



Custodian of Good Governance

Evaluation of the State of the Public Service against the values in section 195 of the Constitution

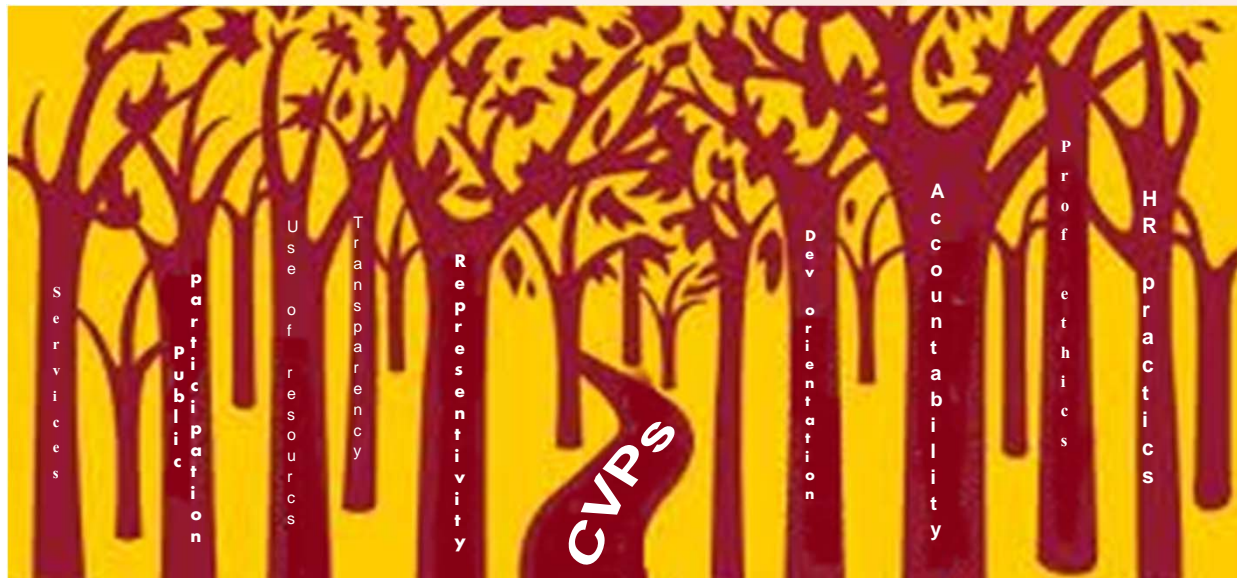
Portfolio Committee on Public Service and Administration

15 May 2013



Outline of presentation

- Key message
- Reflection on three products of the PSC that relate to the recommendations of the Portfolio Committee:
 - State of the Public Service Barometer
 - State of the Public Service report
 - Institutional Assessments





Key message

- Section 195 of the Constitution provides a very sophisticated and demanding framework with which the public administration must comply.
- The PSC undertakes a range of research and knowledge-generating activities, three of which are structured specifically around the nine Constitutional values and principles (CVPs).
- They continue to provide a coherent and sustained analysis of the state of compliance with the CVPs.
- The message they deliver is that public service departments have improved in many regards, but in crucial areas continue to struggle to meet the necessary standard required to be considered to be well governed and managed.
- Key strategic decisions that were made around the time of democratisation may need reconsideration. Certain aspects of HR and supply chain management may require recentralisation.

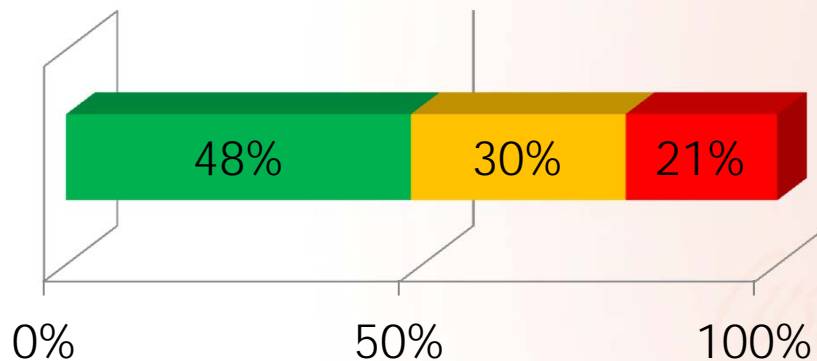
State of the Public Service Barometer

- As Parliament requested, the State of the Public Service Barometer reflects information on each Constitutional principle.
- It addresses the requirement of the Portfolio Committee that, over time, the style of reporting allow greater comparability, monitoring, evaluation and oversight of the progress any particular government entity makes in implementing Section 195(1) of the Constitution.
- It covers national and provincial departments and will in future cover local government too.
- Updated periodically (as soon as information becomes available).
- Indicators have been identified for each principle, based on information/ data that is available from various sources, e.g. PERSAL (DPSA), Auditor-General, DPME, National Treasury (NT) and Annual reports.

A high standard of professional ethics

- **Indicator: Financial Disclosure Framework**

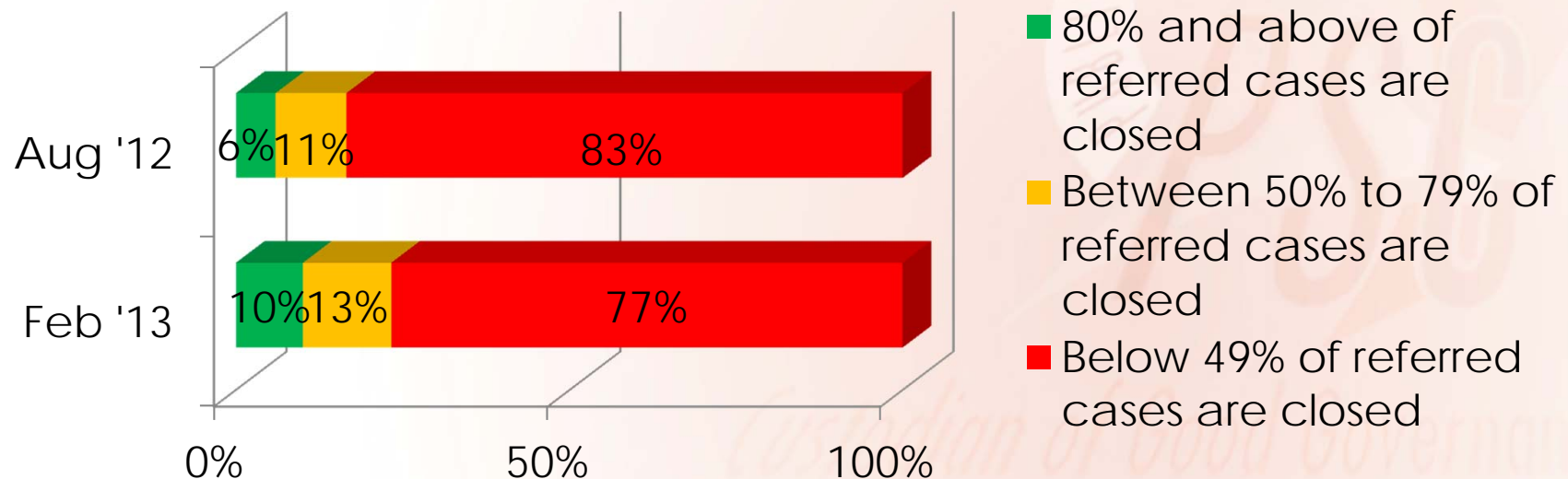
- All members of the Senior Management Service are required to disclose the particulars of all their registrable interests (e.g. companies and properties) to their respective Executive Authorities (EAs) by not later than 30 April each year.
- EAs to submit copies to the PSC by not later than 31 May of each year.
- As at 31 May 2012 a total of 77 out of 159 departments had a 100% compliance rate, of which 13 were at National level and 64 were at Provincial level.



- 100% compliance by the due date
- 50% - 99% compliance by the due date
- 0% - 49% compliance by the due date

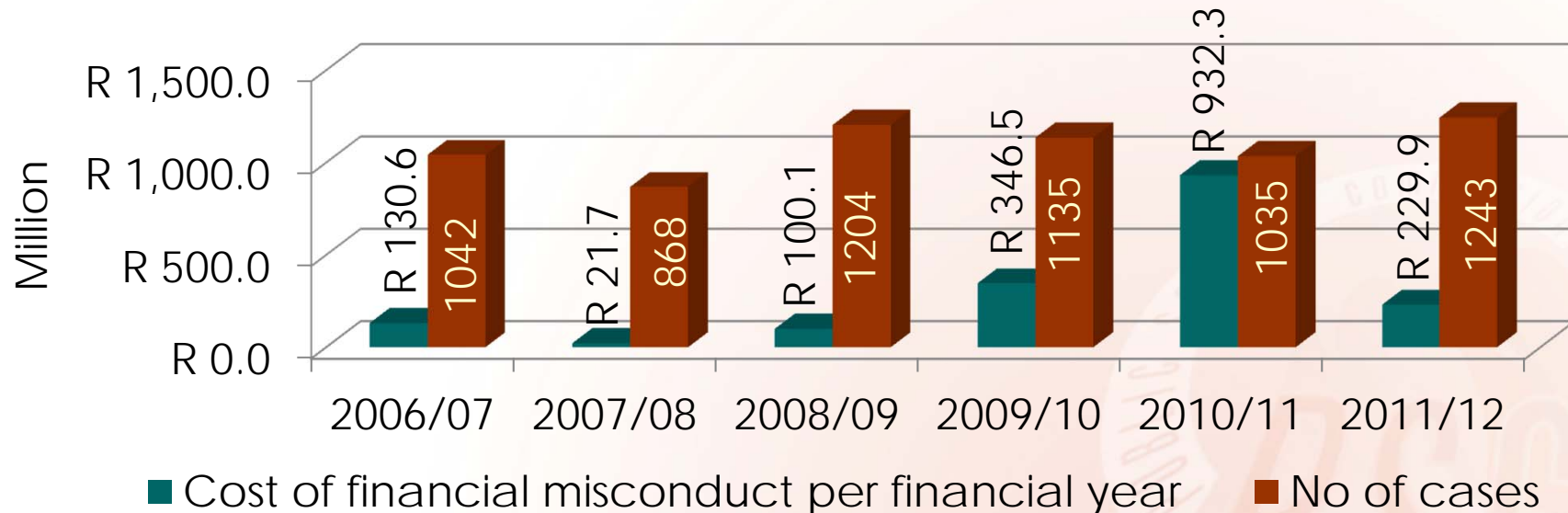
A high standard of professional ethics (2)

- **Indicator: National Anti-Corruption Hotline (NACH)**
 - The PSC manages the NACH.
 - Cases received from the NACH are forwarded to departments (both national and provinces), agencies and public bodies in accordance with agreed protocols for investigation.
 - The strategy to refer cases for investigation to departments is premised on the assumption that departments have the capacity to deal with cases.



A high standard of professional ethics (3)

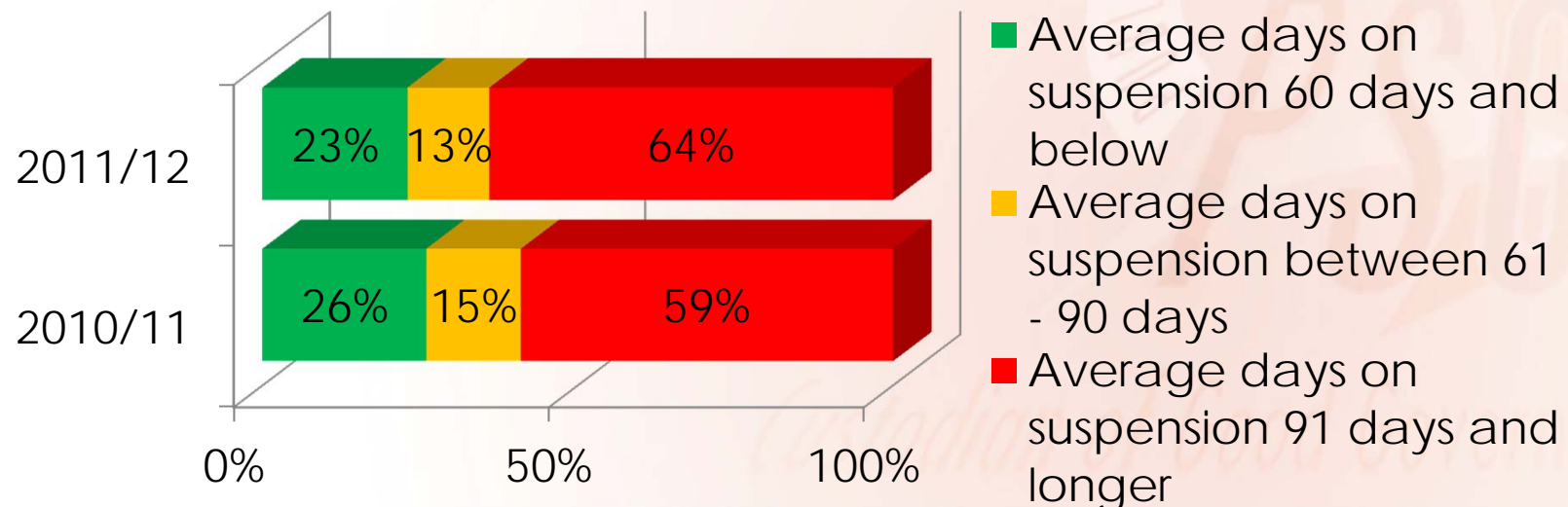
- *Indicator: Financial Misconduct*



- Given the high rate of unauthorised, irregular and fruitless and wasteful expenditure, the number of cases of financial misconduct reported to the PSC by national and provincial departments seems low.
- Increase in the cost of financial misconduct from 2006/07 to 2010/11.
- Insufficient investigative capacity in departments.

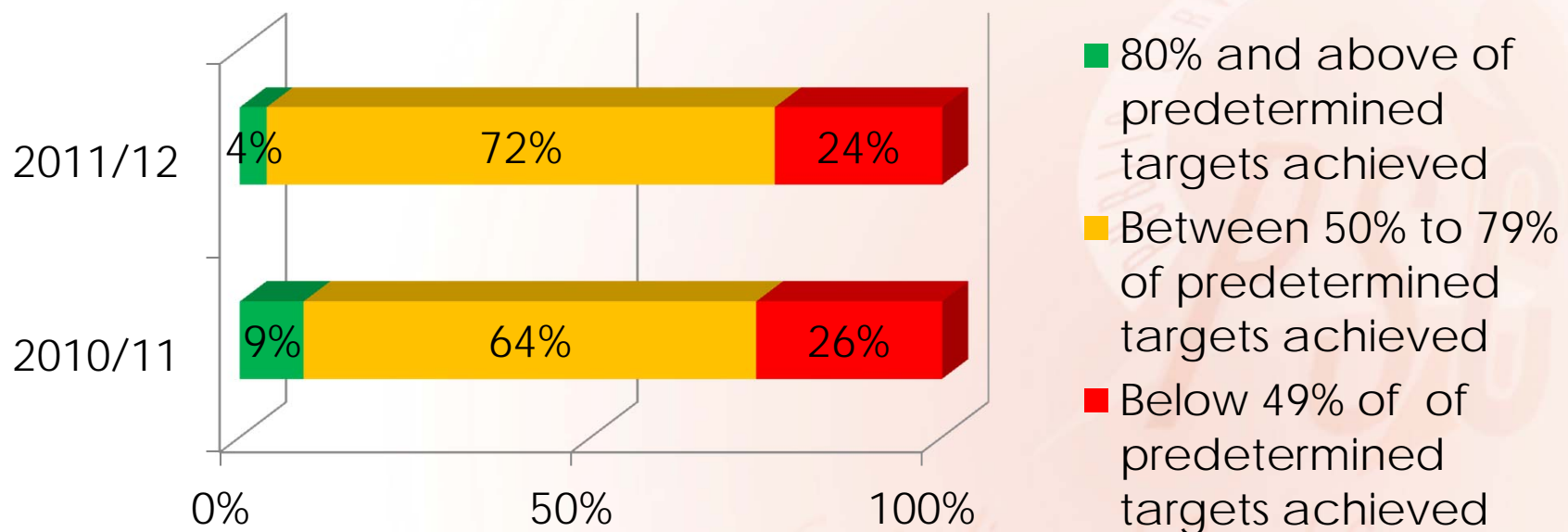
A high standard of professional ethics (4)

- **Indicator: Management of precautionary suspensions**
 - Discipline is not managed effectively, due to inadequate capacity to chair disciplinary hearings and represent departments. This results in long periods of precautionary suspension.
 - Analysis of the 2010/11 and 2011/12 annual reports of 77 national and provincial departments, shows that the number of departments that suspend employees for periods exceeding 60 days are increasing.



Efficient, Economic And Effective Use Of Resources (1)

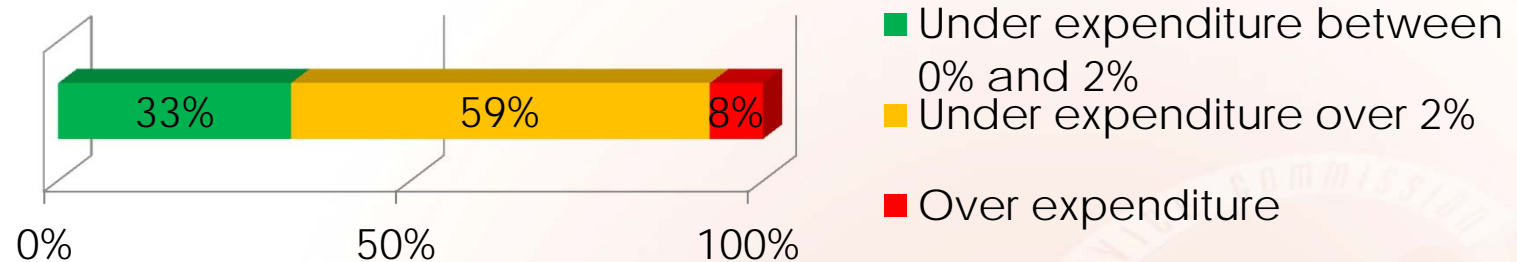
- **Indicator: Planned outputs achieved**
 - The % of national and provincial departments that managed to achieve more than 80% of their planned targets declined from 9% to 4% from the 2010/11 to the 2011/12 financial year.



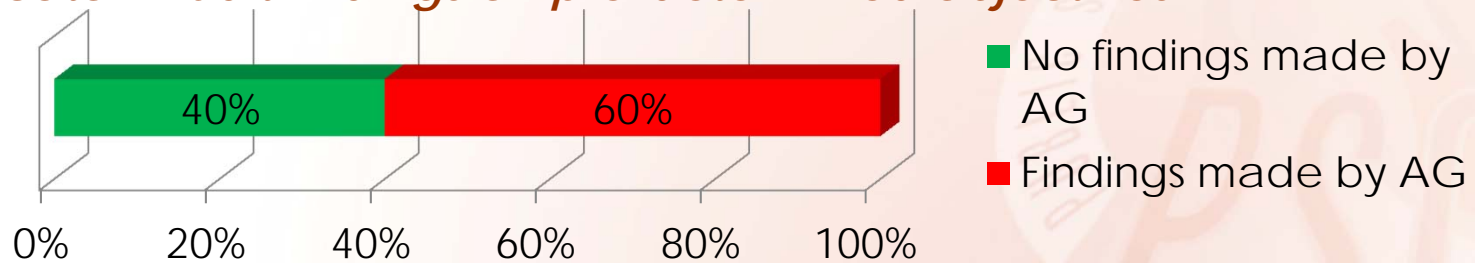
Efficient, Economic And Effective Use Of Resources (2)

Information on 2010/11 (*awaiting updated information*)

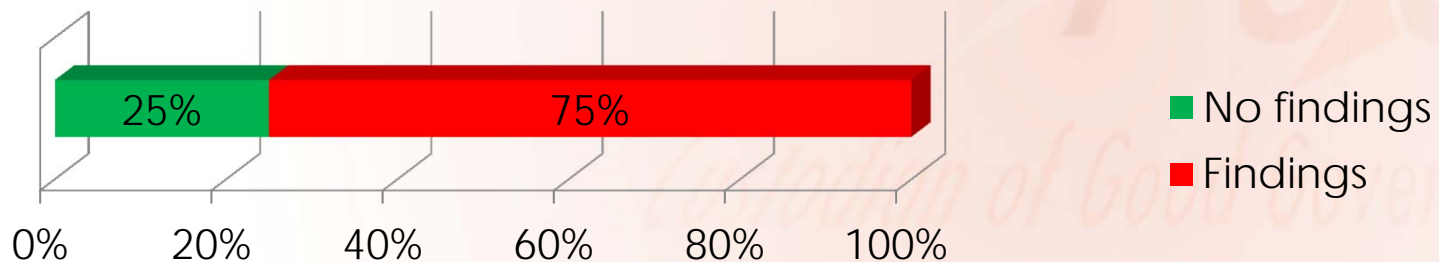
- Indicator: Audited over/under expenditure as a % of adjusted budget**



- Indicator: Audit findings on pre-determined objectives**



- Indicator: Unauthorised, irregular, fruitless and wasteful expenditure**



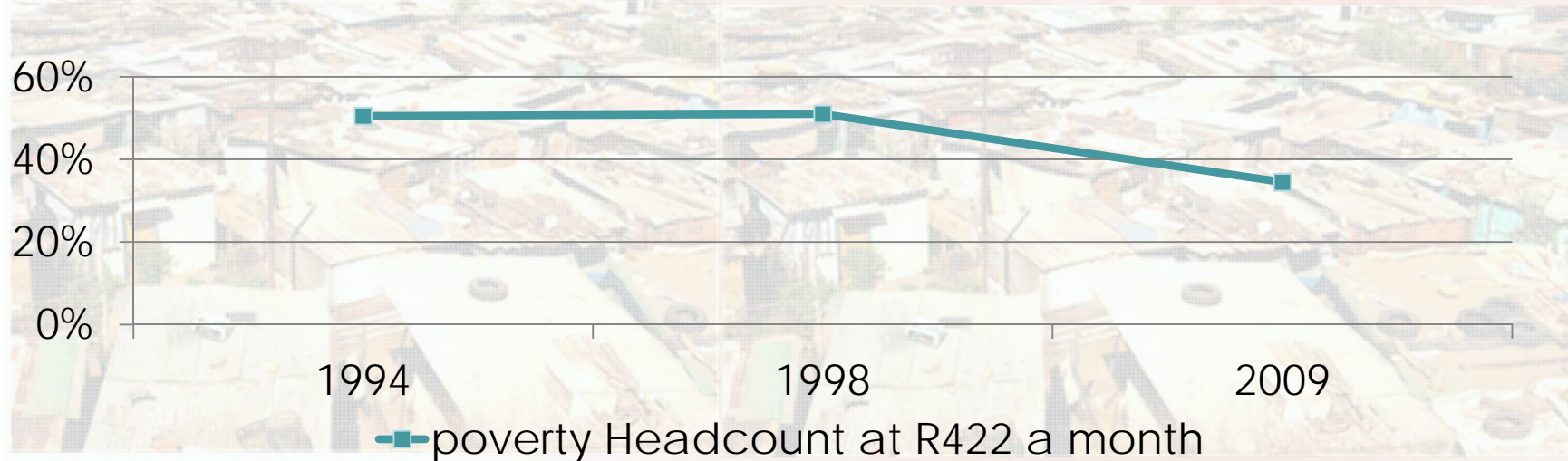
Public Administration must be Development Oriented (1)

- **Indicator: Poverty and Unemployment**

- The proportion of the population living below R422 a month.
- The number of jobs created by the economy in the past year.
- Work opportunities created by the Expanded Public Works Programme and Community Works Programme.

E.g. Poverty Headcount

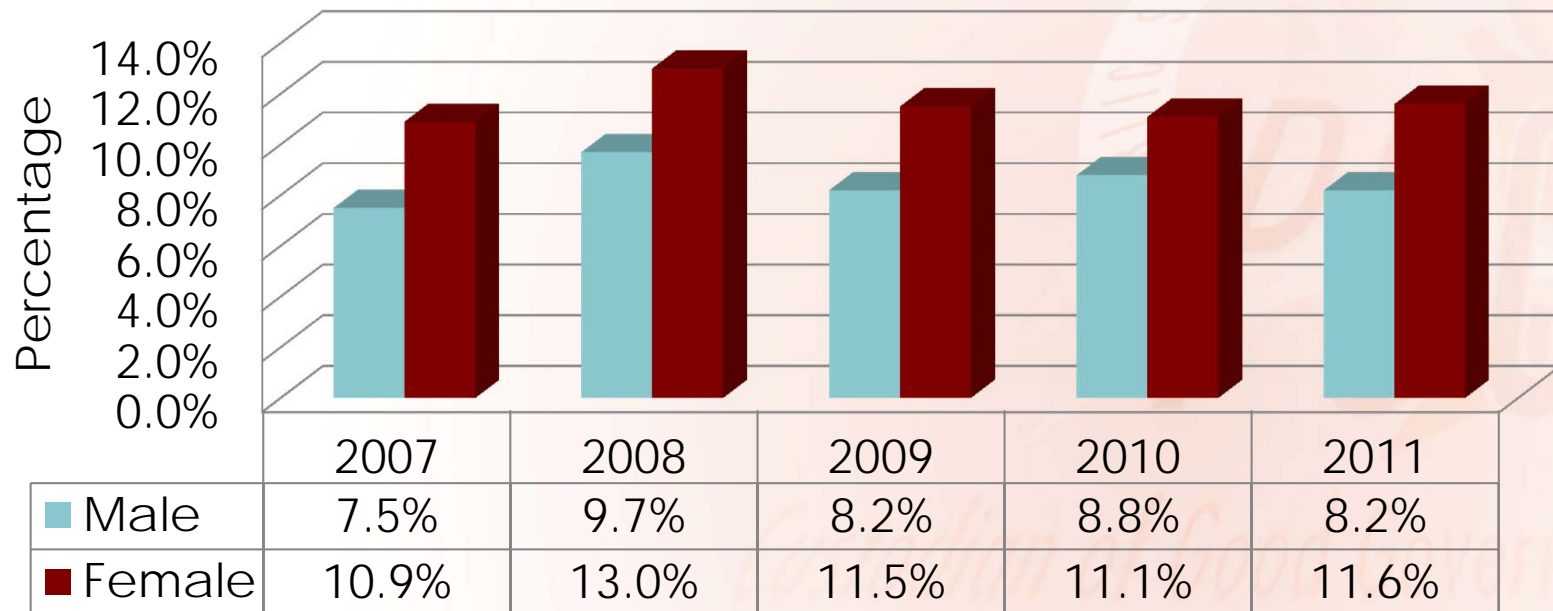
- There is a decline in the proportion of the population living below R422 a month.



Public Administration must be Development Oriented (2)

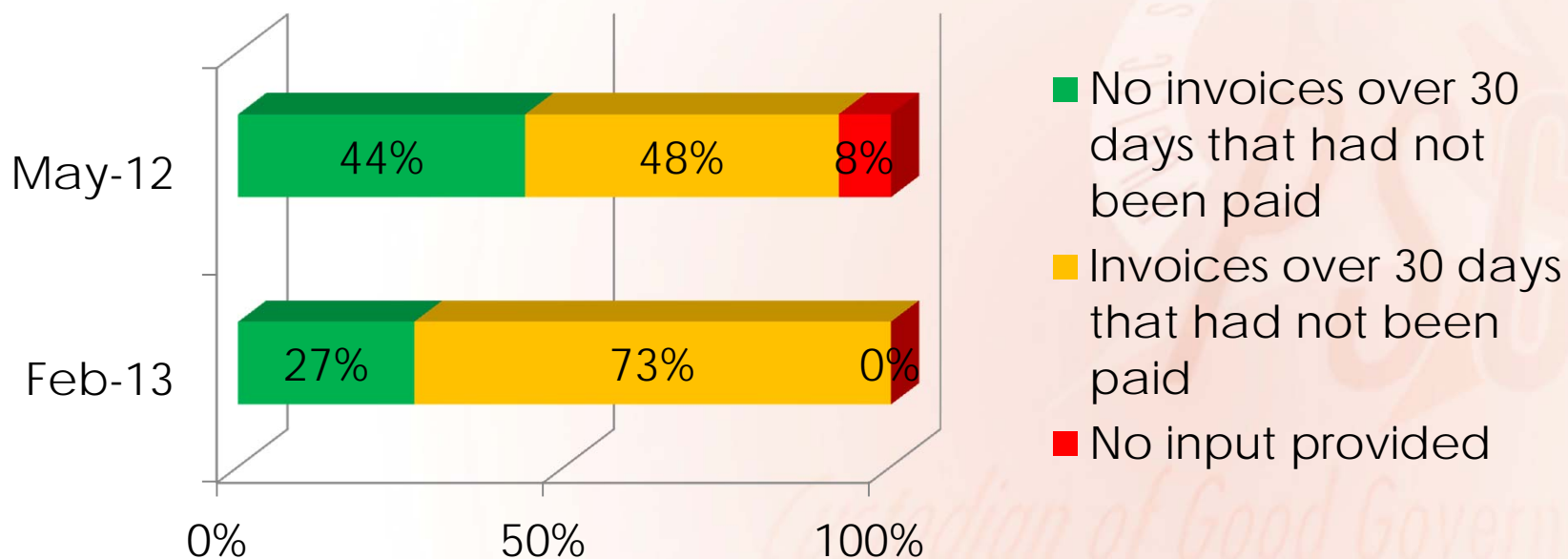
- **Indicator: Reliance on Social Wage**
 - Percentage of individuals receiving a housing subsidy.
 - Access to sanitation.
 - Number of people benefiting from social grants.

Eg: Percentage of individuals receiving a housing subsidy



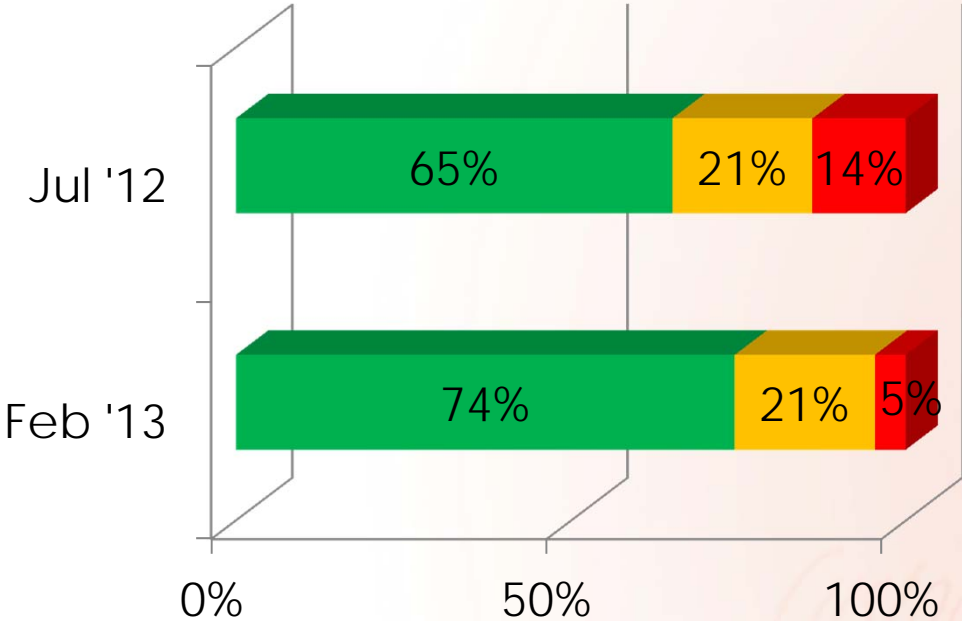
Services must be provided impartially, fairly, equitably and without bias

- **Indicator: Invoices over 30 days that had not been paid**
 - The Public Finance Management Act, read with the Treasury Regulations stipulates that “unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice”.



Public Participation

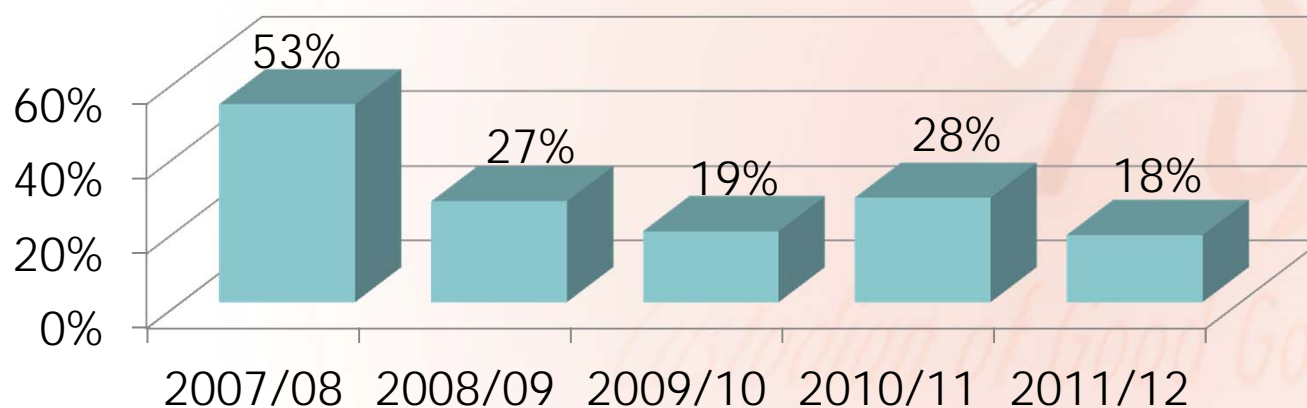
- **Indicator: Presidential Hotline**
 - As at July 2012, 65% of national and provincial departments had resolved more than 80% of the cases referred to them.
 - By February 2013 this figure improved to 74%.



- 80% and above of referred cases are resolved
- Between 50% to 79% of referred cases are resolved
- Below 49% of referred cases are resolved

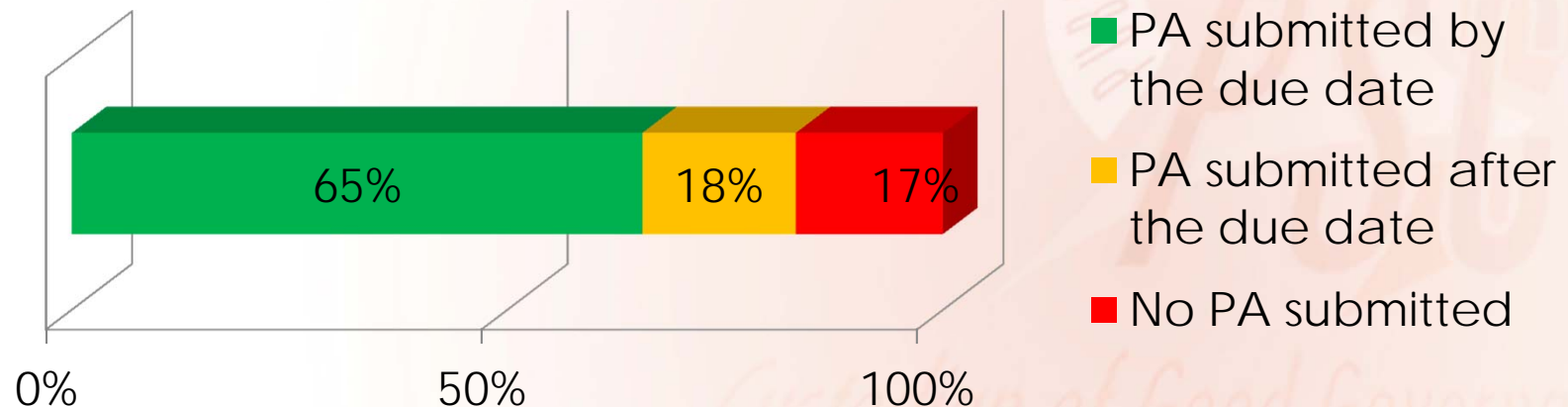
Public Administration must be Accountable

- **Indicator: Evaluation of Heads of Department (HoDs)**
 - EAs and HoDs should visibly support performance management processes and ensure that this cascades down to other levels in the SMS, if the principle of accountability is to be achieved in the Public Service.
 - There has been a steady decline in the number of HoDs evaluated over the past five years. Measures were put in place to fast track the evaluations for the 2010/11 and 2011/12 evaluation cycles.
 - Compliance levels at national and provincial level as at April 2013:



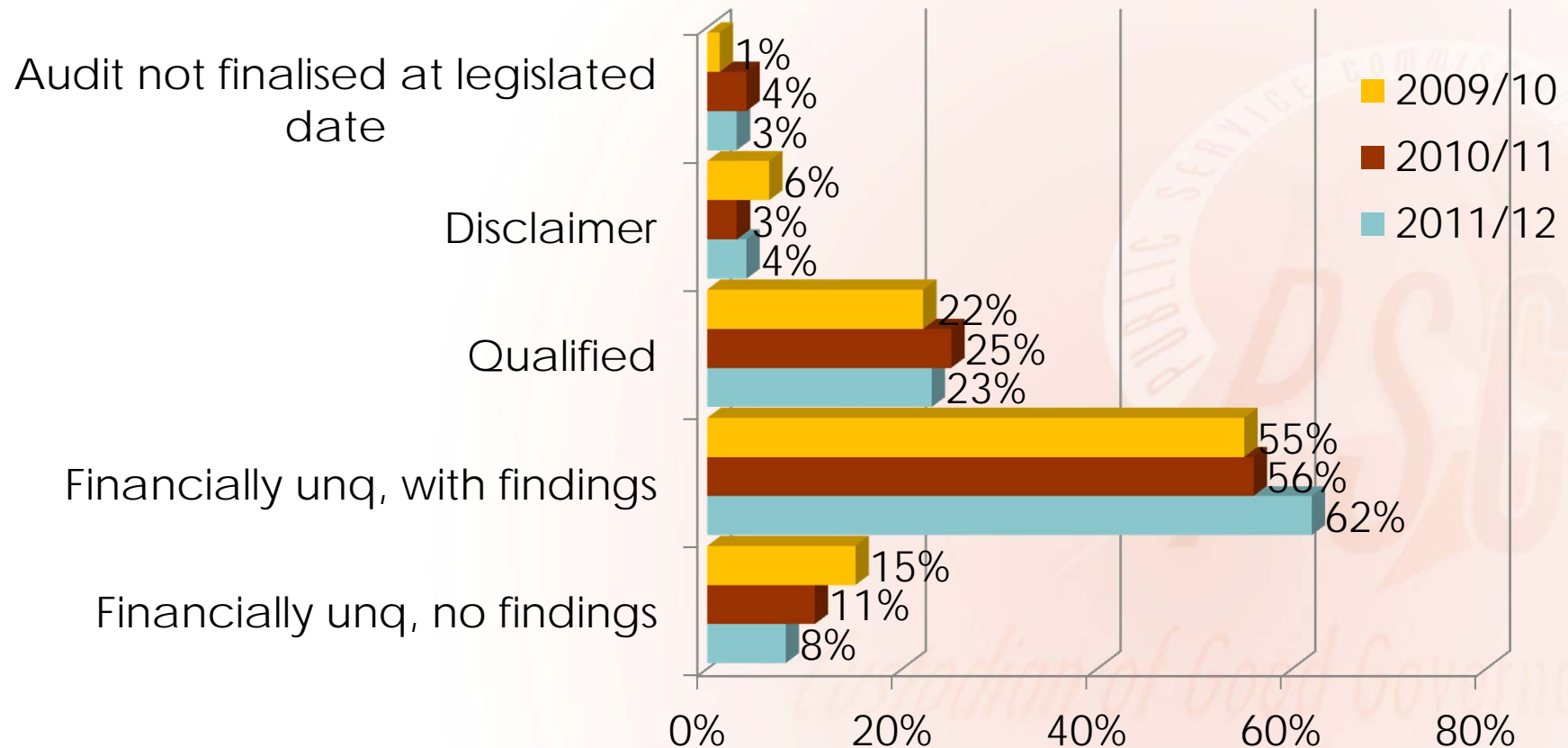
Public Administration must be Accountable (2)

- **Indicator: Filing of Performance Agreements of HoDs**
 - HoDs in the Public Service are required to enter into Performance Agreements (PAs) with their EAs. The PAs of HoDs must be filed with the PSC by June of each year.
 - The overall compliance rate for the submission of Performance Agreements (PAs) of HoDs by the due date of 30 June 2012 was 65%.
 - Overall there has been improvement in the compliance rate.



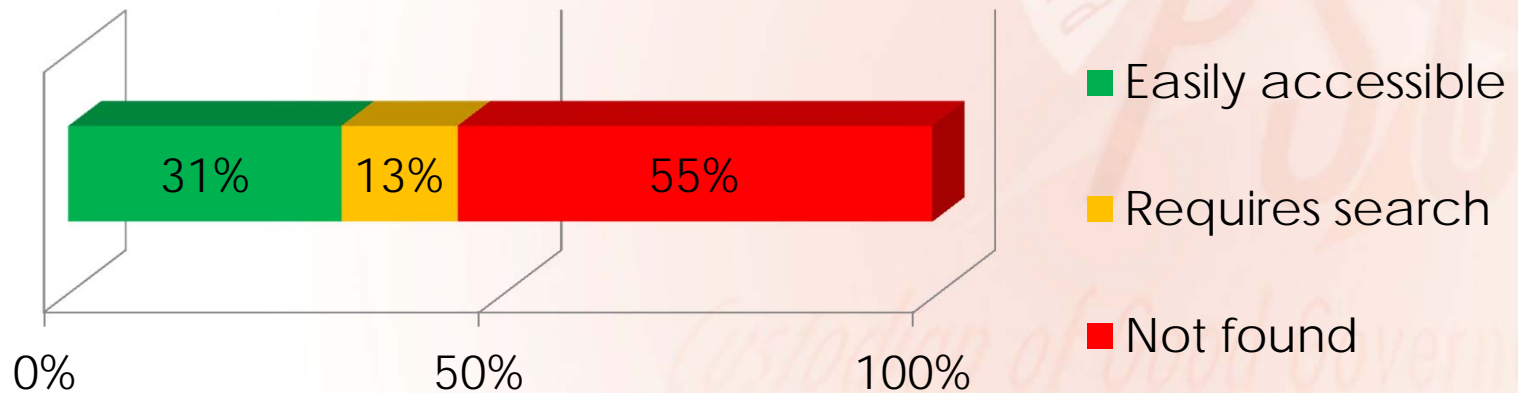
Public Administration must be Accountable (3)

- **Indicator: Audit Outcomes for national and provincial departments**
 - Improvement in the percentage of financially unqualified audit opinions.



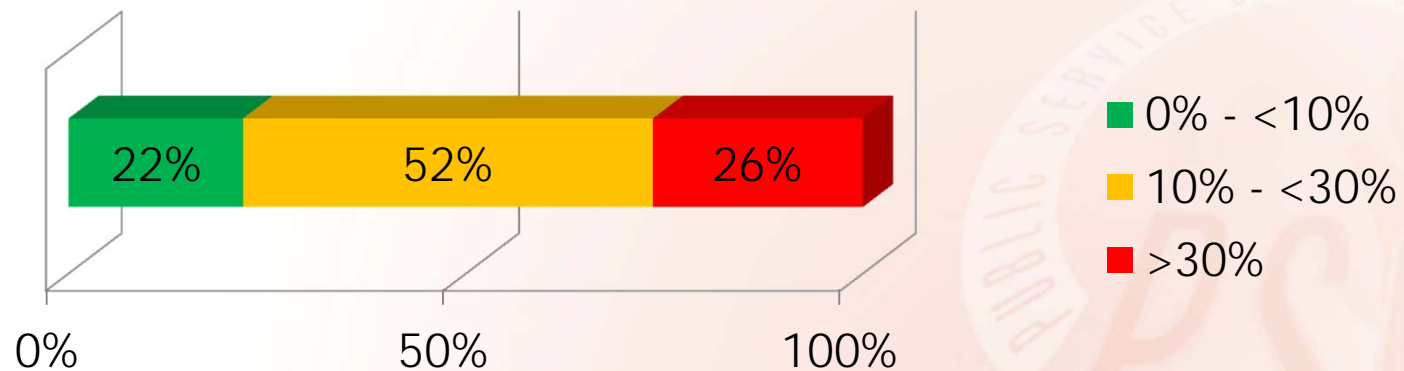
Transparency

- **Indicator: Accessibility of the Manual on Access to Information on Departmental Website**
 - The Promotion of Access to Information Act, 2000, Act 2 of 2000, gives effect to the Constitutional right of access to information held by the State and any information that is held by another person that is required for the exercise or protection of any rights.
 - As at July 2012, the *Manual on Access to Information* of only 31% of departments were easily accessible on their departmental websites.



Good HR Practices (1)

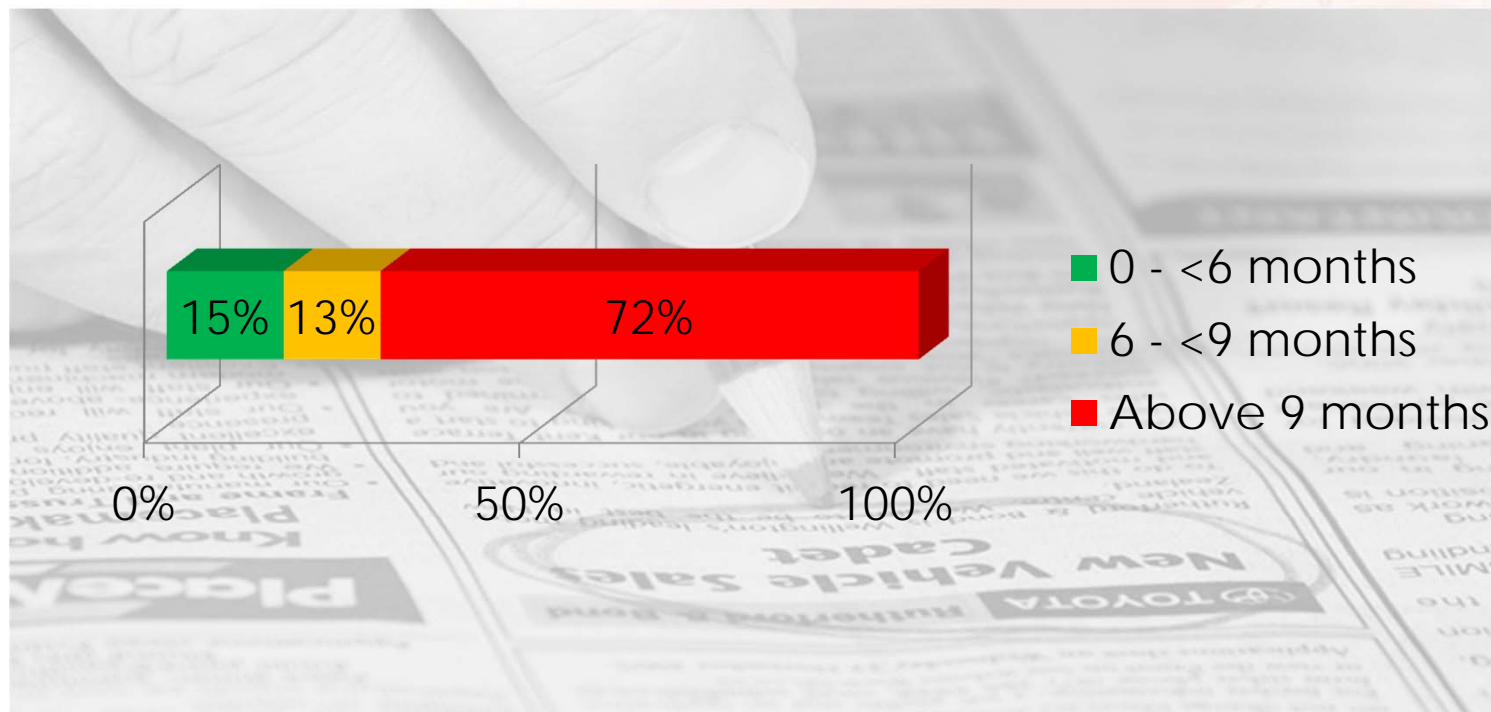
- **Indicator: Vacancy Rate - Professionals and Senior Managers**
 - As at 30 June 2012, almost 80% of all national and provincial departments had a vacancy rate of above 10% in respect of professionals and senior managers.



- Although the vacancy rate is high, organograms are not always fully funded.
- The NDP recommendations that the Public Service Act be amended to locate the responsibility for HR management with HoDs. This should assist in filling posts quicker.

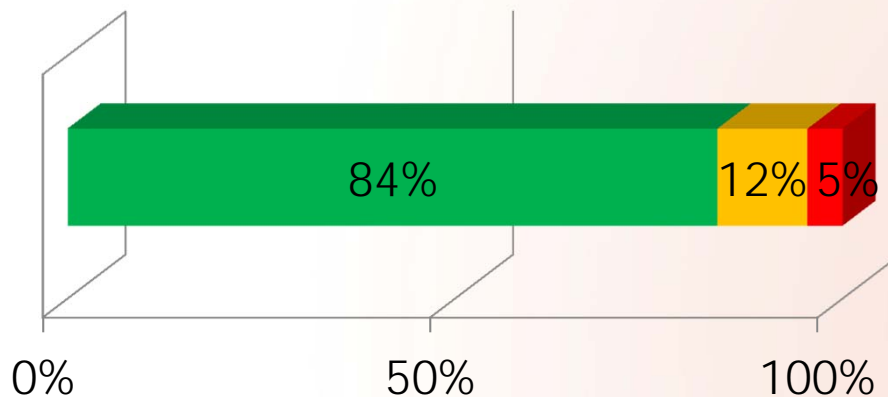
Good HR Practices (2)

- **Indicator: Average length of time in months to fill a post**
 - The average length of time to fill posts in more than 70% of national and provincial departments is more than 9 months.
 - The long time taken to fill vacancies impacts on service delivery.



Good HR Practices (3)

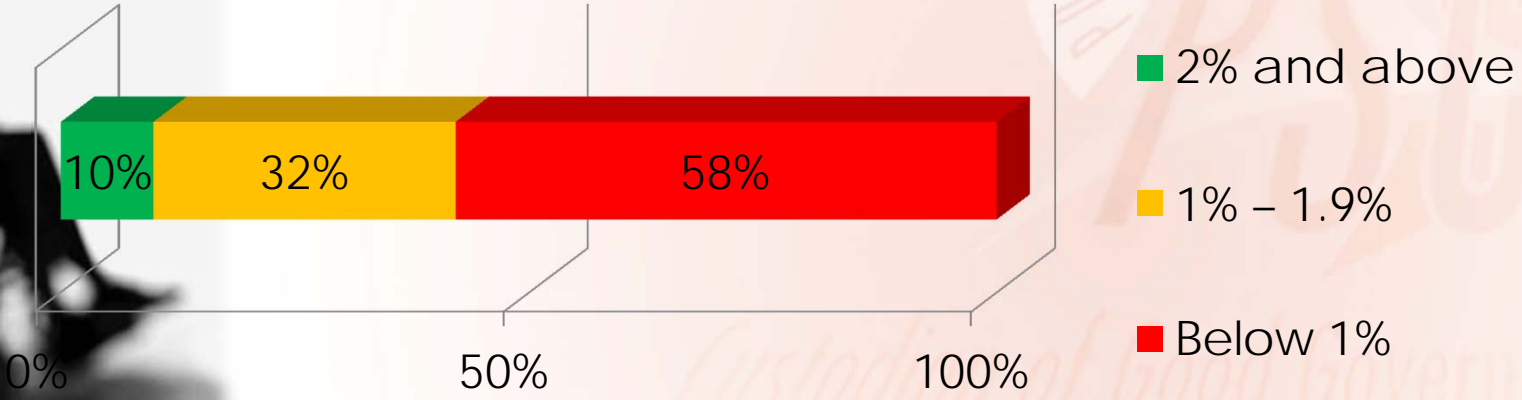
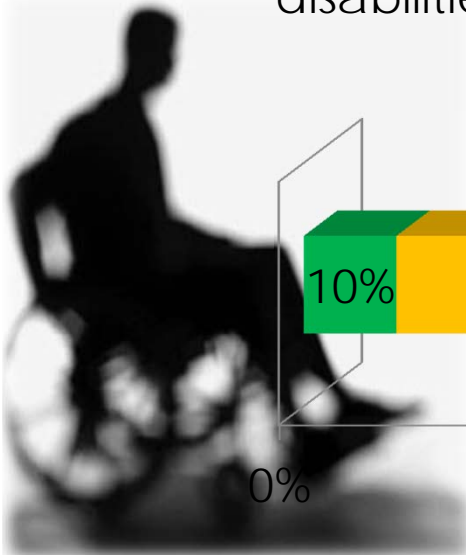
- **Indicator: Terminations backdated as a %**
 - PERSAL controllers/users must update the PERSAL system timeously when the services of an employee are terminated.
 - When it is updated after extensive periods, it leads to a reclaim from the Department of all contributions already paid to for instance, the relevant medical aid.



- 0% - <8% of terminations backdated
- 8% - <18% of terminations backdated
- >18% of terminations backdated

Employment Equity

- *Indicator: Black employees*
- *Indicator: Female employees at SMS level*
- *Indicator: People with disabilities*
 - The Public Service is still grappling with the employment of people with disabilities.
 - As at 31 July 2012, a total of 15 National and Provincial departments exceeded the target of 2% for people with disabilities.



State of the Public Service report

- The PSC will still produce a SOPS report that reflects on and analyses key issues that arose from the whole body of work of the PSC in a particular year, as well as important work by other bodies.
- It diagnoses the causes of poor performance in the public service/ or the reasons why the public service does not achieve the excellence that it aspires to.
- The quantitative base for the report is provided by the Barometer.
- The institutional/ diagnostic assessments are also an important source of insights for the SOPS report.

State of the Public Service report (2)

- The report is issue-based. Eg, some of the issues that the PSC plans to discuss in its upcoming SOPS report include:
 - The effectiveness of the integrity system
 - Causes of poor performance
 - What can be done to improve the quality of results delivered by public service departments?
 - What constitutes appropriate management action in the case of poor performance?/ What are the consequences of poor performance?
 - What can be done to make administrative processes more empowering and participatory?
 - The appropriateness of the current Public Service regulatory framework.
 - The effectiveness of the Performance Management and Development System.

Institutional Assessments (M&E System)

- The PSC has an indicator-based tool that it will still use to assess the governance and institutional performance of departments.
- Tool consists of indicators and standards for each of the values in Section 195 and a department's performance against the indicators and standards is translated into a score for each of the values, and a total score.
- The tool has been applied since 2001 and 169 reports produced (127 first assessments and 42 second assessments).
- The reports allow comparisons –
 - between samples of departments for following years – giving a trend over time
 - of the same department with itself when it comes up for re-assessment
 - between similar departments in a sector
- 11 “consolidated” reports produced since 2001

Institutional Assessments: Current Challenges

Challenges	Response
<ul style="list-style-type: none">• The tool currently consumes an enormous amount of energy and institutional capacity but its impact is limited, considering the investment required to implement it.• It has stalled at the level of an assessment of performance/ compliance against a set of indicators and producing reports.• It has not yet shifted to the level of diagnosing underlying problems and assisting with their resolution.	<ul style="list-style-type: none">• Instead of stopping with the production of a report based on the initial assessment using the M&E tool, the process will continue into a follow-up improvement phase during which the PSC will support departments in developing solutions to real problems.• Developing solutions will include assessing whether the current regulatory framework for a particular administrative practice is appropriate.



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National Anti-Corruption Hotline for the Public Service: 0800 701 701