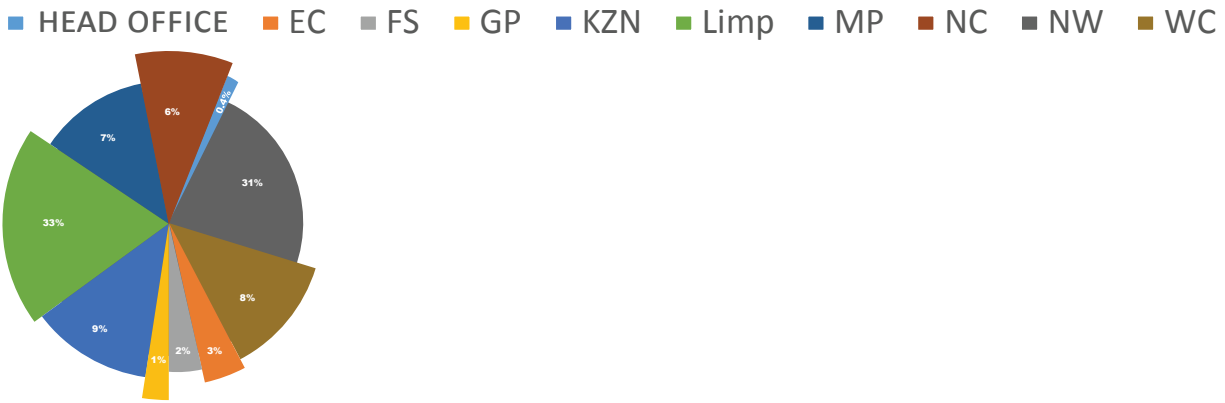


EARLY RESOLUTION MATTERS

This category of investigations refer to matters that can ordinarily be resolved without any delays as they do not require extensive investigations. A total of 553 of these matters were finalised during the reporting period. These matters include challenges with identity documents or birth certificates and challenges in accessing social grants. Through partnerships with some organs of state, the PPSA was able to encourage some state institutions to establish their own internal dispute resolution mechanisms or have focused customer/ client relations desks within their institutions.

This has been instrumental in ensuring that matters are resolved as quickly as possible to prevent further hardships such as inability to access social security.

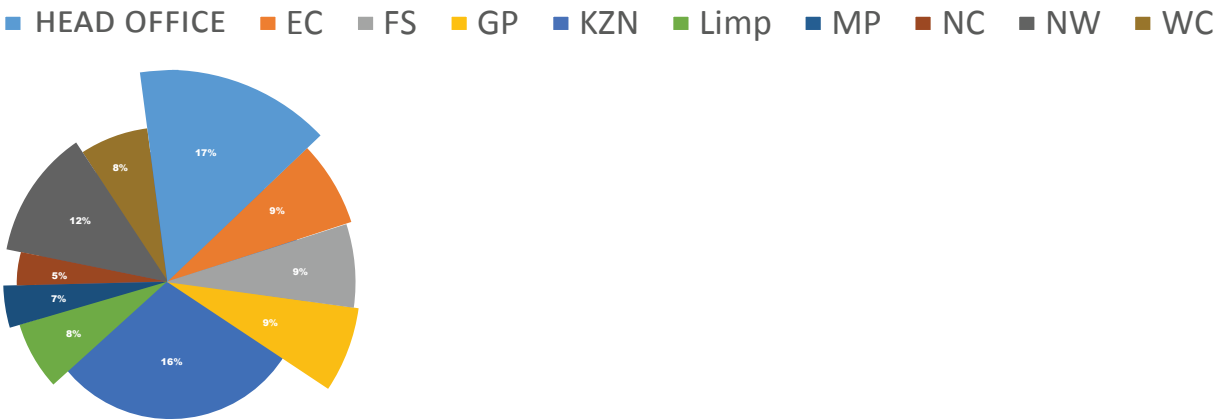
Early Resolution cases Finalised



SERVICE DELIVERY MATTERS (PREJUDICIAL CONDUCT AND UNDUE DELAY)

The PPSA finalised 2 320 investigations regarding service delivery failures and undue delays by organs of the state.

Service Delivery Finalised



In particular, reference is made to the following complaints relating to prejudicial conduct by various organs of the state

REPORTS 47 AND 65 OF 2021/22 (SERVICE DELIVERY)

Sol Plaatje municipality directed to resolve burial mix-up

Two Kimberley families, whose deceased loved ones' graves were desecrated can now breathe a sigh of relief after the Public Protector directed the Sol Plaatje Municipality to obtain exhumation orders and right its wrongs. Strangers were buried in the same tombs as the families' late relatives.

In the first case, Mr Izak Louw complained in January 2020 that the municipality removed the tombstone on the grave of his late brother, Mr Richard Louw, at the West End cemetery and buried Ms Keitumetse Koloane atop his late brother without the permission of his family.

The late Mr. Richard Louw was buried in the grave in question in 2012. The Louws planned to bury Mr Peter Louw, the deceased's twin brother, who was said to be terminally ill, in the same grave as

his late brother in line with family tradition.

In the second case, Ms Kehilwe Seepamore complained in September 2019 that one Mr Beshu Khumalo had been buried wrongfully in 2013 in the same grave as her late father, Mr Stephen Moiloa, due to the municipality's maladministration. Mr Moiloa was buried at ABC Cemetery in September 1977.

The Public Protector's separate investigations into the two matters confirmed that the municipality failed to ensure that the affected graves were properly marked, a unique number was affixed to each of the graves and the register of graves properly managed, as required by the municipality's Cemeteries By-law, 2006.

The Municipal Manager was directed to approach the relevant sphere of government or the Magistrate's Court to obtain exhumation orders for the bodies of Ms Koloane and Mr Khumalo after consultation with the affected families. He also had to make a financial contribution to the Louw and Moiloa families for the costs of the exhumations and reburials.

REPORT NO. 16 OF 2021/22 (SYSTEMIC INVESTIGATION / SERVICE DELIVERY)

The PPSA sometimes receives identical or similar complaints from various sources against an institution or group of institutions, which may indicate that the alleged maladministration or service failure may be more widespread and systemic and could adversely impact on a wider group of citizens or individuals. The matter as outlined below was one of the planned two investigations that were targeted for the year under review.

New hope for Alexandra as investigation prompts action on service delivery deficiencies

Poor housing, overflowing manholes, blocked drains, poor lighting, uncollected refuse and filth along walkways, communal toilets shared by up to 7 families but cleaned once a week. These and more emerged as key service delivery problems haunting Alexandra in Gauteng.

A Public Protector investigation found that the City of Johannesburg Metropolitan Municipality failed to render sufficient municipal services in Alexandra in a sustainable way. The management and delivery of bulk municipal services in the township were found to be inconsistent with the Constitution and the law.

Carried out jointly with the South African Human Rights Commission, the investigation was triggered by a spate of violent protests in the township early April 2019 as residents took to the streets vowing to ensure a "total shut down of Alexandra" if their service delivery demands were not met.

Apart from the service delivery deficiencies referred to above, there were issues such as widespread land invasion and property encroachment resulting from poor housing. In addition, potholes abounded in the streets and the Jukskei River was heavily polluted with raw sewer.

The Public Protector found that the conduct of the City in respect of its failure to manage and deliver bulk municipal services in the township in accordance with the duties imposed on the City by the Constitution and the law constituted improper conduct and maladministration.

As a remedy, the Public Protector directed the City Manager to table the investigation report before the Municipal Council for the Council to discuss, adopt and pass a resolution on it, indicating the measures it would take to address shortcomings on municipal services in the township.

REPORT NO. 55 OF 2021/22 (SERVICE DELIVERY / ADVISORY REPORT)

Ekurhuleni fails to ensure continuous refuse removal

The Public Protector has found that the City of Ekurhuleni Metropolitan Municipality failed to ensure uninterrupted refuse removal services in the Kempton Park area, resulting in an unhygienic build-up of refuse, putting community members at risk, is substantiated.

This followed an investigation into allegations of failure by the City to collect refuse in the Kempton Park area, resulting in an unhygienic build-up of refuse, putting community members at risk.

The investigation followed a complaint lodged on 30 August 2019 by Mr Mike Waters, the Gauteng Chairperson of the Democratic Alliance Party and MP.

The Public Protector's finding was based on evidence obtained during the investigation, particularly the admission by the City that there were challenges in the provision of waste management services and/or refuse removal in and around the Kempton Park area due to the breakdown of waste removal trucks.

However, the Public Protector took cognisance of the fact that the City has implemented an action plan by purchasing extra refuse removal trucks and distributing them around Ekurhuleni depots to address these deficiencies, as confirmed by the inspection in loco.

Nevertheless, had the Municipality ensured that the trucks were properly maintained/serviced and/or implemented the action plan sooner, the interruption of refuse removal services to the communities of Kempton would not have occurred.

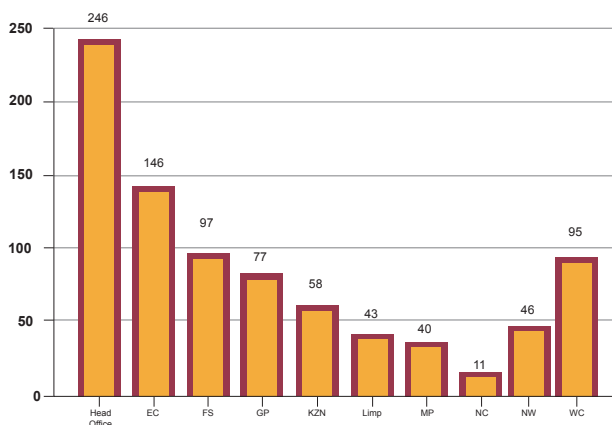
Noting that the contract for the appointment of specialised waste management vehicles, equipment and support services on an "as and when" required basis was concluded on 30 June 2020, the Public Protector recommended that the City Manager timeously commence the procurement process prior to the cessation of this contract(s), to ensure the sustainable provision of refuse removal services in the Kempton Park area, without any interruptions.

The City Manager must also ensure that the waste removal trucks and other equipment associated with the sustainable provision of these services, are properly maintained and serviced as required and that any outsourced services are properly monitored and managed.

GOOD GOVERNANCE AND INTEGRITY MATTERS

GGI focuses on conduct failure investigations. Conduct failure investigations focus on complaints of ethical violations (EMEA and Code/Ministerial Handbook, fraud, bribery, corruption, favouritism/nepotism, abuse of power, conflict of interests, protected disclosures as mandated by the Protected Disclosure Act and general governance failures not necessarily tied to any service complaint such as irregular tender awards. A GGI investigation is normally complex. It involves multiple complexities of fact and law. The graph below illustrate the number of finalised matters in this category, the total being 859.

Good Governance and integrity



Reference is made to the few matters below that were investigated in this category:

REPORT NO 13 OF 2021/22 (GOOD GOVERNANCE AND INTEGRITY)

Ministerial adviser agrees to settle overpayment

A ministerial adviser at the Department of Transport has agreed to pay back over R450 000 in 38 monthly instalments of R12 000 after the Public Protector not only found that he was overpaid over a 19-month period but also that he was irregularly appointed.

He is one of two Special Advisers found to have been irregularly appointed and overpaid. The Director-General (DG) and the Minister have assured the Public Protector that the excess payments are being recovered from the second adviser.

Anonymous departmental staff had alleged that Minister Fikile Mbalula and DG Alec Moemi irregularly

appointed Messrs. L Venkile, K. Khoza and B. Mpondo.

The Public Protector found that the appointments of Messrs. Venkile, Khoza and Mpondo respectively, were contrary to the provisions of the Public Service Act and other prescripts applicable to the department.

Mr. Venkile conceded that he was indebted to the department in the amount of R 455 984.50. He is repaying the department in monthly instalments of R 11 999, 60 for a three-year period, from April 2021 to May 2024.

Minister Mbalula and DG Moemi undertook to recover the overpayment from Mr. Khoza. They have given the Public Protector an assurance in this regard.

The Minister, on 05 December 2019, terminated Mr. Mpondo's employment contract as the Special Adviser and simultaneously offered him a contract of employment as a Project Manager in the department.

As part of remedial action, the Public Protector directed Minister Mbalula to ensure that he submits recommendations for future Special Adviser appointments to the Minister of Public Service and Administration before the appointees assume duty.

DG Moemi was directed to ensure that all the overpayments, salaries and emoluments paid to Messrs. Venkile and Khoza are recovered in full.

REPORT NO. 99 OF 2021/22 (GOOD GOVERNANCE AND INTEGRITY)

SASSA official in trouble over improper processing of lover's disability grant application

A South African Social Security Agency (SASSA) employee is in trouble after it was found that the employee used a colleague's login details and another person's medical file to process, successfully, an application for a disability grant on behalf of a man with whom the employee had romantic relations. The man unduly earned more than R142 000, 00 as a result.

Following an investigation triggered by an anonymous complaint and concluded at the end of February 2022, the Public Protector found that SASSA approved one Tshetlhudi Masinga's disability grant application without following proper processes—conduct which constituted maladministration and impropriety.

During an interview with investigators in September 2021, Ms Portia Mathenjwa, an Administration Clerk at the Mamelodi office of the social grants disbursement agency, conceded that she screened, attested and captured Mr Masinga's application on 14 May 2019, using medical records that had been tampered with. The records belonged to one Ms Virginia Nyathi. Ms Mathenjwa and Mr Masinga were

in a romantic relationship.

The Public Protector directed SASSA Chief Executive, Ms Totsie Memela, to initiate disciplinary processes against Ms Mathenjwa and others. Ms Memela was further directed to follow up on a police case opened under CAS 204/06/2020 for the investigation of suspected corruption against Ms Mathenjwa.

In terms of the Prevention and Combatting of Corrupt Activities Act, 2004, the influencing on one by another to make a dishonest decision in exchange for gratification constitutes corruption.

The Public Protector further directed Ms Memela to take steps to recover the money lost to the public purse and channelled into Mr Masinga's pockets over a nine-year period dating back to May 2009.

REPORT NO. 17 OF 2021/22 (GOOD GOVERNANCE AND INTEGRITY)

Municipalities lose R1.6 Billion in unlawful VBS investments

More than R1.6 billion which could have been used to ramp up service delivery in several small towns across the country was lost to the public purse when 14 Limpopo, North West and Gauteng municipalities went against the rules to invest ratepayer funds with the VBS Mutual Bank.

A Public Protector investigation found that 11 local and three district municipalities across the three provinces collectively poured resources to the tune of over R3.1 billion into the bank.

The municipalities in question are Makhado, Vhembe, Collins Chabane, Elias Motsoaledi, Greater Giyani, Ephraim Mogale, Tubatse Fetakgomo and Lepelle-Nkimpri in Limpopo; Madibeng, Mahikeng, Moretele and Dr Ruth Segomotsi Mompati in the North West; and Merafong and West Rand in Gauteng.

The own-initiative investigation was prompted by widespread news reports late 2018 that several municipalities had improperly and unlawfully invested large amounts of public funds meant for service delivery with the bank, resulting in the misuse of the resources.

The reports followed the release of Adv. Terry Motau SC's September 2018 forensic report titled "The Great Bank Heist", which revealed irregularities relating to the business and affairs of the Mutual Bank.

The Public Protector found that the investments were in violation of the Municipal Finance Management Act, the Municipal Investment Regulations and the policies regulating investments by the municipalities.

The Speakers of Councils across all 14 municipalities were directed to ensure that any outstanding recommendations made in forensic investigation reports, including disciplinary action against officials and councillors, are considered by the Councils for implementation.

The Limpopo, North West and Gauteng MEC's responsible for local government must submit regular reports to the Director-General of the National Treasury with their comments, where appropriate, on the implementation of the Public Protector's remedial action.

REPORT NO. 04 OF 2021/22 (GOOD GOVERNANCE AND INTEGRITY / CLOSING REPORT)

Investigation into Minister Gordhan closed as matter is before court

The Public Protector closed an investigation into allegations of maladministration and improper conduct relating to the failure by the Minister of Public Enterprises, Mr. Pravin Gordhan, MP or a duly appointed representative to ensure that the National Ports Authority (NPA) was incorporated as a company as envisaged by the National Ports Authority Act No. 12 of 2005 (NPAA). A complaint received on 6 May 2019 from Mr. Jan D Scheepers triggered the investigation.

Mr. Scheepers had alleged that Minister Gordhan neglected his constitutional obligation of ensuring that the NPA was incorporated as a company in terms of section 3(2) of the NPAA and instead Minister Gordhan or a delegated official permitted Transnet SOC Ltd to integrate the NPA as its operating division.

This, according to Mr. Scheepers, compelled the NPA to execute Transnet's strategy and corporate goals, including increasing its market share and protecting volumes against new entrants and thus taking over the NPA for its strategic and competitive purposes.

Evidence obtained and considered during the investigation indicated that the issue Mr. Scheepers raised was currently the subject of litigation before the High Court of South Africa (KwaZulu-Natal Division) in Durban under Case Number 5520/2016.

In addition, President Cyril Ramaphosa has since remedied the anomaly by announcing the establishment of an independent NPA with its own Board of Directors appointed by the Minister of Public Enterprises.

In accordance with the principles of the Public Protector's previous findings in a similar matter, as well as considering Mr. Scheepers' representations, the Public Protector consciously decided to allow the judicial process to take its course and for the court to make a competent pronouncement on the matter.

REPORT NO. 41 OF 2021/22 (EXECUTIVE ETHICS / CLOSING REPORT)

Allegation of ethical misconduct against Minister Gordhan unsubstantiated

The Public Protector has closed an investigation into allegations that the Minister of Public Enterprises, Mr Pravin Gordhan, MP interfered with the recruitment process of the Chief Executive Officer (CEO) of the Mango Airlines SOC Ltd. It was alleged that in so doing, Minister Gordhan acted in violation of the Executive Ethics Code, 2000.

The investigation followed a complaint by Chief Whip of the Economic Freedom Fighters (EFF), Mr Floyd Shivambu, MP, who alleged that Minister Gordhan illegally instructed the Chairperson of Mango Board of Directors, Mr Matsidiso Peter Tshisevhe, through his advisor, to ensure that Mr Nico Bezuidenhout was appointed to the position of the CEO of Mango.

Mr. Shivambu further alleged that, when the South African Airways SOC Ltd Board of Directors wrote to inform him about the decision to appoint the CEO of Mango, Minister Gordhan used the information entrusted to him to improperly benefit Mr Bezuidenhout who otherwise would not have qualified for the position which he was later appointed to.

He added that Minister Gordhan did not act in good faith because the candidate that the Mango Board had initially recommended had gone through a rigorous interview process and the Minister's involvement was not in the best interest of good governance.

However, the allegations that Minister Gordhan illegally instructed Mr Tshisevhe to ensure that Mr Bezuidenhout was appointed CEO of Mango could not be corroborated as there was no evidence to support the allegations that Minister Gordhan used the information entrusted to him to improperly benefit Mr Bezuidenhout.

Minister Gordhan's involvement in the appointment of Mr Bezuidenhout was in line with the Memorandum of Incorporation, which requires him to approve the appointment of the CEO of Mango, being a wholly owned subsidiary of the SAA.

The recruitment panel, comprising of the CEO of SAA and members of both the SAA and Mango Boards identified Mr Bezuidenhout as their preferred candidate for the position of the CEO of Mango when the post was re-advertised.

REPORT NO. 59 OF 2021/22 (GOOD GOVERNANCE AND INTEGRITY / EXECUTIVE ETHICS)

Former Minister didn't appoint Munusamy irregularly

The Public Protector has found that the former Minister of Finance, Mr. Tito Titus Mboweni, did not irregularly appoint Ms. Ranjeni Munusamy to the position of the Community Outreach Officer and, as a result, did not violate the Executive Code of Ethics.

The investigation followed a complaint lodged on 27 October 2020 by the Chief Whip of the Economic Freedom Fighters Mr Floyd Shivambu, MP. Mr Shivambu had alleged that the National Treasury stated in a statement on 21 October 2020 that Ms. Munusamy was appointed as a Community Outreach Officer while Mr. Mboweni stated that she was appointed as a Political Secretary.

He requested the Public Protector to investigate whether Ms. Munusamy's appointment was made in terms of section 9 of the Public Service Act, 1994, read with Regulation 66 of the Public Service Regulations of 2016 (PSR) irrespective of the position she occupied.

He also requested the Public Protector to establish whether it was "acceptable and rational for executive authority to appoint Ms Munusamy to such a sensitive position when there was undisputed evidence submitted to the Judicial Commission of Inquiry into Allegations of State Capture that Ms Munusamy received illegal money from the State Security slush fund" (sic).

The Public Protector concluded that former Minister Mboweni's appointment of Ms. Munusamy into the position of the Community Outreach Officer was made in terms of the Public Service Act read with Regulations 66(2) of the PSR.

The post to which Ms. Munusamy was appointed is included in Chapter 3 of the Guide for Executive Members. It is the Public Protector's view that the appointment made by former Minister Mboweni did not require the use of the selection committee save for compliance with the appointment criteria listed in Regulation 67(5)((b) to (d) of the PSR.

Whereas it was noted that the revelations made at the State Capture Inquiry might have placed the integrity of Ms. Munusamy into question, there was no evidence to conclude that the appointment of Ms. Munusamy by former Minister Mboweni was in violation of the Executive Ethics Code.

5. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Outcome: Clean audit achieved and maintained

The PPSA achieved a clean audit outcome in 2021/22 financial year, making this the third consecutive clean audit outcome. The institution has put measures in place to improve the control environment in order to maintain the clean audit outcome, where a clean audit strategy was implemented in the year under review.

Outcome: Implementation of ICT systems to optimally support business objectives

The PPSA was successful in implementing the Mobile Referral Application in the 2021/22 financial year. The implementation will optimise service to members of the public where complainants will be assisted to refer matters to relevant institutions as a first port of call. This is aimed at improving complaint-handling within the state administration and should result in PPSA receiving fewer no jurisdiction matters. New laptops were procured to replace old ones that were obsolete, most of which were giving users problems.

Outcome: Successful resolution of complaints

The nature of work carried out by PPSA in assisting complainants who have been prejudiced by organs of state is often time sensitive. Some of the complaints resolved relate to what we call bread and butter matters where an individual may not have been provided with an ID, therefore preventing a student from being enrolled at university. Others may relate to a child or old age grant not being paid. The institution has a classification system of cases with specific timeframes within which cases need to be finalised. The target was exceeded with 85% adherence against the set target of 80%.

Outcome: Accessible PPSA services

The constitutional obligation for PPSA to be accessible to all communities and persons is key to the work the institution has undertaken in the period under review. PPSA has used different modalities to ensure access to its services. Of importance is to note that the PPSA is represented in all nine provinces through eighteen offices, where people can lodge complaints or seek advice. It is acknowledged that the eighteen offices are insufficient to serve the entire country. It is for this reason that radio is used to reach people, especially when it is difficult for the office to reach out to people physically through outreach activities that were suspended for the whole financial year. In total, 97 radio interviews were held during the period under review, which is 61 more than the planned target.

Amendments to the Strategic Plan

Amendments pertaining to the Strategic Plan were made mainly relating to the stakeholder management programme. The outcome that was removed pertaining to this programme is “Ongoing engagements with ombudsman and organs of state”. The outcome was removed as it was determined that will be reported in operational plans. Furthermore, the outcome indicator: “Number of outreach methods employed to reach people and communities” was replaced with: “Number of activities executed in the implementation plan of an Integrated Access and Stakeholder Management Strategy”. The targets and risks were also amended accordingly.

Amendments relating to the investigations programme is on the outcome that was changed from: “Investigations finalised within turnaround times” to “Successful resolution of complaints”.

6. CASELOAD AND STATISTICS FOR THE 2021/2022 FINANCIAL YEAR

BRANCH	BROUGHT FORWARD FROM 2020/21	RECEIVED			TOTAL WORKLOAD	JURISDICTION	FINALISED			CARRIED OVER TO 2022/23
		WITHIN JURISDICTION	NO JURISDICTION	TOTAL RECEIVED			NO JURISDICTION	REFERRAL TO OTHER BODIES	TOTAL FINALISED	
CSM	0	569	918	1487	1487	226	343	918	1487	0
AJSD	243	486	1	487	788	459	5	4	468	310
GGI	248	85	0	85	338	149	0	0	149	172
PII (Inland)	17	11	0	11	28	26	0	0	26	1
PII (Coastal)	7	5	0	5	12	6	3	0	9	3
EASTERN CAPE	197	555	15	570	870	609	20	16	645	184
FREE STATE	175	377	112	489	730	344	85	38	467	169
GAUTENG	215	306	548	854	1070	445	161	307	913	116
KWAZULU-NATAL	119	762	0	762	941	556	107	54	717	142
LIMPOPO	92	498	8	429	619	502	9	0	511	93
MPUMALANGA	135	284	11	295	448	305	16	1	322	101
NORTHERN CAPE	127	170	10	180	346	162	9	0	171	141
NORTH WEST	129	634	0	634	791	543	0	25	568	184
WESTERN CAPE	293	425	36	461	766	351	40	42	433	321
TOTAL	1997	5167	1659	6826	8823	4683	798	1405	6886	1937

7. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

7.1 SUMMARY OF OVERALL PERFORMANCE IN THE 2021/22 FINANCIAL YEAR

TARGETS	2019/20	2020/21	2021/22
Number of planned targets during the financial year	15	12	7
Number of targets achieved	11	10	6
Number of targets not achieved	3 (1 target N/A)	2	1
Percentage level of performance	79%	83%	86%

7.1.1 Programme I: Administration

The purpose of the programme is to enable the PPSA to operate in an efficient environment, though with limited resources, and to comply with applicable laws and regulations whilst supported by improved business processes and systems. The programme also aims to maintain adequate human resource, competencies and skills to ensure effective delivery on the mandate. The outcomes pursued under programme I are: “Clean audit achieved and maintained” and “Implementation of ICT systems to optimally support business objectives”.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The PPSA maintained a clean audit outcome for the period under review as planned. This achievement highlights the fact that internal controls within PPSA are working as evidenced by this outcome.

The table below reports against planned targets for the administration programme

Outcome	Outcome	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Clean audit achieved and maintained	Clean audit obtained	EXCEEDED Clean Audit Strategy was reviewed and implemented. The institution received a clean audit opinion from AGSA	ACHIEVED PPSA achieved a clean audit opinion from AGSA	Maintain a clean audit opinion	ACHIEVED PPSA maintained a clean audit opinion from AGSA	N/A	N/A

Linking performance with budgets

The purpose of the programme is to investigate reported matters of maladministration, conduct failures, administrative justice and service delivery failure as well as own initiative matters. The outcome pursued under Programme 2 is: "Investigations finalised within turnaround times"

Administration: Programme expenditure

Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	159 718	158 392	1 326	153 189	146 586	6 604
Total	159 718	158 392	1 326	153 189	146 586	6 604

7.1.2 Programme 2: Investigations

The purpose of the programme is to investigate reported matters of maladministration, conduct failures, administrative justice and service delivery failure as well as own initiative matters. The outcome pursued under Programme 2 is: "Investigations finalised within turnaround times"

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

All targets except one were exceeded under the investigations programme. The importance of finalising more investigation reports, finalising more matters within turnaround times, finalising systemic investigations as well as engaging organs of state on trends indicative of systemic challenges ultimately benefits the complainant.

The table below reports against planned targets for the investigations programme

Programme 2: Investigations								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Successful resolution of complaints	Investigation reports finalised	Number of investigation reports finalised	EXCEEDED 137 investigation reports were finalised	EXCEEDED 73 investigation reports were finalised	Finalise 50 investigation reports by 31 March 2022	EXCEEDED 112 investigation reports were finalised	62 more investigation reports were finalised	More reportable cases were finalised during the period under review as a result of project managing, weekly Quality Assurance Committee cases and piloting and implementation of the integrated investigation model and phased-in approach in the second quarter
Successful resolution of complaints	Cases finalised within approved turnaround times	Percentage of adherence to turnaround times in finalisation of cases	NOT ACHIEVED 95% (7112/7515) of cases were finalised within the following turnaround times: ER: 6 months (as at 1 April 2019) SD: 12 months (as at 1 October 2018) GGI: 24 months (as at 1 October 2017)	EXCEEDED 95% (4532/4754) of cases were finalised within the following turnaround times: ER : 9 months SD : 18 months GGI : 30 months GGI (very complex): 36 months	Finalise 80% of cases within the following turnaround times: ER: 6 months SD: 12 months GGI: 24 months GGI (Very complex): 36 months by 31 March 2022	EXCEEDED 85% (3189/3732) of cases were finalised within the turnaround times	5% more cases were finalised within turnaround times	Project management applied by the investigation team in dealing with cases, with the executive authority playing an oversight role to ensure achievement of the target through adherence to service standards, file inspections and quarterly dashboard

Programme 2: Investigations								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Successful resolution of complaints	2 years and older cases finalised	Percentage of 2 years and older cases finalised	NOT ACHIEVED 86% (457/532) of 2 years and older cases were finalised	NOT ACHIEVED 18% (25/136) of 2 years and older cases (except GGI very complex matters) were finalised at the end quarter 1*	Finalise 80% of 2 years and older cases (except GGI very complex matters) by 31 March 2022	NOT ACHIEVED 65% (262/404) of two years and older cases were finalised	15% of 2 years and older cases were not finalised	Two (2) years older cases were project managed, however the target could not be achieved during the period under review due to high caseload in relation to staff complement, reliance on state organs and complexity of matters investigated
Successful resolution of complaints	Systemic investigations finalised	Investigation and finalisation of systemic investigations / interventions	EXCEEDED 3 systemic investigations were identified and investigations ongoing	NOT ACHIEVED 1 systemic investigation identified in 2019/20 financial year was finalised (Tembisa hospital) 1 systemic investigation identified in 2017/18 financial year was finalised (Traditional leadership)	Finalise 1 systemic investigation by 31 March 2022 Identify and investigate 2 systemic	EXCEEDED 2 systemic investigations/ interventions were identified 2 systemic investigations were finalised	1 additional systemic investigation was finalised	A carried over systemic investigation that commenced in prior years was finalised in the period under review
Successful resolution of complaints	Bilateral meetings held with organs of State on systemic challenges	Number of bilateral meetings held with organs of state on systemic challenges	ACHIEVED 10 dialogues were held with organs of state on systemic challenges	EXCEEDED 15 dialogues were held with organs of state on systemic challenges	Hold 10 bilateral meetings with organs of state on systemic challenges by 31 March 2022	EXCEEDED 12 bilateral meetings were held with organs of state on systemic challenges	2 more bilateral meetings were held with organs of state on systemic challenges by the Eastern Cape and Mpumalanga province	Two (2) additional bilateral meetings held where systemic challenges were identified in organs of state that needed to be addressed.

* The actual performance was for period 1 April – 30 June 2021, as the target was discontinued for the remainder of the 2020/21 financial year following the revision of the APP.

Linking performance with budgets

The biggest cost driver under the investigative programme relates to payments for Compensation of Employees, which accounts for 92% of the budget. The remaining 8% relates to the funding of operations and contractual obligations in the provinces. The savings realised are as results of the constitutional court judgement on the procurement of goods and services that prevented the implementation of certain projects.

Investigations: Programme expenditure

Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000
Investigations	183 043	179 794	3 249	195 270	181 344	13 927
Total	183 043	179 794	3 249	195 270	181 344	13 927

Strategy to overcome areas of under performance

The area of underperformance is on finalisation of 2 years and older cases, where the target was 80%, but the achievement was at 65%. A project plan was developed for matters that were not finalised, where they are closely monitored for finalisation by end of the next financial year.

7.1.3 Programme 3: Skateholder Management

The purpose of stakeholder management is to ensure that PPSA services are accessible to all persons and communities. The outcome pursued under the Programme 3 is “Accessible PPSA services”

Strategy to overcome areas of under performance

All activities planned in the year under review to enable PPSA services to be accessible were achieved. People were reached by using radio as a means of communication of PPSA service offering. The good governance week ensured that PPSA gets the message to organs of state on areas they need to focus on to promote governance in state affairs.

The table below reports against planned targets for the investigations programme

Programme 3: Stakeholder Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Accessible PPSA services	Execution of activities in the implementation plan of an Integrated Access and Stakeholder Management Strategy	Number of activities executed in the implementation plan of an Integrated Access and Stakeholder Management Strategy	N/A	N/A	Execute 42 activities in the implementation plan of an Integrated Access and Stakeholder Management Strategy by 31 March 2022 (42 = 36 radio interviews + 5 national events and 1 Good Governance Week)	EXCEEDED 103 activities were executed in the implementation plan of an Integrated Access and Stakeholder Management Strategy (97 radio interviews were conducted + 5 National events were conducted + 1 Good Governance Week was conducted)	61 more radio interviews were conducted in the implementation plan of an Integrated Access and Stakeholder Management Strategy	Strengthened relations with community radio stations resulted in free radio slots being allocated to PPSA

Linking performance with budgets

Spending on the Stakeholder Management programme relates to the Public Protector’s webinars and radio interviews, linked to the objective of taking the services of the Public Protector to communities, especially at the grassroots. Radio slots as well as advertising and media campaigns are budgeted for under this programme. The savings realised are as results of the constitutional court judgement on the procurement of goods and services that prevented the implementation of certain projects

Stakeholder Management: Programme expenditure

Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000
Stakeholder Management	13 450	13 101	349	14 255	11 672	2 583
Total	13 450	13 101	349	14 255	11 672	2 583

Reporting on the Institutional Response to the COVID-19 Pandemic

No COVID-19 expenditure was recorded in the 2021/22 financial year.

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

The PPSA has made a capital investments in the year 2021/22 to the value of R4,2 million. The capital investment was pertaining to procurement of fixed assets for head office and provincial offices which include office furniture (R964 134), office equipment (R 38 362), computer equipment (R642 969), the savings realised was due to the constitutional court judgement on procurement of goods and services, as a result the procurement and upgrade of ICT systems was deferred (R2,5 million).

Infrastructure projects	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	7 149	7 149	0	4 200	1 645	2 555
Total	7 149	7 149	0	4 200	1 645	2 555



PART C: GOVERNANCE



1. INTRODUCTION

The PPSA is committed to maintaining the highest standards of corporate governance as applied through the guidelines of the Public Finance Management Act (No. 1 of 1999) (PFMA) and read with the principles contained in the King IV Code of Corporate Governance (King IV). In line with King IV, the governance model is outcomes based to ensure long-term sustainability. This section will discuss governance structures put in place by the institution.

2. RISK MANAGEMENT

The PPSA has approved the Risk Management Strategy and framework which are reviewed and updated regularly.

PPSA conducts risk assessment at both the strategic and operational level before the beginning of the financial year to identify risks that may impact on its ability to achieve its goals and provide mitigating measures to respond to identified risks.

The Risk Management Committee chaired by an independent external person continue to provide guidance on the management of risks within the institution.

The Risk Management Committee is a sub-committee of the audit and risk committee and presents quarterly reports to EXCO and ARC within the combined assurance model.

3. FRAUD AND CORRUPTION

The PPSA is one of the institutions mandated to fight fraud and corruption in public administration. To this end, the fraud prevention policy and plan was reviewed, updated and implemented during the period under review.

Virtual Anti-Fraud and Corruption awareness workshops are conducted for all the PPSA employees at Head Office, Provincial and Regional Offices.

Anti-Fraud and Corruption awareness campaigns are conducted and spread across through placards which are distributed across all the Provincial and Regional Offices to spread Anti-Fraud and Corruption message and encourage Whistle Blowing message.

PPSA has an approved Whistle Blowing policy and outlines procedures and mechanisms for protected disclosure by PPSA employees.

PPSA has a bilateral agreement with Public Service Commission to utilise their National Anti-Hotline for protected disclosures.

The awareness of PPSA's protected and anonymous disclosures is created through anti-fraud and corruption campaigns.

4. MINIMISING CONFLICT OF INTEREST

The approved PPSA Code of Conduct, amongst others, deals with conflict of interest. The Supply Chain Policy provides for the standard bidding documents (SBD 4, which is the declaration of interest, is completed by all the bidders when they respond to either the Request for Quotations (RFQ) or

Request for Bid (RFB). The document requires the bidders to indicate the names of the shareholders, directors, trustees and also to declare if any of its shareholders, directors, and trustees have been employed by the state. This form has been instrumental in alerting the institution of possible conflict of interest between bidders and any employee or any person employed by the state and who may be involved with the evaluation and/or adjudication of that specific bid.

In terms of Clause 2.10 of the SBD 4, bidders are further required to declare if they “or any person connected with the bidder, are aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of the bid”.

Upon receipt of bid documents, either in the form of RFQ / RFB documents, PPSA supply chain management officials are in a position to establish if there is any conflict of interest or not. The bidder’s declaration forms are also verified against the National Treasury Central Supplier Database (CSD) report which also verifies the bidder’s shareholders, directors, trustees if they are not employed by the state. The Department of Public Service and Administration website is also used to verify the identity numbers for shareholders or directors if there is suspicion that they might be working for government.

Below are other measures which are currently in place:

- The Bid Specification Committee (BSC) signs the declaration of confidentiality forms during the first meeting in order to commit that the tender process is fair, equitable, competitive and cost effective and also for ensuring the confidentiality of the entire bidding process.
- There is segregation of duties as the members of the Bid Evaluation Committee (BEC) does not take part during the adjudication of the bids by the Bid Adjudication Committee (BAC) to ensure that each committee take decisions independently without influencing each other.
- During the evaluation and adjudication of the bids, the members of the Bid Evaluation and Bid Adjudication Committee’s declares during the meeting sittings and the entire process is recorded and minuted.
- In 2021/22 Financial year there was no incident where conflict of interest was identified through the procurement process.

5. CODE OF CONDUCT

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Management took significant steps to improve Health and Safety issues within the institution. However, the requirement for further development is significant and requires a greater investment of time, effort and commitment throughout the institution.

Although the improvements made in the past financial years has been positive to address a number of non-conformances and failures with the health and safety requirements, considerable amount of work is still outstanding especially with issues related to maintenance of leased buildings and training of OHS committee members.

With the new requirements and compliance to regulations for the COVID-19, PPSA has implemented operational measures and mitigation plans to combat the spread of the virus within the organization. Constant monitoring and reviewing of the plan was however mandatory to ensure compliance and keep abreast of new developments and regulation with regards to the virus.

7. PORTFOLIO COMMITTEE

The Portfolio Committee on Justice and Correctional Services is a structure of the National Assembly where the Public Protector accounts on PPSA plans as well as its performance. Two briefing sessions were held with the Portfolio Committee on Justice and Correctional Services: on 06 May 2021, PPSA presented its 2020-2025 Strategic Plan, 2021/22 Annual Performance Plan and on 10 November 2021, the PPSA presented its 2020/21 Annual Report. The Portfolio Committee conducted an oversight visit to PPSA head office on 28 January 2022.

During the deliberations with the Portfolio Committee, the following key issues/matters were identified. The table below stipulates how these matters raised by the Portfolio Committee were addressed by PPSA:

Date of meeting	Matters raised	How matters raised were addressed
06 May 2021	What plans PPSA has to deal with ICT infrastructure	<p>PPSA has procured new laptops in 2021/22 financial year</p> <p>The procurement of servers switches will be done in the next financial year</p> <p>The Case Management Application will be implemented in 2022/23 financial year</p>
10 November 2021	What is the progress on the Mobile Referral Application	The Mobile referral Application was launched on 31 March 2022
	What is PPSA doing pertaining to the misalignment between the Public Protector Act and the Constitution	A technical committee was established to deal with the loopholes in the Public Protector Act. Once internal processes are concluded, a submission will be sent to the Department of Justice for incorporation of the proposed revisions into the legislation programme.
28 January 2022	What measures has PPSA put in place to ensure there is adequate security at all offices	PPSA is conducting an audit of security needs in all offices in order to respond accordingly.

8. INTERNAL AUDIT AND AUDIT COMMITTEES

o Key activities and objectives of the internal audit

Internal Audit continued to provide independent objective assurance and consulting services designed to add value and improve PPSA's operations. It assisted the institution to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance process.

o Specify summary of audit work done

In accordance with the Internal Audit Standard issued by the Institute of Internal Auditors, the PPSA Internal Audit carried out the following:

- Developed and implemented the PPSA Annual and Three-year Rolling Internal Audit Plan;
- Functionally reported its findings and recommendations to the Audit Committee on a quarterly basis;
- Interacted with management and the Auditor-General of South Africa through its attendance of Audit Steering Committee and MANCO meetings;
- Reviewed the Auditor-General's Findings Implementation Schedule; and
- Liaised with the Auditor-General to determine areas on collaboration to avoid duplication of efforts.

The following internal audit reviews were completed during the year under review:

- Audit of Performance Information (Quarter One - Four);
- Annual Performance Report Review;
- Annual Financial Statements Review;
- Communications Management Review;
- Information and Communications Technology (ICT) Review;
- Outreach Management Review;
- Risk Management Review;
- Follow-up on Internal Audit Findings;
- Security Management Review;
- Facilities Management Review (OHS, Records Management and Fleet Management);
- Internal Financial Controls Review;
- Asset Management Review;
- Supply Chain Management Review;
- Investigations Management;
- Human Resource Management Review;
- Follow-up on the AGSA Action Plan; and
- Ad-Hoc Reviews.

o Key activities and objectives of the audit committee

The Audit Committee operated in terms of a written terms of reference, which adequately dealt with

its membership, authority and responsibilities. The terms of reference was reviewed and adopted to ensure its relevance.

The Audit Committee reviewed, amongst others, the following:

- The effectiveness of the internal control systems;
- The risk areas of the institution's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Accounting and auditing concerns identified as a result of internal and external audits;
- The institution's compliance with legal and regulatory provisions; and
- The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms Princess Mangoma (chairperson)	B.Compt BCom Honours CIA CISA	External	N/A	01 March 2021	N/A	10
Mr Stanley Ngobeni	BCom Accounting B.Compt Honours (CTA) Masters in Commerce- Taxation MBA Higher Diploma in Computer Auditing Registered Government Auditor (RGA)	External	N/A	04 March 2021	N/A	10
Mr Luyanda Mangquku	Chartered Accountant (SA) Master's in Business Leadership (MBL) Advanced Company Law I & II BCom Honours in Accounting Sciences and Commerce.	External	N/A	01 December 2019	N/A	8

9. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

The Audit Committee accepts and acknowledges work done by the internal auditors in completing the nineteen internal audit projects as planned during the year under review.

The Audit Committee concurs and accepts the findings raised by internal auditors on the projects concluded during the financial year. The Audit Committee provided recommendations and resolutions to be considered by management. The Audit Committee continued to provide independent advice to management and oversaw the functioning of the internal audit activity.

The following were areas of concern:

o Audit of Performance Information (Quarter One - Four)

- Investigation report not signed by the public protector (pp) counted as part of performance achievement
- Dates and classification verified on the case files not as per the reported details
- Actual performance reported for indicator differs from the verified evidence
- Output indicator “obtain clean audit annually” not achieved stated as non-reportable
- Date stamp for the dates received on the case files enhanced with pen for the 2 years and older cases;
- Case not met target for the turnaround times in finalization of cases list stated as met
- Dates verified on the case files not as per the reported statistics
- File classification on the case file not as per the reported statistics
- Actual performance reported for 2 years and older cases differs from the verified evidence
- Dates verified on the case files not as per the reported statistics
- File number captured incorrectly on the statistics
- Actual performance reported for two (2) years and older cases differs from the verified evidence
- Closing report not signed by senior investigator/provincial representative

o **Security Management**

- Standard operating procedures and security steering committee terms of reference not approved
- Newly appointed employees not subjected to security vetting
- Incomplete security incidents/breaches register
- Inadequacies noted with regards physical security management processes
- Security management committee membership not ratified
- Discrepancies with regards to the implementation and monitoring of the video fied security system at provincial offices

o **Facilities Management**

Records Management

- Deficiencies noted with regards to proper records management practices
- Deficiencies noted with regards retention /disposal of records
- No designated records manager and approved file plan

Fleet Management

- Inefficiencies noted with regards to completion of vehicle inspection forms
- Discrepancies with fuel expenditure and submission of petrol slips
- Log book not fully completed and/or submitted by the drivers
- Log sheets, trip authorities and petrol slips not submitted to national office as per transport policy
- Inefficiencies noted with regards to the trip authority forms
- Pool vehicle not properly maintained/serviced
- Variances noted on the petrol card exception report and the actual petrol slips submitted
- Inefficiencies noted with completing pre and post vehicle inspection
- Occupational Health and Safety and General Facilities Management
- Identified Health and Safety deficiencies during the site visit
- Deficiency noted with regards to OHS Policy and OHS Act not visible to employees
- OHS representatives not provided with formal appointment letters and not trained
- OHS Committee not meeting quarterly as required
- Deficiencies noted with regards to evacuation drill and no contingency plan in place
- Evacuation drill not conducted and building evacuation maps and response plan not in place
- Evacuation drill not conducted
- Insufficient parking bay/space
- No backup generators in all PPSA offices
- No appointed Office Accommodation Management Committee
- Telephone landlines not adequately functioning

o **Internal Financial Controls**

- Inefficiencies noted with regards to the debtors management processes
- Payroll reconciliations not reviewed and approved in timely manner

o **Investigations Management**

- o Deficiency with allocation of files from assessment and to investigators
- o Complainant not informed of investigator's details within 5 days after allocation
- o Inefficiencies with regards to investigation plans
- o Inadequacies with regards to date stamp and classification of files
- o Acknowledgement letters not submitted within five (5) working days of allocation of the complaint to the investigator
- o Potential duplicates identified in the case file master register
- o Date of allocation of complaint to investigator differ on signed allocation register and statistics
- o Internal control deficiency with regards to acknowledgement letters to the complainant
- o Assessment not concluded within prescribed period
- o Assessment forms not completed adequately by the investigator and the supervisor
- o Non - jurisdiction cases not finalised within five (5) working days of registration
- o Potential duplicates identified in the case file register
- o Acknowledgement letters not submitted within two (2) working days of registration
- o Acknowledgement letters not signed off by the delegated authority

o **Supply Chain Management**

- o Policy not maintained in the Intuition Regulatory Code (IRC)
- o Request for quotation not advertised for minimum 5 days

o **Human Resource Management**

- o Newly appointed employees not inducted within the prescribed period
- o Weakness with regards to the performance agreements and performance assessments

o **Information Technology (ICT)**

- o Disaster Recovery Plan Contains Outdated Information
- o New User Access Request Form Not Approved Prior Granting Access

o **Risk Management**

- o Operational risk registers not signed off by the delegated authority
- o Business Continuity Management officials not formally appointed in writing
- o Operational risk assessments (risk registers) finalised before the annual operational plans were approved

o **Communication Management**

- o Inefficiencies noted with regards to the policies, procedures and the communication strategy
- o Quarterly newsletter – Marang not issued or published within the appropriate timeframe
- o Panorama/intranet not updated with the latest PPSA information
- o Communications unit staff not attending training
- o Lack of capacity with the communications

- o **Legal Service**
 - Service level agreements not in place for the appointed panel of legal firms
 - Rule 53 submission not within stipulated 15 days
 - Poor records management of correspondence for review applications
 - Review applications processed without prove of approval

- o **Outreach Management**
 - Outreach program not implemented as per approved plans
 - Inconsistency with the outreach plan for districts/regions
 - Discrepancy on monthly report and evidence provided for radio interviews conducted
 - Deficiency in the planning of the consultative webinar
 - Poor record keeping maintained

- o **Knowledge Management**
 - Inconsistencies with regards to the PAIA standard operating procedure (sop)
 - PAIA central register incomplete
 - Promotion of access to information turnaround times not adhered to
 - Reports to the South African Human Rights Commission not submitted
 - Ineffective records and information management
 - Non- compliance with the protection of personal information conditions

In-Year Management and Monthly/Quarterly Report

The constitutional institution submitted quarterly reports to the Executive Authority.

Evaluation of Financial Statements

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

Auditor's Report

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

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



Ms Princess Mangoma
Chairperson of the Audit Committee
Public Protector South Africa
Date: 31 July 2022

10. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The service listed are not in line with PPSA mandate
Developing and implementing a preferential procurement policy?	Yes	The policy is in place and the procurement strategy differs per project and the industry dynamics based on the type of goods and services required All PPSA Request for Quotations (RFQ) or Requests for Bids are awarded as per the Preferential Procurement Policy Framework of 2017
Determining qualification criteria for the sale of state-owned enterprises?	No	These requirement is not in-line with PPSA mandate
Developing criteria for entering into partnerships with the private sector?	No	PPSA does not have services which fall under this category
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The service listed are not in line with PPSA mandate

PART D: HUMAN RESOURCE MANAGEMENT



I. INTRODUCTION

The Human Resources Unit ensures that PPSA maintains adequate human capacity and the unit implements measures to promote efficient and effective utilisation thereof. During 2021/22, this was achieved through cooperation with various units in the institution, including labour. Together, units ensured a conducive working environment wherein employees performed

2. OVERVIEW OF HUMAN RESOURCES

● The status of human resources in the institution

The Human Resources Unit at Public Protector South Africa is fairly capacitated and stable taking into consideration the prevailing economic conditions in the country. It provides human resources services to the institution nationally, namely, employee wellness, recruitment and selection, human resources development, conditions of service, human resources information system, labour relations, policy development, organisational development etc.

● Human resource priorities for the year under review and the impact of these

The priority for Human Resources Branch is to improve the efficiency and effectiveness of the institution through various intervention, namely:

- a. Implementation of the outcomes of the work study
- b. Conduct an organisational employee culture survey
- c. Address employee wellness issues.

These interventions are aimed at identifying challenges which may have a negative impact of the performance of the institution. Identifying those challenges will assist the institution to implement appropriate interventions thus improving the performance of the institution.

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

Having realised the limitations of current skills within investigations which is due to the fact that a legal qualification has always be a requirement and yet PPSA receives complaints from diverse fields such as finance, HR, engineering, procurement which becomes a challenge to investigate if the investigator does not understand processes from various areas of operation. Recruitment has since been expanded to ensure diversity of skills among investigators which would in turn ensure quality and prompt investigations.

● Employee performance management.

Employee performance management is effective and it links to the overall performance of the institution which has been improving continuously. Monitoring of employee performance is effective, that can be seen in the consecutive achievements of clean audits outcomes. This can also be attributed to improvements in efficiencies of the institutional processes.

● **Employee wellness programmes.**

PPSA appointed a service provider, ICAS, to assist with addressing staff wellness issues as they impact on the performance of staff which in turn negatively affect the performance of the institution. Prevalent staff wellness challenges have been identified and appropriate interventions are being implemented. It is hoped that this will go a long way to continuously improve the performance of the institution.

● **Achievements and challenges faced by PPSA, as well as future human resource plans / goals**

The additional funding received during the 3rd quarter of 2021/22 Financial Year went a long way to partly address staff shortages in the institution. Part of the money was used to fund critical posts that have been unfunded for quite some time.

Insufficient funding continues to be a challenge, the institution cannot afford some of critical operations, for example, security in all PPSA Offices, Office space continues to be a challenge although there are mitigating factors being embarked on.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	56 222	55 670	552	0	99%	714
Investigations	180 200	180 200	0	0	100%	757
Stakeholder Management	10 128	10 128	0	0	100%	563
Total	246 550	245 998	552	0	100%	2 034

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (level 3-5)	1 033	1%	9	115
Highly skilled production (levels 6-8)	33 398	19%	102	327
Highly skilled supervision (levels 9-12)	103 290	60%	187	552
Senior and Top management (levels 13-16)	33 644	20%	36	935
Total	171 365	100%	334	1 929

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	55 670	23%	57	0%	1796	1%	1312	1%
Investigations	180 200	73%	-	0%	4503	2%	5561	2%
Stakeholder Management	10 128	4%	-	0%	498	0%	525	0%
Total	245 998	100%	57	0	6 797	0	7 398	0

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	0		0	0	0	-	0	0
Skilled (level 3-5)	957	1%	0	0	93	0%	70	0%
Highly skilled production (levels 6-8)	25 017	15%	31	0%	1 554	1%	3 170	2%
Highly skilled supervision (levels 9-12)	118 014	69%	26	0%	3 149	2%	4 156	2%
Senior management (level 13-16)	27 377	16%	0	0%	2 000	1%	2	0%
Total	171 365	100%	57	0	6 796	0	7 398	0

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:




-  programme
-  salary band
-  critical occupations (see definition in notes below).

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	90	78	13.33%	0
Investigations	260	236	9.23%	0
Stakeholder Management	18	18	0	0
Total	368	332	9.78%	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	N/A	N/A	N/A	0
Skilled (3-5)	15	9	40%	0
Highly skilled production (6-8)	105	103	2.83%	0
Highly skilled supervision (9-12)	210	185	11.90%	0
Senior management (13-16)	38	35	7.89%	0
Total	368	332	9.78%	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Chief Executive Office	1	1	0	N/A
Chief Operations Officer	1	0	100%	N/A
Chief Financial Officer	1	1	0	N/A
Chief of Staff	1	1	0	N/A
Executive Manager	4	4	0	N/A
Chief Investigator	5	5	0	N/A
Provincial Representative	9	8	11.11%	N/A
Spokesperson	1	1	0	N/A
Senior Manager	15	14	6.66%	N/A
Total	38	35	7.89%	N/A

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	N/A	N/A	N/A	N/A	N/A
Salary Level 16	1	1	0	0	0
Salary Level 15	1	0	0%	1	100%
Salary Level 14	6	6	100%	0	0
Salary Level 13	30	28	93%	2	7%
Total	38	35	92.10%	3	7.89%

Table 3.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	N/A	N/A	N/A	N/A	N/A
Salary Level 16	1	1	0	0	0
Salary Level 15	2	1	50%	1	50%
Salary Level 14	6	5	83%	1	17%
Salary Level 13	29	27	93%	2	7%
Total	38	34	89.47%	4	10.52%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	1	0
Salary Level 13	1	1	0
Total	2	2	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Post of Chief Operations Officer is vacant but not filled pending finalisation of restructuring and work-study.

Reasons for vacancies not filled within twelve months
Post of Chief Operations Officer is vacant but not filled pending finalisation of restructuring and work-study.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	N/A	N/A	N/A	N/A	N/A
Skilled (Levels 3-5)	15	0	N/A	N/A	N/A	N/A	N/A
Highly skilled production (Levels 6-8)	105	0	N/A	N/A	N/A	N/A	N/A
Highly skilled supervision (Levels 9-12)	210	0	N/A	N/A	N/A	N/A	N/A
Senior Management Service Band A	38	0	N/A	N/A	N/A	N/A	N/A
Senior Management Service Band B	N/A	0	N/A	N/A	N/A	N/A	N/A
Senior Management Service Band C	N/A	0	N/A	N/A	N/A	N/A	N/A
Senior Management Service Band D	N/A	0	N/A	N/A	N/A	N/A	N/A
Total	368	0	N/A	N/A	N/A	N/A	N/A

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
-----------------------------	---

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

Total number of Employees whose salaries exceeded the grades determine by job evaluation	0
--	---

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the institution. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0%
Skilled (Levels 3-5)	0	9	0	0%
Highly skilled production (Levels 6-8)	94	7	5	5.26%
Highly skilled supervision (Levels 9-12)	203	9	15	7.5%
Senior Management Service Bands A	35	2	2	5.715
Senior Management Service Bands B	N/A	N/A	N/A	N/A
Senior Management Service Bands C	N/A	N/A	N/A	N/A
Senior Management Service Bands D	N/A	N/A	N/A	N/A
Contracts	4	1	2	57%
Total	336	28	24	7.18%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the institution	Terminations and transfers out of the institution	Turnover rate
Chief Executive Officer	1	0	0	0%
Chief Operations Officer	1	0	1	100%
Chief Financial Officer	1	0	0	0%
Chief of Staff	1	1	1	100%
Executive Manager	4	0	0	0%
Chief Investigator	5	1	1	20%
Provincial Representative	8	2	2	25%
Spokesperson	1	0	0	0%
Senior Manager	14	0	0	0%
Total	36	4	5	14.08%

The table below identifies the major reasons why staff left the institution.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	2	0.59%
Resignation	16	4.79%
Expiry of contract	0	0%
Dismissal – operational changes	0	0%
Dismissal – misconduct	2	0.59%
Dismissal – inefficiency	1	0.29%
Discharged due to ill-health	1	0.29%
Retirement	2	0.59%
Transfer to other Public Service Departments	0	0%
Other	0	0%
Total	24	7.18%
Total number of employees who left as a % of total employment	24	7.22%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Deputy Public Protector	1	0	0	0	0
Chief Executive Officer	1	0	0	0	0
Chief Operations Officer	1	0	0	0	0
Chief Financial Officer	1	0	0	0	0
Chief of Staff	1	0	0	0	0
Executive Manager	4	0	0	0	0
Chief Investigator	5	0	0	0	0
Provincial Representative	8	2	2%	0	0
Spokesperson	1	0	0	0	0
Senior Manager	14	0	0	0	0
Total	36	2	2%	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	N/A	N/A	N/A	N/A	N/A
Skilled (Levels 3-5)	0	0	0	0	0%
Highly skilled production (Levels 6-8)	94	2	2%	0	0%
Highly skilled supervision (Levels 9-12)	206	1	0.5%	0	0%
Senior Management (Level 13-16)	36	2	6%	0	0%
Total	336	5	1.5%	0	0%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	19	0	0	2	12	0	1	1	35
Professionals	92	5	3	1	69	7	4	3	184
Technicians and associate professionals	8	0	0	0	20	0	1	1	30
Clerks	20	1	0	0	54	6	2	0	83
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	139	6	3	3	155	13	8	5	332
Employees with disabilities	2	0	0	0	0	0	0	0	2

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	5	0	0	0	7
Senior Management	18	0	0	1	7	0	1	1	28
Professionally qualified and experienced specialists and mid-management	92	5	3	1	69	7	4	3	184
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	20	0	1	1	30
Semi-skilled and discretionary decision making	20	1	0	0	54	6	2	0	83
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	139	6	3	3	155	13	8	5	332

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	1	0	2
Professionally qualified and experienced specialists and mid-management	6	0	1	0	2	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	3	0	0	0	6
Semi-skilled and discretionary decision making	4	0	0	0	6	0	0	0	10
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	15	0	1	0	11	0	1	0	28
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	1	0	2
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	2	0	1	0	5
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	1	0	0	0	0	0	0	1	2
Professionally qualified and experienced specialists and mid-management	7	2	0	1	5	0	0	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	1	0	0	0	3
Semi-skilled and discretionary decision making	0	0	0	0	2	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	12	2	0	1	8	0	0	1	24
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
3 Dismissals	2	1	0	0	0	0	0	0	3
Warnings	0	0	0	0	1	0	0	0	1

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	18	0	0	2	12	0	1	1	34
Professionals	91	2	3	3	75	7	4	4	189
Technicians and associate professionals	5	0	0	0	7	0	0	0	12
Clerks	23	1	0	0	65	5	3	0	97
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	137	3	3	5	159	12	8	5	332
Employees with disabilities	2	0	0	0	0	0	0	0	2

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/Head of Department	N/A	N/A	N/A	N/A
Salary Level 16	1	1	1	100%
Salary Level 15	1	0	0	0%
Salary Level 14	6	6	4	66%
Salary Level 13	30	27	26	96%
Total	38	34	31	91%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons
Executive Manager and Chief Investigator on suspension and Chief of Staff appointed in 02 December 2021.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
N/A

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022 No payment done

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	N/A	137	N/A	N/A	N/A
Female	N/A	159	N/A	N/A	N/A
Asian					
Male	N/A	3	N/A	N/A	N/A
Female	N/A	8	N/A	N/A	N/A
Coloured					
Male	N/A	3	N/A	N/A	N/A
Female	N/A	12	N/A	N/A	N/A
White					
Male	N/A	5	N/A	N/A	N/A
Female	N/A	5	N/A	N/A	N/A
Total	N/A	332	N/A	N/A	N/A

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

No payments were done during the period under review

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	N/A	0	N/A	N/A	N/A	N/A
Skilled (level 3-5)	N/A	0	N/A	N/A	N/A	N/A
Highly skilled production (level 6-8)	N/A	109	N/A	N/A	N/A	N/A
Highly skilled supervision (level 9-12)	N/A	189	N/A	N/A	N/A	N/A
Total	N/A	298	N/A	N/A	N/A	N/A

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022 No payment done

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	N/A	1	N/A	N/A	N/A	N/A
Band B	N/A	1	N/A	N/A	N/A	N/A
Band C	N/A	6	N/A	N/A	N/A	N/A
Band D	N/A	30	N/A	N/A	N/A	N/A
Total	N/A	38	N/A	N/A	N/A	N/A

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	N/A	0	N/A	0	N/A
Highly skilled production (Lev. 6-8)	0	N/A	0	N/A	0	N/A
Highly skilled supervision (Lev. 9-12)	0	N/A	0	N/A	0	N/A
Contract (level 9-12)	0	N/A	0	N/A	0	N/A
Contract (level 13-16)	0	N/A	0	N/A	0	N/A
Total	0	N/A	0	N/A	0	N/A

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
N/A	0	N/A	0	N/A	0	N/A
N/A	0	N/A	0	N/A	0	N/A

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	4	100%	1	100%	4	2308
Highly skilled production (Levels 6-8)	274	76.64%	41	14.96	6.68	280 302
Highly skilled supervision (Levels 9-12)	163	73%	28	17.18	5.82	395 275
Senior Management (Level 13-16)	29	79%	23	79%	1.26	171 390
Total	470	82.16%	93	52.79	4.44%	849 275

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

Salary Band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	1	100%	4	2308
Highly skilled production (Levels 6-8)	42	100%	41	14.96	6.68	280 302
Highly skilled supervision (Levels 9-12)	79	100%	28	17.18	5.82	395 275
Senior Management (Level 13-16)	0	0	23	79%	1.26	171 390
Total	121	100%	93	52.79	4.44%	849 275

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2022

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels3-5)	99	6	52.5
Highly skilled production (Levels 6-8)	2251	87	1169
Highly skilled supervision (Levels 9-12)	4753	187	2470
Senior Management (Level 13-16)	572	27	299.5
Total	1918.75	307	3991

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

Salary Band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior Management (Level 13-16)	0	0	0	0
Total	0	0	0	0

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2021/22	703 931.69	2	351 965.85
Current leave payout on termination of service for 2021/22	1 241 433.50	20	62 071.68
Total	1 945 365.19	22	414 037.53

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
All Categories	Employee Health and Wellness Programme (EHWP)

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr GG Tyelela
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		HR
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		<ul style="list-style-type: none"> ● Employee Assistance Programme ● Psychological Counselling Services. ● HIV and AIDS Voluntary Counselling and Testing ● Financial Services ● Legal Services
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		No	
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		No	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Face to face counselling relating to HIV and AIDS
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		● Voluntary Counselling and Testing done during Health Days and World AIDS Day
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Health Days conducted quarterly Health related issues forwarded to employees on a monthly basis

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022

Total number of Collective agreements	None
---------------------------------------	------

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	0.2%
Verbal warning	1	0.2%
Written warning	1	0.2%
Final written warning	0	0%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	3	0.9%
Not guilty	0	0%
Case withdrawn	0	0%
Total	6	2%

Total number of Disciplinary hearings finalised	3
---	---

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2021

Type of misconduct	Number	% of total
Absenteeism	1	0,2%
Failure to meet the required work standard	1	0,2%
Dereliction of duties	1	0,2%

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of total
Number of disputes upheld	0	0%
Number of disputes dismissed	3	0.9%
Total number of disputes lodged	6	2%

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

Total number of persons working days lost	N/A
Total costs working days lost	N/A
Amount recovered as a result of no work no pay (R'000)	N/A

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2022

Number of people suspended	3
Number of people who's suspension exceeded 30 days	3
Average number of days suspended	100 days
Cost of suspension (R'000)	3 269 220.09 (the number does not seem to take into account the (R'000)

3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	14	0	0	14	14
	Male	20	0	0	20	20
Professionals	Female	90	0	0	90	90
	Male	100	0	0	100	100
Technicians and associate professionals	Female	7	0	0	7	7
	Male	5	0	0	5	5
Clerks	Female	73	0	0	73	73
	Male	24	0	0	24	24
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	184	0	0	184	184
	Male	149	0	0	149	149
Total		333	0	0	333	333

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	16	0	1	7	8
	Male	20	0	2	9	11
Professionals	Female	90	0	6	56	62
	Male	100	0	4	67	71
Technicians and associate professionals	Female	7	0	0	7	7
	Male	5	0	0	5	5
Clerks	Female	73	0	0	52	52
	Male	24	0	0	5	5
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	186	0	7	122	129
	Male	149	0	6	72	92
Total		355	0	13	194	221

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	0	0%

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants at PPSA. In terms of the Public Service Regulations “consultant’ means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
EWP	1	3 Years	R610 614.72

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
EWP	80.10%	80.10%	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

Project title	Total Number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the
N/A	N/A	N/A	N/A

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022

Salary Band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior Management (Level 13-16)	0	0	0	0
Total	0	0	0	0

PPSA MANAGEMENT



Ms Lethabo Mamabolo
**Acting Chief Operations
Officer**



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



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



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



Mr Gumbi Tyelela
**Acting Executive Manager:
Corporate Services**



Ms Yalokile Lusibane
Chief Financial Officer



Ms Ponatshego Mogaladi
**Executive Manager:
Investigations**



Mr Luther Lebelo
Chief of Staff



Mr Rodney Mataboge
**Chief Investigator:
Investigations**



Adv. Johann Raubenheimer
**Chief Investigator:
Investigations**



Adv. Elsabe de Waal
**Chief Investigator:
Provincial Investigation and
Integration (Inland)**



Mr Sello Mothupi
**Chief Investigator:
Investigations**



Mr Baldwin Neshunzhi
**Chief Investigator:
Provincial Investigations
and Integration (Coastal)**



Ms Lesedi Sekele
**Chief Investigator:
Investigations**



Mr Vusumuzi Dlamini
**Chief Investigator:
Investigations**



Ms Kgalalelo Masibi
**Senior Manager:
Outreach**



Mr Tshiamo Senosi
**Senior Manager:
Budget and Payroll**



Ms Zoleka Mntuntum
Senior Manager:
Facilities Management



Mr Futana Tebele
Senior Manager:
CEO Support



Ms Thabang Maswi
Senior Manager:
Supply Chain
Management



Mr Magapane Makaba
Senior Manager:
Risk Management



Mr Hombisa Caleni
Senior Manager:
Information &
Communication Technology



Ms Lethabo Mamabolo
Senior Manager:
Executive Support



Mr Oupa Segalwe
Spokesperson



Ms Machebane Mothiba
Senior Manager:
Strategic Support



Mr Khulong Seema
Senior Manager:
Internal Audit



Mr Amos Skosana
Senior Manager:
Security Management



Adv Mlandeli Nkosi
Provincial Representative
KwaZulu-Natal



Mr Sechele Keebine
Provincial Representative
North West



Mr Vusumuzi Dlamini
Acting Provincial
Representative
Eastern Cape



Adv Mashaba Matimolane
Provincial Representative
Limpopo



Ms Vanessa Mundree
Provincial Representative
Free State



Mr Botromia Sithole
Provincial Representative
Mpumalanga



Ms Winnie Manyathela
Provincial Representative
Gauteng



Mr Mlungisi Khanya
Provincial Representative
Northern Cape



Mr Mulao Lamula
Provincial Representative
Western Cape

PART E: FINANCIAL INFORMATION



Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Public Protector South Africa set out on pages 118 to 169, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Public Protector South Africa as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the constitutional institution in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting officer for the financial statements

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

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

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

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

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

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

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

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework,

as defined in the general notice, for the following selected programme presented in the constitutional institution's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 2 – Investigations	49 – 50

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

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

- Programme 2 - Investigations

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 49 to 50 for information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

18. I did not identify any material findings on compliance with the specific matters in key legislation

set out in the general notice issued in terms of the PAA.

Other information

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

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

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. The other information I obtained prior to the date of this auditor's report is a draft annual report including the report from the accounting officer and the audit committee, and chief financial officer's is expected to be made available to us after 31 July 2022.

23. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

24. When I do receive and read the chief financial officer's report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

Other reports

26. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the constitutional institution's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

27. The Directorate for Priority Crime Investigation (Hawks) undertook an investigation at the Public Protector South Africa at the request of an anonymous complainant, relating procurement processes followed during the appointment of service providers during 2013-14 and 2014-15 financial years. The investigation has since been completed by the Serious Economic Offences Unit and through referral to the National Prosecuting Authority it was decided not to institute prosecution on this matter.

Auditor - General

Pretoria

31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards



PUBLIC PROTECTOR
SOUTH AFRICA

Accountability • Integrity • Responsiveness

Public Protector South Africa
Annual Financial Statements
for the year ended 31 March 2022

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

General Information

Nature of business and principal activities

The Public Protector is an independent institution established in terms of section 181 of the Constitution, the Public Protector has the power, as regulated by national legislation, to investigate any conduct in state affairs, or in the public administration in any sphere of government, that is alleged or suspected to be improper or to have resulted in any impropriety or prejudice, to report on that conduct and to take appropriate remedial action, in order to strengthen and support constitutional democracy in the Republic. The Public Protector is accountable to Parliament of South Africa.

Business address

175 Lunnon Street
Hillcrest Office Park
0083

Postal address

Private Bag X677
Pretoria
0001

Bankers

Standard Bank of South Africa

Auditors

Auditor General of South Africa

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

	Page
Responsibilities and Approval	117
Statement of Financial Position	118
Statement of Financial Performance	119
Statement of Changes in Net Assets	120
Cash Flow Statement	121
Statement of Comparison of Budget and Actual Amounts	122
Accounting Policies	123 - 136
Notes to the Annual Financial Statements	137 - 169

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Index

Abbreviations used:

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Responsibilities and Approval

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

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

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

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

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

The CEO has reviewed the entity's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, she is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity receives grant from National Treasury through Department of Justice and Constitutional Development (DoJ&CD) for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The Annual Financial Statements set out on page 5, which have been prepared on the going concern basis, were approved on July 31, 2022 and were signed off by:



Chief Executive Officer
MT Sibanyoni
29/07/2022

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Prepayments	7	976 699	976 795
Receivables from exchange transactions	8	413 358	127 815
Receivables from non-exchange transactions	9	96 170	532 197
Cash and cash equivalents	10	113 494 498	78 495 313
		114 980 725	80 132 120
Non-Current Assets			
Property, plant and equipment	3	14 247 149	15 171 002
Intangible assets	4	312 048	429 128
		14 559 197	15 600 130
Total Assets		129 539 922	95 732 250
Liabilities			
Current Liabilities			
Payables from exchange transactions	5	20 331 569	27 360 034
Employee benefit obligation	6	59 000	74 000
Finance lease obligation	11	1 403 242	709 022
Provisions	12	31 052 411	29 158 303
		52 846 222	57 301 359
Non-Current Liabilities			
Employee benefit obligation	6	11 936 000	10 032 000
Finance lease obligation	11	1 730 066	1 409 644
Provisions	12	7 578 312	6 681 751
		21 244 378	18 123 395
Total Liabilities		74 090 600	75 424 754
Net Assets		55 449 322	20 307 496
Accumulated surplus		55 449 322	20 307 496
Total Net Assets		55 449 322	20 307 496

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Recoveries of legal fees		-	356 089
Impairment gain		80 810	-
Other income	14	762 568	809 591
Interest received - investment	15	2 332 277	1 848 119
Total revenue from exchange transactions		3 175 655	3 013 799
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	16	359 952 273	353 781 400
Revenue - services in kind	17	11 614 866	10 824 543
Total revenue from non-exchange transactions		371 567 139	364 605 943
Total revenue	13	374 742 794	367 619 742
Expenditure			
Staff costs	18	(245 998 223)	(253 382 250)
Depreciation and amortization	19	(4 858 151)	(4 696 572)
Finance costs	20	(1 149 000)	(899 000)
Debt Impairment	21	-	(1 153 440)
Loss on disposal of assets and liabilities		(43 340)	(403 892)
Actuarial losses		(70 818)	(1 159 928)
Administrative expenses	22	(87 481 434)	(91 195 075)
Total expenditure		(339 600 966)	(352 890 157)
Surplus for the year		35 141 828	14 729 585

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2020	5 577 909	5 577 909
Changes in net assets		
Surplus previously reported for the year	16 261 446	16 261 446
Correction of error note 29 and 30*	(1 531 859)	(1 531 859)
Total changes	14 729 587	14 729 587
Restated* Balance at 01 April 2021	20 307 494	20 307 494
Changes in net assets		
Surplus for the year	35 141 828	35 141 828
Total changes	35 141 828	35 141 828
Balance at 31 March 2022	55 449 322	55 449 322
Note(s)		

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Grants		359 860 000	353 631 832
Interest income		2 159 810	1 776 834
Other receipts		1 258 598	866 758
		<u>363 278 408</u>	<u>356 275 424</u>
Payments			
Staff costs		(251 275 679)	(245 409 511)
Suppliers		(73 008 631)	(83 816 042)
Finance costs		(1 149 000)	(899 000)
		<u>(325 433 310)</u>	<u>(330 124 553)</u>
Net cash flows from operating activities	23	<u>37 845 098</u>	<u>26 150 871</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 645 463)	(6 712 041)
Proceeds from sale of property, plant and equipment	3	(2)	159 901
Purchase of other intangible assets	4	-	(437 000)
Net cash flows from investing activities		<u>(1 645 465)</u>	<u>(6 989 140)</u>
Cash flows from financing activities			
Finance lease obligation		(1 200 448)	(139 446)
Net increase/(decrease) in cash and cash equivalents		34 999 185	19 022 285
Cash and cash equivalents at the beginning of the year		78 495 313	59 473 028
Cash and cash equivalents at the end of the year	10	<u>113 494 498</u>	<u>78 495 313</u>

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Impairment gain	-	-	-	80 810	80 810	1 (Note 36)
Other income	162 000	-	162 000	854 841	692 841	2 (Note 36)
Interest received - investment	2 692 000	-	2 692 000	2 332 277	(359 723)	3 (Note 36)
Total revenue from exchange transactions	2 854 000	-	2 854 000	3 267 928	413 928	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	329 030 000	30 830 000	359 860 000	359 952 273	92 273	
Revenue - Service in Kind	-	-	-	11 614 866	11 614 866	4 (Note 36)
Total revenue from non-exchange transactions	329 030 000	30 830 000	359 860 000	371 567 139	11 707 139	
Expenditure						
Staff cost	(251 821 000)	(1 973 000)	(253 794 000)	(245 998 223)	7 795 777	5 (Note 36)
Depreciation and amortisation	(3 311 000)	(889 000)	(4 200 000)	(4 858 151)	(658 151)	6 (Note 36)
Finance costs	-	(1 150 000)	(1 150 000)	(1 149 000)	1 000	
Administrative Expenses	(76 752 000)	(26 703 736)	(103 455 736)	(87 481 434)	15 974 302	7 (Note 36)
Total expenditure	(331 884 000)	(30 715 736)	(362 599 736)	(339 486 808)	23 112 928	
Operating surplus	-	114 264	114 264	35 348 259	35 233 995	
(Loss on disposal of assets and liabilities)	-	(43 446)	(43 446)	(43 340)	106	
Actuarial gains/losses	-	(70 818)	(70 818)	(70 818)	-	
	-	(114 264)	(114 264)	(114 158)	106	
Surplus before taxation	-	-	-	35 234 101	35 234 101	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	35 234 101	35 234 101	

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

Figures in Rand	Note(s)	2022	2021 Restated*
-----------------	---------	------	-------------------

1. Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty

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

Leave and bonus provision

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

Useful lives and depreciation methods and asset impairment

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

Post retirement benefits

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 6.

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.4 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	7 - 25 years
Motor vehicles	Straight-line	5 - 7 years
Office equipment	Straight-line	7 - 25 years
Computer software	Straight-line	4 - 11 years
Leasehold improvements - Buildings	Straight-line	5 - 25
Computer equipment	Straight-line	7 - 17 years
Other leased Assets	Straight-line	3 Years / Lease term

The depreciable amount of an asset is allocated on a systematic basis over its useful life, leasehold improvement also takes into consideration the lease term.

Other leased assets useful life is determinable by the lease term or the company's policy.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.5 Intangible assets (continued)

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

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

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

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

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

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	4 - 11 Years

Intangible assets are derecognised:

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

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

1.6 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an Constitutional Institution's statement of financial position.

A financial asset is:

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

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.6 Financial instruments (continued)

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the amortised cost. All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Receivables from exchange transactions

Trade and other receivables classified as loans and receivables are measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Payables from exchange transactions

Trade and other payables are classified as liabilities at amortised cost and are measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, on deposit and other short-term readily realisable liquid instruments. Cash and cash equivalents that have been classified as loans and receivables are initially recognised at fair value and subsequently at amortised cost.

Gains and losses

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

Impairment and uncollectability of financial assets

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.6 Financial instruments (continued)

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

Derecognition

Financial assets

The entity derecognises a financial asset only when:

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

Financial Liabilities

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

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

1.7 Leases

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

Operating leases - lessee

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

1.8 Impairment of non-cash-generating assets

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

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

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

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

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

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

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

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

1.9 Key management personnel

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.10 Employee benefits

Short-term employee benefits

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

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

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

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

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

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Gratuity

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.10 Employee benefits (continued)

Post-employment benefits

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

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

Post-employment benefits: Defined benefit plans

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

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

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

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

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

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

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

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

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

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

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

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.10 Employee benefits (continued)

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

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

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

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

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

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

Contingent Liabilities

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

Contingent Assets

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.11 Provisions and contingencies (continued)

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

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.13 Revenue from exchange transactions

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

Interest Income

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

Recoveries of legal fees

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

Measurement

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

1.14 Revenue from non-exchange transactions

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

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

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

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

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

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

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.

Recognition

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

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

Measurement

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

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

Services in-kind

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

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

1.15 Borrowing and finance costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

Finance costs is also derived from Post-employment medical aid benefits. The calculation is performed by an independent actuary based on the nominal and real zero coupon government bond yield curves constructed by Sanlam Investments as at 31 March 2022 (closest available date to the valuation date) to discount the expected future payments. Different discount and inflation rates (according to the yield curve) are therefore used for medical aid subsidies paid at different future durations.

1.16 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.16 Accounting by principals and agents (continued)

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.17 Fruitless and wasteful expenditure

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

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

1.18 Irregular expenditure

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

1.19 Surplus or deficit

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

1.20 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the fiscal period from 01 April 2021 to 31 March 2022. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.21 Related parties (continued)

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the Institution, including those charged with the governance of the Institution in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Institution.

The Institution is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the Institution to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the Institution is exempt from the disclosures in accordance with the above, the Institution discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.22 Events after reporting date

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

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

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

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

1.23 Unspent conditional grant

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

1.24 Prepayments

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">GRAP 25 (as revised): Employee Benefits	To be confirmed	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none">iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	To be confirmed	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none">GRAP 104 (as revised): Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none">iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Not expected to impact results but may result in additional disclosure

Notes to the Annual Financial Statements

Figures in Rand

2022
2021
Restated*

3. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	9 470 270	(7 635 640)	1 834 630	9 383 603	(8 285 769)	1 097 834
Motor vehicles	6 555 099	(3 234 357)	3 320 742	6 555 099	(2 145 457)	4 409 642
Office equipment	4 995 155	(4 623 606)	371 549	5 060 666	(4 566 063)	494 603
IT equipment	20 916 226	(15 830 730)	5 085 496	20 418 091	(13 817 476)	6 600 615
Leasehold improvements	453 786	(108 849)	344 937	453 786	(18 141)	435 645
Other leased Assets	4 473 204	(1 183 409)	3 289 795	2 258 113	(128 450)	2 132 663
Total	46 863 740	(32 616 591)	14 247 149	44 129 358	(28 958 356)	15 171 002

Notes to the Annual Financial Statements

Figures in Rand

2022
2021
Restated*

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 097 834	964 134	(8 040)	(219 298)	1 834 630
Motor vehicles	4 409 642	-	-	(1 088 900)	3 320 742
Office equipment	494 603	38 362	(922)	(160 494)	371 549
IT equipment	6 600 615	642 969	(34 376)	(2 123 712)	5 085 496
Leasehold improvements	435 645	-	-	(90 708)	344 937
Other leased Assets	2 132 663	2 215 091	-	(1 057 959)	3 289 795
	15 171 002	3 860 556	(43 338)	(4 741 071)	14 247 149

Notes to the Annual Financial Statements

Figures in Rand

2022
2021
Restated*

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 313 808	-	(348)	(215 626)	1 097 834
Motor vehicles	3 236 049	2 154 262	-	(980 669)	4 409 642
Office equipment	646 828	34 500	(513)	(186 212)	494 603
IT equipment	6 136 614	4 069 493	(562 932)	(3 042 560)	6 600 615
Leasehold improvements	-	453 786	-	(18 141)	435 645
Other leased Assets	-	2 258 113	-	(125 450)	2 132 663
	11 333 299	8 970 154	(563 793)	(4 568 658)	15 171 002

Notes to the Annual Financial Statements

Figures in Rand

2022
2021
Restated*

4. Intangible assets

	2022		2021			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 329 666	(1 017 618)	312 048	1 329 666	(900 538)	429 128

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	429 128	(117 080)		312 048

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	120 042	437 000	(127 914)	429 128

5. Payables from exchange transactions

Trade payables	4 774 680	2 061 102
Deferred operating leases	686 591	330 845
Salaries and allowances	2 704 247	7 905 732
Other trade payables	-	1 844 400
Deposits received	31 604	31 604
Accrued services bonus	6 184 169	6 175 075
Creditors accrual	5 944 063	9 011 276
VAT on import services	6 215	-
	20 331 569	27 360 034

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

5. Payables from exchange transactions (continued)

Salaries and allowances decreased as compared to previous year as a result of the PAYE for March which was paid before the end of financial year.

Other trade payables relates to the prior year correction of rental of the private residence accommodation which were not presented for payment by DPW. The effect of the transaction has been accounted for correctly in the current financial year.

6. Employee benefit obligations

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

Carrying value

Opening Balance	(10 106 000)	(7 568 000)
Interest cost	(1 149 000)	(899 000)
Current service cost	(725 000)	(548 000)
Benefits paid	55 818	68 928
Actuarial gains or (losses)	(70 818)	(1 159 928)
	(11 995 000)	(10 106 000)
Non-current liabilities	(11 936 000)	(10 032 000)
Current liabilities	(59 000)	(74 000)
	(11 995 000)	(10 106 000)

Net expense recognised in the statement of financial performance

Current service cost	725 000	548 000
Interest cost	1 149 000	899 999
Actuarial (gains) losses	70 818	1 159 428
Benefits paid	(55 818)	(68 928)
	1 889 000	2 538 499

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

6. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

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

The calculations are performed by independent actuaries on yearly basis. The valuation for this financial year was completed on the 19 May 2022.

Contribution Rate Structure

Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependents. Some options also differentiate on the basis of income.

Post-Employment Subsidy Policy

Eligible employees will receive a post-employment subsidy of 75% of the contribution payable should they be a member of a medical scheme at retirement, subject to a minimum of five uninterrupted years of service prior to retirement. Membership is compulsory for all PPSA employees, however there are currently a number of employees who are not members. They have been included in this valuation.

Continuation members and their eligible dependents receive a 75% subsidy. Only a spouse or life partner is covered as an independent under this benefit. Upon a member's death-in-service, surviving dependents are not entitled to commence receipt of the subsidy. Upon a member's death-in-retirement, surviving dependents are not entitled to continue to receive the subsidy.

Comparison of Vital Statistics

The table below presents vital statistics on eligible employees at the valuation dates.

Comparison of in-service statistics

Eligible Employees	31/03/2022	31/03/2021
Total eligible employees	226	222
Number of in-service members	182	179
Average age	42,0	41,2
Average past service	11,1	10,5
Average current value of post-employment subsidy p.m.	R 2,432	R2,350
Number of in-service non-members	44	43
Average age	39,8	39,7
Average past service	9,3	9,2
Average current value of post-employment subsidy p.m.	R 2,598	R2,442

Comparison of Valuation Assumptions

The table below compares the assumptions used at the current and previous valuation dates.

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

6. Employee benefit obligations (continued)

Assumption	31/03/2022	31/03/2021
Discount rate	10,74%	11,41%
Health care cost inflation rate	7,37%	7,89%
Net-of-health-care-cost-inflation discount rate	3,14%	3,26%
Maximum subsidy inflation rate	6,87%	7,39%
Net-of-maximum-subsidy-inflation discount rate	3,62%	3,74%
Average retirement age		62
Mortality during employment		SA 85-90
Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a. from 2010	
Withdrawal rates	See Table A4.2 of the Actuarial report	
Proportion with a spouse dependent at retirement		60%
Continuation of membership at retirement		90%
Proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy at and after retirement		45%

The table below summarizes the results of this analysis on the Current-Service and Interest Costs for the year ending 31 March 2022.

Assumptions	Change	Svc. Cost	Interest Cost	Total	%Change
Central assumptions		725,000	1,149,000	1,874,000	
Health care inflation rate	+1%	733,000	1,156,000	1,889,000	1%
	-1%	711,000	1,136,000	1,847,000	-1%
Discount rate	+1%	588,000	1,046,000	1,634,000	-13%
	-1%	903,000	1,268,000	2,171,000	16%
Post-employment mort.	-1 yr	745,000	1,183,000	1,928,000	3%
Average retirement age	-1 yr	771,000	1,223,000	1,994,000	6%
Membership continuation	-10%	637,000	1,022,000	1,659,000	-11%

7. Prepayments

Prepayments		
Opening balance	976 795	1 003 723
Additions	976 699	-
Less: utilised	(976 795)	(26 928)
	976 699	976 795

8. Receivables from exchange transactions

Interest receivable	280 378	107 911
Other receivable	1 239 754	1 187 584
Provision for doubtful debts	(1 106 774)	(1 187 584)
VAT receivable	-	19 904
	413 358	127 815

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

8. Receivables from exchange transactions (continued)

Trade and other receivables impaired

In determining the recoverability of trade receivables, the PPSA considered any change in quality of the trade receivables from the date that the credit was initially granted to the reporting date.

Management considered a change in estimates in determining the impairment and the change was implemented retrospectively.

At March 31, 2022, R 1,106,774 (2021: R 1,187,584) were past due and considered for an assessment of impairment.

The ageing of these debts is as follows:

Over 6 months	1 106 774	1 187 584
---------------	-----------	-----------

Reconciliation of provision for impairment of trade and other receivables

Opening balance	1 187 584	48 567
Movement in provision	(80 810)	1 139 017
	1 106 774	1 187 584

9. Receivables from non-exchange transactions

Other receivables from non-exchange revenue	96 170	532 197
---	--------	---------

Other receivables from non-exchange transaction has been reduced as a result of an amount recovered from Sanlam for a retired employee. Included in the receivable balance is a debt amount raised for SASSETA (R92,273).

PPSA entered into a contract with SASSETA to train interns on its behalf. In terms of the contractual arrangement SASSETA transfers proportionally an amount to be paid to the interns to PPSA. Therefore PPSA is the acting agent to SASSETA. This is the principal – agent arrangement and is accounted for in terms of GRAP 109: Accounting by Principals and Agents.

PPSA does not have additional resources held on behalf of the principal other than the disclosed.

10. Cash and cash equivalents

The cash balance remain within the primary bank account of PPSA. An increase in cash balance for this current financial year relates to the approval granted by National Treasury of an additional funding of R30.8 million in the year 2021/22 which was a change in baseline.

Cash on hand	17 324	20 338
Bank balances	113 477 174	78 474 975
	113 494 498	78 495 313

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
11. Finance lease obligation		
Minimum lease payments due		
- within one year	1 578 120	836 688
- in second to fifth year inclusive	1 816 344	1 507 913
	<u>3 394 464</u>	<u>2 344 601</u>
less: future finance charges	(261 156)	(225 935)
Present value of minimum lease payments	3 133 308	2 118 666
Present value of minimum lease payments due		
- within one year	1 403 242	709 021
- in second to fifth year inclusive	1 730 066	1 409 645
	<u>3 133 308</u>	<u>2 118 666</u>
Non-current liabilities	1 730 066	1 409 644
Current liabilities	1 403 242	709 022
	<u>3 133 308</u>	<u>2 118 666</u>

PPSA has entered into a lease agreement with Telkom SA for cellphones devices plus package. It is the company's policy to lease certain items of property, plant and equipment.

Notes to the Annual Financial Statements

Figures in Rand 2022 2021
Restated*

12. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Gratuity	6 681 751	896 561	-	-	7 578 312
Provisions - Other	3 715 875	5 844 939	(2 969 206)	-	6 591 608
Accumulated leave	19 539 247	3 962 054	(212 930)	(3 727 450)	19 560 921
Performance awards	5 903 181	-	(301 497)	(701 802)	4 899 882
	35 840 054	10 703 554	(3 483 633)	(4 429 252)	38 630 723

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Gratuity	5 785 191	896 560	-	-	6 681 751
Provisions - Other	3 641 939	3 119 102	-	(3 045 166)	3 715 875
Accumulated leave	15 294 518	6 163 218	(1 918 489)	-	19 539 247
Performance awards	4 939 135	4 899 882	(3 036 269)	(899 567)	5 903 181
	29 660 783	15 078 762	(4 954 758)	(3 944 733)	35 840 054

Non-current liabilities	7 578 312	6 681 751
Current liabilities	31 052 411	29 158 303
	38 630 723	35 840 054

The Public Protector is entitled to a taxable lump sum gratuity when vacating the office as stated in conditions of service applicable to her. The Public Protector's term of office is a fixed term of seven (7) years. The current Public Protector's term will officially end in 2023.

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

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

Management took a decision to consolidate Provisions Legal with other Creditors, thus amending the GL code description for fair presentation. A consolidation is the best possible presentation for users of annual financial statements. Provisions other includes legal fees awarded by the court and operating expenditure incurred, with uncertainty in the timing or amounts.

13. Revenue

Recoveries of legal fees	-	356 089
Impairment gain	80 810	-
Other income	762 568	809 591
Finance income	2 332 277	1 848 119
Government grants & subsidies	359 952 273	353 781 400
Services in kind	11 614 866	10 824 543
	374 742 794	367 619 742

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

13. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Recoveries	-	356 089
Impairment gain	80 810	-
Other income	762 568	809 591
Interest received - investment	2 332 277	1 848 119
	3 175 655	3 013 799

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government transfers (DoJ)	359 952 273	353 781 400
Services in kind	11 614 866	10 824 543
	371 567 139	364 605 943

14. Other income

Recoveries of salaries	432 698	360 000
Recoveries of bursaries	82 158	8 770
Parking and access card	97 850	86 230
Other income	149 862	354 591
	762 568	809 591

15. Finance income

Interest revenue

Finance income	2 332 277	1 848 119
----------------	-----------	-----------

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

16. Revenue from non exchange transactions (Grants)

Operating grants

Government transfers (DoJ)	359 952 273	353 494 000
SASSETA grant	-	287 400
	359 952 273	353 781 400

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	-	287 400
Unconditional grants received	359 860 000	353 494 000
	359 860 000	353 781 400

Government transfers (DoJ)

Current-year receipts	359 860 000	353 494 000
Conditions met - transferred to revenue	(359 860 000)	(353 494 000)
	-	-

The grant received from DoJ to fund the operations of PPSA.

SASSETA grant

Balance unspent at beginning of year	-	149 658
Current-year receipts	-	137 742
Conditions met - transferred to revenue	-	(287 400)
	-	-

PPSA entered to memorandum of agreement to train interns for 2020/21 financial year. These agreement was renewed in 2021/22 financial year.

17. Revenue from non-exchange transactions (Service in-kind)

Services in-kind	11 614 866	10 824 543
------------------	------------	------------

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

The Department of Public Works pays for our offices in Rustenburg and Mafikeng; however there was no reliable estimates to recognise services in kind at the reporting date.

Notes to the Annual Financial Statements

Figures in Rand

	2022	2021 Restated*
--	------	-------------------

18. Staff costs

Basic	171 364 800	168 266 917
Performance awards	159 738	4 000 315
Medical aid - company contributions	7 398 763	7 159 661
UIF	681 372	601 622
Cell phone allowance	1 001 556	2 594 141
Medical aid allowance	654 411	696 990
Employer contribution : pension GEPF	20 943 712	21 183 143
Travel, motor car, accommodation, subsistence and other allowances	1 698 677	1 870 142
13th Cheques	12 418 525	12 517 169
Acting allowances	1 249 911	1 733 085
Housing benefits and allowances	6 796 859	6 868 452
Gratuity	896 560	896 560
Pension allowances	2 706 995	2 925 965
Non-pensionable allowance	16 208 476	16 436 815
Leave days discounting	1 318 311	5 120 922
Other staff allowances	499 557	510 351
	245 998 223	253 382 250

19. Depreciation and amortisation

Property, plant and equipment	4 741 071	4 568 658
Intangible assets	117 080	127 914
	4 858 151	4 696 572

20. Finance costs

Post employment medical benefits - Interest costs	1 149 000	899 000
---	-----------	---------

The Interest Cost represents the accrual of interest on the total accrued liability, allowing for benefit payments, over the corresponding year. This arises because the post-employment medical aid contributions are one year closer to payment.

21. Debt impairment

Debt impairment	-	1 153 440
-----------------	---	-----------

The institution changed its estimates on the assessment of impairment which resulted in the correction implemented retrospectively.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
22. Administrative expenses		
Advertising	95 506	28 996
Auditors remuneration	4 296 674	3 069 104
Bank charges	90 476	92 066
Cleaning	3 075 552	2 945 962
Consulting and professional fees (22.1)	25 427 392	31 590 119
Entertainment	39 536	28 972
Rental - Service in kind	11 614 866	10 824 543
Rental of buildings (22.2)	11 833 411	14 998 150
Parking	942 819	1 216 052
Printing and Publications: Annual report and APP	123 589	251 558
Insurance	178 306	345 985
IT expenses	13 416 180	12 912 755
Marketing	448 775	332 920
Fuel and oil	490 933	239 524
Postage and courier	256 357	447 644
Printing and stationery	395 525	776 365
Personal protective equipment	2 254	538 446
Security	1 753 866	1 272 312
Subscriptions and membership fees	61 502	84 816
Communications: Cellphones (22.3)	771 586	311 028
Training and bursaries	551 967	176 330
Travel - local	2 218 717	1 670 582
Municipal services	4 381 128	2 458 849
Communication telephone and fax	1 191 014	1 002 281
Copy chargers - Photocopiers	342 732	210 750
Non-capitalised assets	1 063 507	1 114 662
Current service cost (post-employment medical benefits)	725 000	548 000
Storage	289 351	42 778
Compensation fee	299 140	300 443
General and administrative expenses	1 103 773	1 363 083
	87 481 434	91 195 075

22.1. Included in consultation and professional fees are legal fees.

22.2. Rental of premises is inclusive of the rental of offices for PPSA across the country.

22.3. Communication: Cellphones increased as compared to the previous financial year because of the allowance which are no longer payable to the employees, PPSA has entered into a contract with Telkom SA for the procurement and distribution of cellphones to its staff. Furthermore the data allowance increased because of the hybrid workplan system.

23. Cash generated from operations

Surplus	35 141 828	14 729 585
Adjustments for:		
Depreciation and amortisation	4 858 151	4 696 572
Loss on sale of assets and liabilities	43 340	403 892
Debt impairment	-	1 153 440
Movements in retirement benefit assets and liabilities	1 889 000	2 538 000
Movements in provisions	2 790 669	6 179 271
Changes in working capital:		
Receivables from exchange transactions	(285 543)	742 184
Movement in provision of doubtful debt	-	(1 153 440)
Other receivables from non-exchange transactions	436 027	98 001
Prepayments	96	26 928
Payables from exchange transactions	(7 028 470)	(3 113 904)
Unspent conditional grants and receipts	-	(149 658)
	37 845 098	26 150 871

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

24. Operating surplus

Operating surplus for the year is stated after accounting for the following:

Loss on sale of property, plant and equipment	(43 340)	(403 892)
Amortisation on intangible assets	117 080	127 914
Depreciation on property, plant and equipment	4 741 071	4 568 658
Employee costs	245 998 223	253 382 250

25. Commitments

Authorised operational expenditure

Approved and contracted

• Contracted services	49 409 033	17 935 073
• Procurement of goods	4 001 563	947 417
	53 410 596	18 882 490

Approved but not contracted

• Approved services but not yet contracted	7 130 250	33 847 984
--	-----------	------------

Total operational commitments

Approved and contracted	53 410 596	18 882 490
Approved but not yet contracted	7 130 250	33 847 984
	60 540 846	52 730 474

In 2021-22 PPSA had realised an increase in the commitments which is due to number of goods and services which have been contracted in Q4 such as: Procurement of two (2) bakkies for outreach programme; Dell laptops; zippel bulk filling cabinets; productivity monitoring tool; Risk and Internal Audit software; Installation of video conferencing equipment and upgrading of contract management and provision of SAP Business One maintenance and support.

The above projects were funded by retained surplus approved by National Treasury in September 2021

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	3 168 476	7 509 111
- in second to fifth year inclusive	5 567 100	6 901 444
	8 735 576	14 410 555

PPSA occupies office buildings leased under operating leases. The Department of Public Works and Infrastructure entered into the lease agreements on behalf of the Public Protector South Africa. The lease payments made by the Department of Public Works are being recovered from PPSA. The lease term ranges between 1 - 5 years. This escalation rate ranges between 5.5% to 10%. Five other office buildings are occupied at no cost to the PPSA, of which three are owned by the Department of Public Works and Infrastructure and two are leased but paid directly by the Department of Public Works and Infrastructure from its own budget.

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

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

26. Contingencies

Contingent Liabilities

1. In the matter of the **Public Protector vs. Nchaube Peter Seabi**, whereby the latter is claiming an amount of R350, 000 for vicarious liability arising from alleged assault of the plaintiff by our employee. The Public Protector is opposing the matter. The legal team believes that PPSA has a reasonable defense against the claim and that the probability of loss will be unlikely. Accordingly, no provision has been made in the annual financial statements.
2. In the matter of the **Public Protector vs. Mr Itumeleng Max Moletsane**, Lesenyeho Mogakabe, whereby the latter is claiming an amount of R 1,000,000 (shared with other 3 defendants) for damages caused by the alleged failure by the Public Protector to direct the NCC to refer his case to the Tribunal. The plaintiff claims that the Public Protector failed to ensure that his right to access the tribunal or court were protected. The Public Protector is defending the matter. The legal team believes that PPSA has a reasonable defense against the claim and that the probability of loss will be unlikely. Accordingly, no provision has been made in the annual financial statements.
3. In the matter of the **Public Protector vs. Nkwinti**, the applicant applied to the court to interdict the Public Protector from releasing a report. The court ordered in favor of the applicant with costs. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.
4. In the matter of the **Public Protector vs. the President of Republic of South Africa**, the applicant applied to the court to stay the implementation of the remedial action. The interim relief was granted in favor of the President with costs. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.
5. In the matter of the **Public Protector vs. Basani Baloyi**, the applicant made an appeal to the Constitutional Court for an unfair labor practice/ dismissal resulting from non-confirmation of probation period. The court ordered in favor of the applicant with costs. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.
6. In the matter of the **Public Protector vs. DA, CASAC**, the PPSA made an appeal against the judgement of the High Court regarding the Vrede Report. The court dismissed the appeal with costs ordered in favor of the defendant. The DA's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.
7. In the matter of the **Public Protector vs. Speaker of the National Assembly**, the PPSA made an urgent application to suspend Parliamentary Proceedings on Removal of the Head of Chapter 9 Institution (Part A). The court dismissed the application with costs ordered in favor of Speaker of the National Assembly and DA. The Respondents' attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.
8. In the matter of the **Public Protector vs. Democratic Alliance**, the appeal made by the applicant in the defamation lawsuit launched by the Public Protector. The court ordered in favor of the applicant with costs. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.
9. In the matter of the **Public Protector vs. MJ Shabangu**, whereby the latter is claiming an amount of R12, 000 for damages in respect of defamation resulting from joint report issued by the PPSA and CLR. The Public Protector is opposing the matter. The legal team believes that PPSA has a reasonable defense against the claim and that the probability of loss will be unlikely. Accordingly, no provision has been made in the annual financial statements.
10. In the matter of **Pravin Gordhan vs. the Public Protector (Pillay)**. The review of the Public Protector's report into allegations of unlawful approval of Mr Pillay's early retirement. Judgement statements, was handed down with costs. Both the Public Protector and Mr Gordhan have applied for leave to appeal, the leave to appeal was dismissed with costs in favour of Pravin Gordhan on 07 April 2021. Accordingly, no provision has been made in the annual financial statements.
11. In the matter of **Pravin Gordhan vs. the Public Protector (Rogue Unit)**. The review of the Public Protector's report investigation into allegations of violation of the Executive Ethics Code by Mr Pravin Gordhan, MP as well as maladministration , corruption and improper conduct by the South African Revenue Services. Judgement was handed down with costs. PPSA appealed the judgment and Mr Gordhan, the leave to appeal was dismissed with costs on 26 May 2021. The Public Protector has filed a petition to the Supreme Court of Appeal. Accordingly, no provision has been made in the annual financial statements.

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

26. Contingencies (continued)

12. In the matter of the **Public Protector vs. Msibi**, whereby the Public Protector's report no. 69 of 2019/20 was taken on review. Judgement was handed down on 27 January 2022 in favor of Mr Msibi. The Public Protector is opposing the matter and has filed for an appeal. The legal team believes that PPSA has a reasonable defense against the claim and that the probability of loss will be unlikely. Accordingly, no provision has been made in the annual financial statements.

13. In the matter of the **Public Protector vs. Helen Zille**, whereby the Public Protector's report no. 05 of 2018/19 was taken on review. Judgement was handed down unopposed on 22 February 2022 in favor of Ms. Zille. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.

14. In the matter of the **Public Protector vs. Maruping Lekwene**, whereby the Public Protector's report no. 09 of 2021/22 was taken on review. Judgement was handed down on 07 March 2022 in favor of the applicant. The applicant's attorneys are still drafting the costs and there was no reliable estimate on the reporting date, thus no provision has been made in the annual financial statements.

15. National Treasury instruction note 12 of 2020/21 requires institutions to declare surpluses or deficits to the relevant treasury using the annual financial statements. An estimated calculation for surplus for 2021/22 financial year stands at R61 157 804. A contingent liability therefore exists in relation to the retention of surplus funds for the 2021/22 financial year.

16. In the matter of the **Public Protector vs. SARA**, SARA applied to review and aside the Public Protector's report. Legal Services proposed that the application be not opposed in order to avoid drawn out and expensive litigation. The parties agreed to non opposition except on the issue of the cost of the application. The applicant will submit his bill for taxation in order to determine the costs of the application.

17. In the matter of the **Public Protector vs. Samuel**, the commissioner (CCMA) ruled in favour of Mr Samuel and ordered a re-instatement, a 12 month's salary or R1.5m. Management is challenging this ruling, thus no provision has been made in the annual financial statements.

Contingent assets

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

2. In the matter of **Pravin Gordhan vs. the Public Protector (Pillay)**. The review of the Public Protector's report into allegations of unlawful approval of Mr Pillay's early retirement. Judgement statements was handed down with costs. Both the Public Protector and Mr Gordhan have applied for leave to appeal, thus no debtor has been raised in the annual financial statements.

3. In the matter of **Pravin Gordhan vs. the Public Protector (Rogue Unit)**. The review of the Public Protector's report investigation into allegations of violation of the Executive Ethics Code by Mr Pravin Gordhan, MP as well as maladministration, corruption and improper conduct by the South African Revenue Services. Judgement was handed down with costs. The bill has not been submitted for taxation as PPSA intends to appeal the judgment and Mr Gordhan is equally appealing the costs orders granted against him, thus no debtor has been raised in the annual financial statements.

4. In the matter of **Minister of Finance vs. the Public Protector**. The Public Protector's report into Venda Pension Fund. Judgement was handed down with costs. The bill has not been submitted for taxation as the Minister indicated his intention to appeal, thus no debtor has been raised in the annual financial statements.

5. In the matter of **Mapula Mokaba vs. the Public Protector**. The review application of the Public Protector's report No. 15 of 2016/17. Ms. Mapula was ordered to pay the costs of the Public Protector in respect of the condonation application. Attorneys have been instructed to tax the bill. Thus no debtor has been raised in the annual financial statements.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

26. Contingencies (continued)

6. In the matter of **Anton Mostert v PPSA** the judgment was handed down on 10 June 2021 in favor of PPSA. Anton Mostert has lodged an application for consideration. The bill has not been submitted for taxation thus no debtor has been raised in the annual financial statements.

7. In the matter of **Trevor Mark v PPSA** the judgment was handed down on 16 February 2022 with costs. The bill has not been submitted for taxation thus no debtor has been raised in the annual financial statements

8. In the matter of **Gilingwe Nkwinti v PPSA** the judgment was handed down on 14 December with costs. Mr Nkwinti has since filed for notice to appeal, thus no debtor has been raised in the annual financial statements

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

27. Related parties

Relationships	DoJ&CJ
Funds transferring department	Related party transactions between the Public Protector South Africa and Department of Public Works.
Rental agreement	Safety and Security Sector Education and Training Authority (SASSETA)
Partnering agency for internship and skills development training	Legal Aid South Africa
Other entities within the Justice Portfolio	Guardian's Fund
	President's fund
	Special Investigating Unit
	The Human Rights Commission
	Criminal Asset Recovery Account
	Justice Administered Fund
	Office of the Chief Justice
	Department of Correctional Services
	National Prosecuting Authority
	Rules Board for Courts of law
	South African Boards of Sheriffs
	South African Law Reform Commission (SALRC)
	Council of Debt Collectors
Members of key management	Refer to the details below

Additional information to the note

The Public Protector is an independent constitutional institution established in terms of section 181 (1) (a) of the Constitution of the Republic of South Africa, with a mandate to support and strengthen constitutional democracy.

The Public Protector is publicly funded and accountable to Parliament, yet independent of government in carrying out its operational functions. As a Constitutional Institution, the Public Protector, reports to the National Assembly.

Accordingly, national departments, national trading entities and national public entities are accountable to Parliament, thus making the Public Protector a related party within the national sphere of government.

The Public Protector is a supreme administrative oversight body, with the power to investigate, report and remedy improper conduct in state affairs. The Public Protector must be accessible to all persons and communities. The adequate funding of the Public Protector through parliamentary appropriation is necessary to ensure that the Public Protector delivers on its mandate.

Key management information

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

Related party balances

SASSETA contract

Other receivables from non-exchange transactions (Refer to Note 9)	92 273	-
--	--------	---

The contract to appoint interns was renewed between PPSA and SASSETA during the year under review. The intake started in March 2022 and payments were made to interns. As at the 31 March 2022 SASSETA owed PPSA the amount reported above. The balance is part of the receivables from non exchange transactions in the Statement of Financial position.

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

27. Related parties (continued)

Related party transactions

Government grants & subsidies (Refer to note 16) DoJ&CD	359 860 000	353 494 000
Revenue - services in kind (Refer to note 17)	11 614 866	10 824 543
Government grants & subsidies (Refer to note 16) SASSETA	-	287 400

Notes to the Annual Financial Statements

Figures in Rand

2022 2021
Restated*

27. Related parties (continued)

Key Management Personnel Remuneration

Key Management Personnel Information

2022

Name	Basic salary	Pension allowance	Travel allowance	Medical aid allowances	Non Pensionable allowance	Other allowance	Service Bonus	Gratuity	Other benefits received	Total
Public Protector - Adv BJ Mkhwebane ~	1 723 987	-	-	-	662 485	77 700	-	896 560	-	3 360 732
Deputy Public Protector - Adv KN Gcaleka	1 088 439	-	-	-	725 626	-	-	-	-	1 814 065
Chief Executive Officer - MT Sibanyoni	1 204 927	156 640	75 000	9 500	336 094	147 463	41 219	-	-	1 970 843
Chief Operating Officer-L Mohalaba ^a	543 001	81 450	-	-	235 300	9 862	74 046	-	122 465	1 066 124
Acting COO - L Mmamabolo *	-	-	-	-	-	-	-	-	243 980	243 980
Chief Financial Officer - Y Lusibane	907 093	136 064	-	60 000	250 222	106 680	73 842	-	-	1 533 901
Chief of Staff- SC Nyembe**	349 763	52 464	-	-	180 711	8 045	-	-	63 252	654 235
Chief of Staff- L Lebelo *	253 990	38 099	-	-	129 774	8 235	-	-	-	430 098
Executive Manager- PII Coastal Adv CH Fourie	1 286 006	192 901	147 353	57 600	47 576	37 010	107 167	-	-	1 875 613
Executive Manager- CSM - FN Motlatsi	1 211 658	157 516	99 000	9 339	34 731	145 383	99 479	-	-	1 757 106
Executive Manager- AJSD PR Mogaladi	882 043	132 306	53 727	-	33 780	123 651	83 394	-	-	1 308 901
Executive Manager PII Inland- Adv. NI Nkabinde	1 013 408	152 011	-	-	199 000	28 423	-	-	57 251	1 450 093
Acting Executive Manager Investigations- Adv. NI Nkabinde***	-	-	-	-	-	-	-	-	84 451	84 451

Notes to the Annual Financial Statements

Figures in Rand

2022
2021
Restated*

27. Related parties (continued)													
Acting Executive Manager Corporate Services- GG Tyelela	-	-	-	-	-	-	-	-	-	-	-	119 421	119 421
Acting Executive Manager Investigations - V Dlamini*	-	-	-	-	-	-	-	-	-	-	-	224 804	224 804
Acting Executive Manager Corporate Services- FS Tebelle***	-	-	-	-	-	-	-	-	-	-	-	20 785	20 785
Acting Executive Manager Pll Inland- Adv De Waal	-	-	-	-	-	-	-	-	-	-	-	24 830	24 830
	10 464 315	1 099 451	375 080	136 439	2 835 299	692 452	479 147	896 560	961 239	17 939 982			

2021													
Name	Basic salary	Pension allowance	Travel allowance	Medical aid allowance	Non pensionable allowance	Other allowance	Service bonus	Gratuity	Total				
Public Protector - Adv BJ Mkhwebane ~	1 723 987	-	-	-	662 485	77 700	-	896 560	3 360 732				
Deputy Public Protector - Adv KN Gcaleka	1 119 423	-	-	-	746 281	-	-	-	1 865 704				
Acting Chief Executive Officer - Y Lusibane	-	-	-	-	-	510 825	-	-	510 825				
Chief Executive Officer - MT Sibanyoni	98 927	-	6 250	-	28 097	10 649	-	-	156 783				
Chief Operating Officer-L Mohalaba	806 274	-	-	-	349 385	1 338	37 023	-	1 314 961				
Chief Financial Officer - Y Lusibane	873 015	-	-	-	233 307	104 457	72 751	-	1 474 482				
Executive Manager- Pll Coastal Adv CH Fourie	1 267 001	-	147 353	-	42 414	24 945	105 583	-	1 834 946				
Acting Executive Manager Investigations- SC Nyembe	-	-	-	-	-	131 360	-	-	131 360				
Chief of Staff-SC Nyembe	750 710	-	-	-	387 867	19 053	-	-	1 270 236				
Executive Manager- AUSD PR Mogaaladi	1 158 734	-	72 000	-	38 942	140 232	96 561	-	1 680 279				
Executive Manager Pll Inland- NI Thejane	998 430	-	-	-	194 932	13 860	83 203	-	1 440 190				
Acting Executive Manager Investigations - NI Thejane	-	-	-	-	-	76 335	-	-	76 335				
Acting Executive Manager Pll Inland- Adv De Waal	-	-	-	-	-	33 107	-	-	33 107				
Executive Manager- CSM - FN Motlatsi	1 193 751	-	108 000	-	29 931	143 955	99 479	-	1 730 304				

Notes to the Annual Financial Statements

Figures in Rand

	2022		2021	
			Restated*	
27. Related parties (continued)				
Acting Executive Manager Corporate Services- Furtana Tebele	-	-	-	135 105
Acting Chief Financial Officer - T Senosi	-	-	-	122 622
Acting Chief of Staff- L Mmamabolo	-	-	-	91 788
	9 990 252	1 046 172	333 603	117 600
			2 713 641	1 637 331
			494 600	896 560
				17 229 759

~ The Gratuity of R896 560 relates to the provision for the 2021/22 financial year for the Public Protector's gratuity. The amount is raised as a provision in the Annual Financial Statements.

- * Chief Operating Officer - Mr. L Mokataba resigned in September 2021.
- * Ms L Mmamabolo assumed the responsibility of Acting Chief Operating Officer in October 2021.
- * Chief of Staff Mr SC Nyembe's services were terminated by death in September 2021.
- * Mr L Lubelo joined PPSA as Chief of Staff in December 2021
- * Executive Manager Investigations - Adv. NI Nkabinde acting ended in June 2021.
- * Mr Tyelela GG assumed the responsibility of Acting Executive Manager Corporate Services in June 2021.
- * Mr V Dlamini assumed the responsibility of Acting Executive Manager Investigations in July 2021.
- * Mr Tebele FS acting as Executive Manager Corporate Support Services ended in May 2021.
- * Adv De Waal acting as Executive Manager PII ended in June 2021.

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

28. Change in estimate

Property, plant and equipment

The useful lives of certain property, plant and equipment and intangible assets were revised during 2021-22. The useful lives used in 2021-22 are as follows:

Item	Revised Useful Life	Original useful Life
Office equipment	7 - 25 Years	5 - 23 Years
Computer equipment	7 - 17 Years	5 - 15 Years
Computer software	4 - 11 Years	2 - 9 Years
Furniture and Fittings	7 - 25 Years	5 - 23 Years
Motor Vehicles	5 - 7 Years	0 - 5 Years

The effect of the changes is as follows:

Effect in the statement of financial position	Net Impact	After Change	Before Change
Property Plant and Equipment	378 179	3 428 145	3 049 967

Effect in the statement financial performance	Net Impact	After Change	Before Change
Depreciation	378 179	116 658	494 836

Debt Impairment

The PPSA has revised the method for the calculation of debt impairment. The change was significant to ensure that the estimates of provision of bad debts is considered most accurate, thus reflecting increasing default risk and decreased collectability.

The adjusting entries has been recorded in the elements of financial statements.

Effect in the statement of financial position	2022	2021
Provision for doubtful debts	81 522	1 139 017

Effect in the statement of financial performance	2022	2021
Trade receivables: Impairment loss/gain	81 522	(1 139 017)

29. Prior period errors

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

Statement of financial position		
Payables from exchange transactions (a)	-	(478 125)
Cash and cash equivalent (b)	-	71 285
Receivable from exchange transactions (c)	-	(1 139 017)
Property, plant and equipment (d)	-	2 132 663
Current finance lease obligation (e)	-	(709 022)
Non-current finance lease obligation (f)	-	(1 409 644)
Opening Accumulated Surplus or Deficit (g)	-	(1 531 860)

Statement of financial performance		
Finance income (h)	-	71 285
Debt impairment (i)	-	(1 139 017)
Administrative expenses (j)	-	(474 183)
Staff cost (k)	-	135 504
Depreciation and amortization (l)	-	(125 450)

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

30. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2021

	Note	As previously reported	Correction of error	Restated
Payables from exchange transactions (a)		(26 881 910)	(478 124)	(27 360 034)
Cash and cash equivalent (b)		78 424 029	71 285	78 495 314
Receivable from exchange transactions (c)		1 266 832	(1 139 017)	127 815
Property, plant and equipment (d)		13 038 339	2 132 663	15 171 002
Current finance lease obligation (e)		-	(709 022)	(709 022)
Non-current finance lease obligation (f)		-	(1 409 644)	(1 409 644)
Current employee benefit obligation (g)		-	(74 000)	(74 000)
Non-current employee benefit obligation (h)		(10 106 000)	74 000	(10 032 000)
Opening Accumulated Surplus or Deficit (i)		(21 839 356)	1 531 859	(20 307 497)
		33 901 934	-	33 901 934

Statement of financial performance

2021

	Note	As previously reported	Correction of error	Restated
Finance income (j)		1 776 834	71 285	1 848 119
Debt impairment (k)		(14 423)	(1 139 017)	(1 153 440)
Administrative expenses (l)		(90 720 892)	(474 183)	(91 195 075)
Staff costs (m)		(253 517 754)	135 504	(253 382 250)
Depreciation and amortization (n)		(4 571 122)	(125 450)	(4 696 572)
Surplus for the year		(347 047 357)	(1 531 861)	(348 579 218)

Errors

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

30. Prior-year adjustments (continued)

Errors Narrations

Statement of financial position

(a) Payables from exchange transactions

Correction of error as a result of the overstatement on accruals of legal and salaries and wages expenditure.

(b) Cash and cash equivalents

Corrections as a results of reconciliations performed between the AORC bank account and cashbook. Interest accrual to be accounted for in the correct period.

(c) Receivables from exchange transactions

The institution changed its estimates on the assessment of impairment which resulted in the correction implemented retrospectively.

(d) Property, plant and equipment

Correction as a result of a change of cellphone treatment to finance lease.

(e) Current finance lease obligation

Correction as a result of a change of cellphone treatment to finance lease.

(f) Non-current finance lease obligation

Correction as a result of a change of cellphone treatment to finance lease.

(g) Current employee benefit obligation

Correction as a result of a split between current and non-current portion of an employee benefit obligation.

(h) Non-Current employee benefit obligation

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

30. Prior-year adjustments (continued)

Correction as a result of a split between current and non-current portion of an employee benefit obligation.

(i) Accumulated surplus.

Changes on opening accumulated deficit as a result of reference (a), (b), (c), (d), (e), (f), (g), (h), (j), (k), (l), (m) and (n).

- Correction of error as a result of the overstatement on accruals on legal expenditure.
- Corrections as a result of reconciliations performed between the AORC bank account and cashbook. Interest accrual to be accounted for in the correct period.
- The institution changed its estimates on the assessment of impairment, which resulted in the correction implemented retrospectively.
- Correction as a result of a change of cellphone treatment to finance lease.

Statement of financial Performance

(j) Finance income

Corrections as a result of reconciliations performed between the AORC bank account and cashbook. Interest accrual to be accounted for in the correct period.

(k) Debt impairment

The institution changed its estimates on the assessment of impairment which resulted in the correction implemented retrospectively.

(l) Administrative expenses

Correction of error as a result of the overstatement on accruals on legal expenditure.

(m) Staff costs

Correction of error as a result of the overstatement on salaries and wages expenditure.

(n) Depreciation and amortization

Correction of error as a result of understatement of depreciation and amortization.

31. Risk management

Financial risk management

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand

2022

2021
Restated*

31. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the PPSA will not be able to meet its financial obligations as they fall due. The PPSA has adequate cash balances at its disposal and minimal long-term debt, which limits liquidity risk. Nevertheless, budgets and cash flow forecasts are prepared annually to ensure liquidity risks are monitored and controlled.

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

Contractual undiscounted liabilities - 31 March 2022	Liabilities in less than 3 months	Liabilities in 12 months	Liabilities after 1 year	Total
Payables from exchange transactions	20 331 569	-	-	20 331 569
Finance lease obligation	-	1 403 242	-	1 403 242
Contractual undiscounted liabilities - 31 March 2021	Liabilities in less than 3 months	Liabilities in 12 months	Liabilities after 1 year	Total
Payables from exchange transactions	27 360 034	-	-	27 360 034
Finance lease obligation	-	709 022	-	709 022

Foreign exchange risk

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

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

Market risk

Interest rate risk

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

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

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

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

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

31. Risk management (continued)

Credit risk

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

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

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

31 March 2022	Financial assets	Financial liabilities	Total carrying value
Receivables from exchange transactions	413 358	-	413 358
Cash and cash equivalent	113 494 498	-	113 494 498
Payables from exchange transaction	-	(20 331 569)	(20 331 569)
Receivables from non-exchange transaction	96 170	-	96 170
	114 004 026	(20 331 569)	93 672 457

31 March 2021	Financial assets	Financial liabilities	Total carrying value
Receivables from exchange transactions	127 815	-	127 815
Cash and cash equivalent	78 495 313	-	78 495 313
Payables from exchange transaction	-	(27 360 034)	(27 360 034)
Receivables from non-exchange transaction	532 197	-	532 197
	79 155 325	(27 360 034)	51 795 291

32. Going concern

We draw attention to the fact that at 31 March 2022, the Institution had an accumulated surplus (deficit) of R 55 449 322 and that the Institution's total liabilities exceed its assets by R 55 449 322.

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

The ability of the Institution to continue as a going concern is dependent on a number of factors. The most significant of these is that the Institution continues in its effort to secure funding for the ongoing operations.

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

33. Events after the reporting date

(a) In the matter of **Nkwinti vs. Public Protector** – Judgment for leave to appeal handed down on 12 May 2022 in favor of the Public Protector. Mr Nkwinti ordered to pay the costs of the Public Protector. This is a non-adjusting event.

(b) In the matter of **Public Protector vs. Minister of Police** – Judgment handed down on 16 May 2022 in favor of the Minister with the cost granted against PPSA. This is a non-adjusting event.

(c) In the matter of **Public Protector vs. Speaker of the National Assembly** – Urgent application to interdict the President and section 194 Parliamentary Committee was argued on 18 and 19 May 2022. Judgement is reserved. This is a non-adjusting event.

(d) In the matter of **Public Protector vs. Star Hero**, the courts found in favour of the plaintiff, management received the order dated 08 July 2022. This is an adjusting event, a provision has been raised.

(e) In the matter of **Public Protector vs. Samuel**, the commissioner (CCMA) ruled in favour of Mr Samuel, a re-instatement, a 12 month's salary or R1.5m. Management is challenging this ruling. This is an adjusting event.

(f) In the matter of **Public Protector vs. Speaker**, judgement was handed down in favour of the Speaker, with costs to the PPSA. This was disclosed as contingent liability. This is a non-adjusting event.

34. Fruitless and wasteful expenditure

Opening balance as previously reported	624 559	746 799
Add: Fruitless and wasteful expenditure identified - current (i)	52 166	169 031
Add: Fruitless and wasteful expenditure identified - prior period (ii)	14 782	13 944
Less: Amount recovered - current (iii)	(449)	(101 403)
Less: Amount written off - current (iv)	(72 946)	(203 812)
Closing balance	618 112	624 559

Fruitless and wasteful expenditure is presented inclusive of VAT

(i) Fruitless and wasteful expenditure identified - current

- > TWF - accidents, no shows and penalties on late cancellations (R11 782)
- > Telkom Services- Duplications of services rendered (R31 884)
- > Loss of new recently purchased UPS (R8 500)

(ii) Fruitless and wasteful expenditure identified - prior period

- > TWF - accidents, no shows and non utilisation of accomodation (R14 782)

(iii) Amount recovered - current

- >TWF accident. The funds were recovered from the employee's salary (R449)

(iv) Amount written off - current

>PPSA has a financial misconduct committee that deals with all the misconduct in relation to the financial losses suffered by the entity, including the fruitless and wasteful expenditures. The committee's mandate is to investigate and make recommendations of findings to the CEO. in 2021/22 financial year the committee after thorough investigations recommended that the following fruitless and wasteful expenditures be written off.

- Travel With Flair: Accident (repair chip on windscreen) R3 765
- Travel With Flair: Accident (nail on tyre) R1 553
- Tsautse Bayi Attorneys Interest paid R57 066
- Travel With Flair: Missed flight R10 561

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
35. Irregular expenditure		
Opening balance as previously reported	10 022 100	32 676 412
Opening balance as restated	10 022 100	32 676 412
Add: Irregular Expenditure - current	40 299	5 543
Add: Irregular Expenditure - prior period	-	16 918
Less: Amount recoverable - current	-	(3 354)
Less: Amount written off - prior period	(1 658 275)	(356 923)
Less Irregular expenditure condoned by National Treasury	-	(22 316 496)
Closing balance	8 404 124	10 022 100

Irregular expenditure is presented inclusive of VAT

Incidents/cases identified/reported in the current year include those listed below:

Inново Networks : services rendered without approval	36 993	-
Travel With Flair : Use of quotation which is not the lowest	3 306	-
Leeco Cleaning Services for services rendered outside the contract	-	5 543
Umbulumko Knowledge Services: appointment of service provider with non-compliant tax status. (Prior year)	-	16 918
	40 299	22 461

Amount condoned by National Treasury

Litigations expenses for various transactions	-	22 316 496
---	---	------------

Amount written-off

Write-off for prior year transaction (Melrose Advanced Professional: appointment of service provider which is Tax-non compliant for provision of training)	34 196	-
Write-off for prior year transaction: (Mr. David Houze)	130 830	-
Write-off for prior year transaction (Travel With Flair: Hosting of gala diner)	75 046	-
Write-off for prior year transaction (Nexus Forensic Services Pty Ltd: provision of investigation services)	1 183 451	-
Write-off for prior year transaction (Sizwe Ntsaluba Gobodo Advisory Services (SNG): reports writing services)	217 674	-
Write-off for prior year transaction (Diale Mogashoa: payment of more than PPSA approved rates for provision of Legal Services)	17 078	-
Write-off for prior year transaction (Gauteng Directory Listing) for provision of telephone list	-	205 337
Write-off for prior year transaction (Docufire/ Iron Mountain) for provision of offsite storage	-	151 586
AGJ Civils quotation received after closing date	-	1 354
TKO Business Solutions: quotation received after closing date	-	2 000
	1 658 275	360 277

Irregular expenditure under assessment:

AGSA detected irregular expenditure to the amount of R27 622 for the appointment of the service provider for the provision of cleaning services, due to the contract not being awarded by the appropriate delegated committee. The transaction has not been disclosed as part of irregular expenditure as the institution still has to seek clarity on the interpretation of the regulation from National Treasury.

Public Protector South Africa

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
-----------------	------	-------------------

36. Budget differences

Material differences between budget and actual amounts

1. Impairment gain

Management considered a change in estimates in determining the impairment and the change was implemented retrospectively. This resulted in impairment gain realised.

2. Other Income

This is as a result of an increase on the Recovery of Salaries for Funds received from SANLAM Claim on Employee Temporary Incapacity as well as the reversal on performance awards provision previously raised which resulted in revenue amount.

3. Interest received Investment

Interest is earned on the basis of cash balance in the bank and the rate offered by the bank is not fixed.

4. Revenue-Service in kind

Revenue service in kind performance in budget relates to the rental properties paid for by Department of Public Works but utilised by PPSA. There is revenue and corresponding expense legs to that effect.

5. Staff Cost

Savings on staff costs is realised. This is due to a number of posts that are still in the process of being filled, an additional funding of R30.8 million was received and of that amount R6.9 million was allocated for the additional post.

6. Depreciation and Amortisation

Savings is realised on the this is due to the deferment of some of the ICT Procurement on Asset Management system and CCTV equipment.

7. Administrative Expenses

Savings is realised on general expenses as a result of the freezing of procurement on goods and services based on the recent constitutional court judgment on procurement of goods and services regulation.

8. Changes from approved to final budget

The final budget of PPSA differs from the approved budget. The changes are as a result of reallocations within the budget and a change in baseline.



175 LUNNON ROAD
HILLCREST OFFICE PARK, PRETORIA, 0001
PRIVATE BAG X677, PRETORIA 0001
WEBSITE: WWW.PPROTECT.ORG

Contact Info

- ☎ TEL: (012) 366 7000/7112,
FAX: (012) 362 3473
TOLL-FREE LINE: 0800 11 20 40
- ✉ REGISTRATION2@PPROTECT.ORG
- 🌐 WWW.PPROTECT.ORG
- 🐦 @PUBLICPROTECTOR
- 📘 PUBLIC PROTECTOR SOUTH AFRICA

ISBN NO.978-1-998969-19-7