

**AGENDA ITEM 2.4**

**Response to the Budgetary Review and Recommendations Report 2014**

1. **Introduction**

The Budgetary Review and Recommendations Report (BRRR) of the Portfolio Committee on Cooperative Governance, and Traditional Affairs (hereinafter referred to as ‘The Committee’) for the 2013/14 and 2014/15 financial years highlighted key recommendations related to performance information of the Department of Cooperative Governance (**DCoG**). The recommendations were informed by the engagement between The Committee, **DCoG** and the office of the Auditor-General of South Africa (AGSA).

1. **Discussion** 
   1. **BRRR 2013/14 recommendations related to performance information (paraphrased)**

More effort should be put on ensuring that the performance indicators implemented by the Department and its entities are Specific, Measurable, Achievable, Reliable and Time-bound.

* 1. **BRRR 2014/15 recommendations related to performance information (paraphrased)**

The Department should meet with Auditor-General to ensure that they share the same understanding with respect to the expected standards of compliance with reporting requirements.

* 1. **Overview and Assessment of Performance Information by the Auditor-General**

**DCoG** received an unqualified opinion audit with findings on performance information for the 2013/14 and 2014/15 financial years.

* The Auditor-General did not identify any material findings on the *usefulness* of the reported performance information for all the programmes over the two financial years (2013/14 and 2014/15) except for the Provincial and Municipal Government Support Programme where the targets were not specific, measurable and verifiable; and
* On the *reliability* of reported performance information, the Auditor-General concluded that the reported performance information for the four programmes (Policy Research and Knowledge Management, Governance and Intergovernmental Relations, Provincial and Municipal Government Support as well as the Infrastructure and Economic Development) was not reliable with respect to the completeness of source documents in support of actual achievements.
  1. **DCOG response to the BRRR recommendations**

In 2014, **DCoG** had engagements with the office of the Auditor-General to discuss and find common ground with reference to the **DCoG** performance targets. Consensus was reached that project managers must detail the nature of support in the related technical indicator description.

The Internal Audit Steering Committee was established in 2014 to improve the management of financial and non-financial information. The Steering Committee is attended by officials from Internal Audit, Risk Management, Corporate Planning, ICT, and Finance and the Office of the Auditor-General and hold monthly meetings where the Post Audit Action Plan is the main agenda item. The same members of this committee are also responsible for facilitating and coordinating self-assessments related to the Management Performance Assessment Tool (MPAT) which is administered by the Department of Planning, Monitoring and Evaluation (DPME) in the Presidency.

Officials from Corporate Planning and Finance as well as key line function managers are also members of the Performance Dialogue hosted by the DPME and National Treasury. The aim of the dialogue is to enhancing performance management in national departments.

Subsequent to the engagement with the Committee held on 14 October 2015, the Minister held a debriefing session with all Management and instructed that the Committee resolutions must be implemented and that a team of strategic planners be established to follow through on all matters related to the management of performance information including meeting with the Office of the Auditor-General. Following this meeting, management at the **DCoG** 2nd Quarterly Performance Review Meeting held on 20 October 2015 that a Monitoring and Evaluation forum be established.

A team comprising of planning, monitoring and evaluation technical expects from across **CoGTA** (Department of Cooperative Governance, Department of Traditional Affairs and the Municipal Infrastructure Support Agent) was tasked with the mandate of attending to performance information related matters with the intention to improve the departmental audit outcomes. The forum held its first working session on 22 October 2015 to analyse the current 2015/16 Annual Performance Plan and the 2nd draft Annual Performance plan FY 2016/17 using a set of criteria including the Specific, Measurable, Attainable, Realistic and Time Bound (SMART) principle.

1. **Conclusion**

Upon finalisation of the work, the M&E forum will submit a report to DCOG Top Management which will be used to engage the Auditor-General.

The forum will continuously do the work and provide management with reports highlighting gaps and possible interventions up until are noticeable improvement on the management of performance information.