**9. BUDGETARY REVIEW AND RECOMMENDATIONS REPORT (BRRR) OF THE PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION AS WELL AS PERFORMANCE MONITORING AND EVALUATION ON THE DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION (DPSA), PUBLIC SERVICE COMMISSION (PSC), NATIONAL SCHOOL OF GOVERNMENT (NSG) AND THE CENTRE FOR PUBLIC SERVICE INNOVATION (CPSI), DATED 20 OCTOBER 2016**

1. **BACKGROUND**

The Portfolio Committee on Public Service as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly, which is in line with Section 5 of theMoney Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 to consider and report on the Annual Reports of the Department of Public Service and Administration, Public Service Commission and its entities, reports as follows:

1. **INTRODUCTION**

Parliament derives its mandate from the Constitution of the Republic of South Africa. The strategic objectives of the Portfolio Committee are informed by five strategic goals of Parliament. The functions of the Portfolio Committee on Public Service and Administration as well as Monitoring and Evaluation are as follows:

* Participating and providing strategic direction in the development of the legislation and thereafter passing the laws,
* Conducting oversight over the Executive to ensure accountability to Portfolio Committee towards achieving an effective, efficient, developmental and professional public service,
* Conducting public participation and engaging citizens regularly with the aim to strengthen service delivery; oversee and review all matters of public interest relating to the public sector,
* Monitoring the financial and non-financial aspects of departments and its entities and ensuring regular reporting to the Committee, within the scope of accountability and transparency,
* Supporting and ensuring the implementation of the PSC recommendations in the entire public service
* Participating in the international treaties which impact on the work of the Committee.
1. **PURPOSE OF THE BUDGETARY REVIEW AND RECOMMENDATIONS REPORT**

In terms of Section 5 of theMoney Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 the National Assembly, through its Committees, must annually compile Budgetary Review and Recommendations reports (BRRR) that assesses service delivery and financial performance of departments and may make recommendations on forward use of resources. The BRRR is also a source document for the Committees on Appropriations when considering and making recommendations on the Medium Term.

The Money Bills Amendment Procedures and Related Matters Act, section 5 (3) highlights focus areas on the budgetary review and recommendation report as:

* Providing an assessment of the department’s service delivery performance given available resources;
* Providing an assessment of the effectiveness and efficiency of the departments use and forward allocation of available resources; and
* Include recommendations on the forward use of resources.

**3.1** **Method**

The Portfolio Committee on Public Service and Administration as well as Monitoring and Evaluation compiled the 2015/16 BRRR using the following documents:

* The National Development Plan: Vision for 2030.
* Medium Term Strategic Framework 2015 - 2020.
* State of the Nation Address 2015 and 2016.
* Management Performance Assessment Tool 2015
* Strategic Plans of the PSC, the Department and its entities.
* Annual Performance Plans of the PSC, the Department and its entities.
* Annual Reports 2015/16 of the PSC, the Department and its entities
* Auditor-General South Africa’s outcomes of audit findings 2015/16.
* The Portfolio Committee also met with the leadership of the department and the entities included under its budget vote.
1. **NATIONAL DEVELOPMENT PLAN VISION 2030**

The Department of Public Service and Administration is required to implement and coordinate interventions aimed at achieving an efficient, effective and development oriented public service, which is an essential element of a capable and developmental state as envisioned in the National Development Plan (NDP) 2030. In relation to the National Development Plan 2030, the Department has the following strategic priorities:

* Measures to advance women’s equality.
* Graduate recruitment scheme for the public service to attract highly skilled people.
* Realising a developmental, capable and ethical state to ensure a dignified treatment of citizens.
* Addressing unevenness in state capacity to deal with uneven performance in local, provincial and national government.
* Professionalisation of the public service in order to:
* Put in place the Administrative Head of the Public Service.
* Introduce a hybrid system for the appointment of Heads of Department (HoDs).
* Establish delegations of authority and principles on human resource matters.
* Address the shortage of scarce skills.
* Solve skills shortage at technical and managerial levels.
* Improve intergovernmental relations.
* Fight and eliminate corruption in the public service.
* Foster leadership and inculcate responsibility throughout society.
* Put responsibility for human resource matters on the shoulders of the HoDs.
1. **MANDATE OF THE DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

The mandate of the Department of Public Service and Administration derive from Section 195(1) of the Constitution to implement basic values and principles that the public service should adhere to, and the Public Service Act (PSA) of 1994, as amended. In terms of the PSA, the Minister for the Public Service and Administration is responsible for establishing norms and standards relating to:

* The functions of the public service,
* Organisational structures and establishment of departments and other organisational and governance arrangements in the public service,
* Labour relations, conditions of service and other employment practices for employees,
* The Health and wellness of employees,
* Information management,
* Electronic government in the public service,
* Integrity, ethics, conduct and anti-corruption; and
* Transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

5.1 Strategic Outcome Oriented Goals

The priorities for the Department of Public Service and Administration over the medium term period are informed by the National Development Plan objectives which are therefore translated into the Medium Term Strategic Framework (MTSF) 2015-2020. The Department highlighted the following priorities to the Portfolio Committee:

1. **A stable political-administrative interface**

Promoting stability of leadership in the top levels of bureaucracy which is central to building a capable and developmental state by introducing clear delegations, effectively managing the political-administrative interface, improving public confidence in the process and quality of appointments.

1. **A public service that is a career of choice**

Promoting the public service as a career of choice by adopting a more long term approach to developing the skills and professional ethos that underpin a development oriented public service, recruiting young professional into the public service, ensuring that the work environment is conducive for learning to take place on the job and by adhering to the Constitutional principles that guide personnel practices.

1. **Efficient and effective management and operations systems**

Improving management and operations systems to challenges frontline staff face in delivering quality services to citizens by clarifying responsibilities, introducing efficient and effective work processes, including IT systems that are tailored to specific areas of service delivery and by delegating greater authority to resolve day to day problems.

1. **Increased responsiveness of public servants and accountability to citizens**

Improving accountability as set out in the Batho Pele Principles and the Public Service Charter by strengthening accountability to citizens, particularly at the point of delivery, increasing the responsiveness of public servants to the views and concern raised by citizens and other service user and by developing the capacity to monitor the quality of service provision and effecting the required improvements.

1. **Improved mechanisms to promote ethical behaviour in the public**

Improving confidence in the integrity of the public service through strengthening the fight against corruption by effecting amendments to the relevant codes of legislation in order to limit the scope for conflicts of interest, preventing public servants from doing business with the state and by building the capacity of departments to investigate issues relating to ethics, integrity and implement disciplinary actions on cases where there is a possible or actual conflict of interest.

1. **STATE OF THE NATION ADDRESS**

The key priorities identified in the SONA 2015 were to prevent corruption and promoting ethical governance. The Department has drafted the Draft Public Service Regulations to ease the implementation of the said Act in Parliament. Submission on the Regulations were solicited from the public and in August 2016, the final draft of these Regulations were tabled in Parliament.

1. **DEPARTMENT AND ENTITIES’ PROGRAMME PERFORMANCE**
	1. **DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

**7.1.1 Budget Allocated and Expenditure 2015/16**

In 2015/16, the Department of Public Service and Administration received an appropriation of R941.5 million which represents a nominal increase of R66.4 million, or 7.6 per cent, from 2014/15. Transfers and Subsidies account for R498.1 million of the available budget and of this amount the Department had transferred R498.1 million, or 101.9 per cent, mainly to departmental agencies and accounts. This means the Department had an available budget of R452.5 million for operations. Of this, the Department spent R436.6 million, or 96.5 per cent, the majority of which has been used on compensation of employees and goods and services.

The Department spent R934.8 million of its R941.5 million to the end of the 2015/16 financial year, leaving funds unspent to the tune of R6.7 million. This is mainly due to funded vacant positions. The Department reported a monthly average vacancy rate of 12 per cent throughout the year.

**Appropriation per programme (R’000)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme R’000** | **Final appropriation** | **Expenditure** | **Variance** | **% spent on Budget** |
|  Administration | 216 125 | 215 765 | 360 | 99.8% |
| Policy Development, Research and Analysis | 35 518 | 32 325 | 3 193 | 91.0% |
| Labour Relations and Human Resource Management  | 70 410 | 67 552 | 2 858 | 95.9% |
| Government Chief Information Officer | 20 308 | 20 208 | 100 | 99.5% |
| Service Delivery support | 61 809 | 61 719 | 90 | 99.9% |
| Governance of Public Administration | 288 768 | 281 499 | 7 269 | 99.9% |
| **Total (DPSA)** | **448 445** | **441 755** | **6 690** | **99.8%** |
| Centre for Public Service Innovation | 29 003 | 29 003 | - | 100.0% |
| National School of Government | 140 439 | 140 439 | - | 100.0% |
| Public Sector Education Training Authority | 93 843 | 93 843 | - | 100.0% |
| Public Service Commission | 229 752  | 229 752 | - | 100.0% |
| **Total (Transfers)** | **493 037** | **493 037** | **-** | **100.0%** |
| **OVERALL TOTAL** | **941 482** | **934 792** | **6 690** | **99.3%** |

**7.1.2 Programme Performance**

**(a) Programme 1: Administration**

The purpose of the programme is to manage overall strategic and operational functions of the Department which include policy direction; strategic leadership; coordination and facilitation of multilateral and bilateral programmes; integrated planning and programme support; provisioning of financial and human resource management services; security and facilities management; communication and ICT management; coordination of the provisioning of internal legal advice services, as well as , and audit and risk management oversight.

The programme was allocated a final appropriation of R216.125 million and spent R215 765 million. The Department has achieved all 12 planned targets. It is worth noting that the Department of Public Service and Administration has received a clean audit in 2015/16 financial year. The Department is leading by example in terms of compliance with legislations in the public service more particularly the Treasury Regulations and the Public Finance Management Act.

The Department complied with section 38 (1)(f) of the Public Finance Management Act (PFMA), 1999, which requires accounting officers (AOs) to settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period. Treasury Regulation 8.2.3 clarifies the“prescribed period” by determining that “all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgment”. All the departmental suppliers were paid within 30 days during the 2015/16 financial year. The Minister approved the draft Public Service Regulations and the first phase Public Administration Management Regulations. The PAM regulations were published for the consultations with various stakeholders. The Portfolio Committee made inputs during the process of public participation. The Regulations will be implemented once they have been presented to the Portfolio Committee as courtesy to present the incorporated inputs by the Committee

**(b) Programme 2: Policy, Research and Analysis**

The purpose of this programme is to research, analyse, monitor and evaluate the formulation, development and review of policies and policy reform through a cogent policy and research agenda and strategy for public administration discourse and reforms, based on both national and international trends, using capacity and functionality assessments; providing Public Service productivity measurement instruments; investigating appropriate and alternative pubic administration delivery models through knowledge management and best practices; managing and evaluating transformation programmes; in order to enhance access to public services through feasibility and continuity studies.

Programme 2 was allocated a budget of R35 518 million and spent R32 069 million, which is an estimated 99.8%. The Department had achieved 86% of planned targets and 14% partially achieved. The programme contributes to the National Development Plan objectives of an efficient, capable and productive public service; and building a capable public service.

In an effort to enhance productivity, the Department is in the process of designing a Productivity Management Framework for the public service. As part of the refinement of the draft framework and tool, the department conducted pilot productivity measurements in the North West Province’s Department of Health, the Mpumalanga Province’s Department of Basic Education and the Limpopo Province’s Departments of Cooperative Governance Human Settlements and Traditional Affairs.

The Public Administration Management Act (PAMA) was signed into law by the President in 2014. The Act seeks to provide a legal framework across the three spheres of government for bringing some degrees of uniformity in the public administration pillars, transversal institutions, Human Resource, Information Communication Technology and systems. Regulation are drafted which will bring into effect the Act. The Department is rigorously consulting various stakeholders in key national departments, provincial structures and SALGA. The Department has developed draft PAMA regulations on the Prohibition of Public Servants from doing business with the State.

The Department engaged with the National Treasury to take the lead together with GTAC on developing funding options and a recommended funding model for Thusong Programme and the Centres. The Department conducted an Accessibility Study of Thusong Cluster Programme of Home Affairs, Labour, SASSA and the SAPS in eight provinces. The study was conducted in collaboration with the Government Communication and Information Service (GCIS) which coordinates the Thusong Service Centre Programme. Accessibility study assisted in determining a set of benchmarked standards that is used to determine the optimum provisioning and geographic location of different types and sizes of Thusong Service Centres. The Department has developed Guidelines with relevant toolkits to support Research within the public service. Toolkit will assist government to improve research on Public Administration and create the research capacity to support the evidence based policy development.

The Policy on the Provisioning of Reasonable Accommodation and Assistive Devices was approved by the Minister for Public Service and Administration in December 2014 and seeks to ensure that the public service is conducive to persons with disabilities by ensuring that employees with disabilities are provided with the appropriate working environment and the required devices to effectively perform their duties and functions. As at 31 December 2015, the Public Service had a workforce of 1 320 759 of which 9 091 is employees with disabilities yet only 1.19% of the employees with disabilities have been provided with reasonable accommodation and assistive devices. The total number of public servants (national and provincial) with disabilities who have received Reasonable Accommodation and Assistive Devices (RAAD) is 108 out of 9 091. The total cost for providing these services is R2 694 540.29.

**(c) Programme 3: Labour Relations and Human Resource Management**

The purpose of the programme is to develop, implement and monitor human resources policies and functions, by managing labour relations negotiations, employee relations, discipline and work environment management, designing remuneration and job grading policy frameworks; as well as, support the implementation of human resource development and planning strategies, systems and practices. The programme was allocated a final appropriation of R70.410 million and spent R67.552 million, which is an estimated 95.9%. There was variance of R2.858 million. All seven targets on the programme were achieved.

A public service that is career of the choice is among the objectives of the National Development Plan (NDP). The NDP proposes a number of interventions aimed at ensuring that the public service becomes a career of choice and that attracts and retains appropriate skills and expertise necessary to deliver on the goals and mandate of government. The Department developed a draft model for the Public Service Graduate Recruitment Scheme. The Scheme was consulted with National and Provincial Departments as well as other strategic structures critical to implementation of the Scheme. The Department will in 2016/17 seek approval of the model after the Scheme has been piloted.

In terms of 2015/2020 Medium Term Strategic Framework (MTSF) a total of 100 000 youths have to be appointed into Learnership, Internship, and Artisan programmes by 2019. The Department has worked closely with departments to ensure 20 000 target is met. Circulars clarifying the targets, scope and funding sources, applicable legislation and implementation mechanisms were also issued. As at end of March 2016, 26 055 youths were appointed of which 6687 were absorbed as permanent employees by national departments and 19 368 appointed by all nine provinces combined into all programmes.

Government and Organised Labour concluded a collective agreement in 2015, signed in PSCBC, to establish a Government Employee Housing Scheme (GEHS). According to clause 4.1.3 of the Resolutions7 of 2015 the employer is responsible to operate, administer and manage the GEHS with consideration of Labour as a key partner in the governance of the Scheme. The Department has on an interim measure, established a Project Management Office for the GEHS. Progress on the implementation of the services of the GEHS is as follows as March 2016 is as follows: Housing Allowance Administration

* The housing allowance of R1200 is paid as a monthly contribution to qualifying employees to assist with their costs of their accommodation
* R300 of the housing allowance for Tenants will be saved in the GEHS Saving facility in order to assist employees accumulate a deposit required for buying houses

**(d) Programme 4: Government’s Chief Information Officer**

The purpose of this programme is to promote and manage the use of ICT’s as a strategic tool in the design and delivery of citizen-centred services within government, by coordinating and consolidating public service ICT policies, strategies, costs, risk assessments, as well as ICT Governance matters.

The programme was allocated a final appropriation of R 20 308 million and spent R20.208 million. Targets were all achieved under this programme. In addressing the weakness identified by the Auditor General with respect to the of security of ICT systems within departments, the DPSA has developed e-Enablement Security Guideline which seeks to, amongst others, make the management of the government departments aware of the different areas that impact on ICT (electronic information) security and what means and mechanisms are required to successfully secure their electronic information. The Guidelines were endorsed by the GITOC on the 9th of February 2016.

To reduce the high costs at which government is currently procuring ICT products and services, the DPSA has developed Policy Guidelines on Leveraging government’s ICT buying muscle which are aimed at enabling government to procure ICT products and services at more competitive and cost effective prices by using the collective purchasing power of departments and public bodies, at the same time promoting competitive bidding.

**(e) Programme 5: Service Delivery Support**

The purpose of this programme is to manage and facilitate the improvement of service delivery in government by supporting and monitoring Operations Management and Service Delivery Planning; Front;-line service delivery, including Service centre oversight; integrated citizen participation through African Peer Review Mechanism (APRM), the Open Government Partnership (OGP), as well as the implementation of community development programme. The programme was allocated a final appropriation of R61.809 million and spent R61.719 million, which is an estimated as 99.9%. Targets were 100% met.

The Department is required to provide technical support through workshops to prioritised departments in the mapping of business process and development of Standard Operating Procedures. The department supported to develop Business Processes, Standard Operating Procedures for the department of Labour and its entities, Provincial departments of Social Development in the Eastern Cape, Free State and North West; and Provincial departments of Transport in the Eastern Cape and KwaZulu-Natal provinces. In 2016/17 financial year, the Department will commence with the monitoring of improvements made in the delivery of services as a result of the implementation of the above mentioned department’s business processes.

During the 2015/16 Financial Year, the DPSA requested all 162 departments to provide progress on the development and implementation Business Processes and Standard Operating Procedures to as Guided by the Operations Management Framework. 100 departments (and improvement of 21% from the 2014/15 financial year) submitted reports which indicate that; departments do have the capacity to implemented Operations Management; departments have aligned their respective policies, toolkits and implementation plans to the Operations Framework, and pockets of excellence with regards to the complete and effective implementation exists in the Eastern Cape, Kwa Zulu Natal, Mpumalanga and the Western Cape Provinces.

**(f) Programme 6: Governance for Public Administration**

The Department drives this programme to manage and develop policies, strategies and programmes on Public Service ethics, integrity and leadership; intergovernmental relations; macro organization of the state, including organisational design; strategic planning frameworks; as well as, monitor government intervention programmes and Human Resource information systems. The programme was allocated a final appropriation of R44. 275 million and spent R44.186 million, which is estimated at 89%. There was a variance of R89 000.

The Minister for Public Service and Administration issued a Directive on Public Administration and Management Delegations in August 2014. The directive on standardized delegation principles and templates was issued and workshops were held with nationally and the provinces of Limpopo, Northern Cape: Mpumalanga and Eastern Cape. However, despite support provided by the DPSA, the overall compliance by departments, in the first year of implementing the Directive, is at 44%. Of the 154 Departments assessed; 68 departments (21 National and 47 Provincial departments) complied with delegations. The department is committed to continuing with the provision of support and advice to department to ensure the required improvements in compliance.

The Department expected to monitor the implementation of the competency assessments practice for the senior management services. As from 1 January 2015 and 31 December 2015, a 100% compliance rate was achieved in both National and Provincial Departments with regards to the implementation of competency assessments for senior managers. The statistics provided an indication that the level of competence measured has improved between 2014 and 2015 specifically at entry levels into the SMS. The gender distribution has also improved between 2014 and 2015, as the percentage for females assessed increased by 2%.The analysis of the data indicates that Financial Management and People Management and Empowerment competencies pose a challenge to most candidates at all levels. Targeted training on these areas needs to be provided to the SMS.

Chapter 3 of the Public Service Regulations which provides for the revised and electronic submission of disclosure of financial interests has been revised. A revised determination was drafted to address conflict of interest arising from public servants doing business with the State. The Public Service Regulations have been amended to prohibit public servants from doing business with the State, which also aligned it with the Public Administration Management Act.

* 1. **THE PUBLIC SERVICE COMMISSION (PSC)**

The PSC derives its mandate from Sections 195 and 196 of the Constitution, 1996. Section 195 sets out the values and principles governing public administration, which should be promoted by the PSC, as well as powers and functions. The PSC is required by the Constitution to exercise its powers and to perform its functions without fear, favour or prejudice. The Constitution links the PSC’s independence firmly with its impartiality and no organ of state may interfere with the functioning of the PSC. The Public Service Commission gets its budget through a transfer from the budget vote of the Department of Public Service and Administration.

The budget allocated for 2015/16 financial year was R229 752 million and all monies were spent, which is an estimated of 100%.

* + 1. **Programme Performance**
1. **Programme 1: Administration**

The main aim of this sub-programme is to provide overall management of the PSC and its Office. The activities of this sub-programme are structured to meet the following objectives: assisting the Head of Department with the delivery of functions and responsibilities assigned either by legislation, providing strategic support and administrative services, providing continuous and adequate support service to the PSC and its Office towards achieving its strategic and operational objectives.

The programme was allocated R108.167 million and spent R107.947 million, which was 99.8% expenditure. Due to financial constraints and the reduction on its budget, the PSC implemented a limited number of projects. Furthermore, the PSC took a decision to delay the filling of certain posts as well as to abolish certain posts in order to generate savings for its operations. The PSC also introduced further cost containment measures in areas such as travelling, which has for example generated savings of an estimated amount of R3 million as compared to the 2014/15 financial year.

The PSC developed a three year audit plan, which was reviewed and top ten strategic risks were identified on a regular basis. Internal Audit Coverage Plan was implemented on an ongoing basis. A successful Joint Public Lecture between the PSC and UNISA on Building a Capable, Career-Oriented and Professional Public Service for a Developmental State as stated in the National Development Plan Vision 2030 was held. With regards to internal communications, a communiqué by the Director-General, *Mafhungo* which is aimed at keeping officials abreast of developments in the organisation was issued on a monthly basis. Likewise, bi-annual newsletter*, Izwi lase* OPSC was also issued every second month. In order to enhance productivity and the effective utilization of network resources, a network monitoring tool was implemented.

1. **Programme 2: Leadership and Management Practices**

The purpose of the Programme is to promote sound public service leadership, human resource management, labour relations and labour practices. The budget allocated for the programme was R38.308 million and the programme spent R38.164 million.

Commission received a total of 682 cases on the database of which 484 grievances were properly lodged and additional 198 received grievances were not properly referred. Of 682 cases received, 605 grievances were finalised. The PSC conducted two studies with a specific focus on critical functions that are located within the Department of Justice and Constitutional Development (DoJCD). The studies were designed to assess the effectiveness and efficiency of the Office of the State Attorney and the Office of the Chief State Law Advisor. The two reports were submitted to the Minister for Justice and Correctional Services and the DG for the DoJCD.

As part of its oversight and monitoring function, the PSC produced a Factsheet on Grievance Resolution in the Public Service for the 2014/15 financial year. In promoting sound labour relations in the Public Service and information sharing with labour relations practitioners and employees in general, the PSC published a Grievance Management Communiqué. The PSC continued to monitor compliance with the signing and filing of performance agreements by Heads of Departments (HoDs) and conducted an inquiry into the implementation of the HoD evaluation deviation that was issued by the MPSA.

An audit was conducted on recruitment and selection processes in the Gauteng Department of Finance and a skills and competency audit of human resource and financial management senior managers was conducted in the Western Cape. The PSC also provided extensive inputs to the Presidential Remuneration Review Commission following their call for submissions.

1. **Programme 3**: **Monitoring and Evaluation**

The programme is responsible for establishing a high standard of service delivery, monitoring and good governance in the Public Service. There are two sub-programmes under the programme which is Governance Monitoring and Service Delivery and Compliance Evaluations. The budget allocated for the programme was R36.184 million and the expenditure was R36.155 million.

The main focus was to prepare material for the promotion of the nine values and principles in Section 195 of the Constitution and a framework for the evaluation of departments against the values. The framework defines each of the values, spells out the scope and content of each of the values and proposes a number of indicators that will be used for the evaluation of departments. The concept design of a data warehouse that will store the data to be used in evaluations was completed. Such data will provide the evidence for any evaluative comment of the PSC about the Public Service.

Since annual reports are a valuable source of information on the performance of departments, the PSC has developed guidelines on analysing strategic plans and annual reports. As the PSC cannot only evaluate departments but must also propose measures to improve performance, it has strengthened its methodology for diagnosing the underlying causes of problems and developing implementable solutions.

1. **Programme 4:** **Integrity and Anti-corruption**

The programme is responsible for undertaking public administration investigations, promoting a high standard of professional ethical conduct amongst public servants and contributing to the prevention and combating of corruption. There are two sub-programmes; which are Public Administration Investigations and Professional Ethics. The programme was allocated R47.093 million and it spent R47.053 million.

Factsheet on completed disciplinary proceeding for the 2014/15 financial year was compiled. The Complaints Rules and Guidelines were reviewed to improve efficiency. In relation to the complaints lodged with the PSC in terms of the Complaints Rules, as at 31 March 2016, a total of 510 complaints, the PSC were carried over from 2014/15 and 245 were lodged during the 2015/16 financial year. A total of 371 complaints were finalised and 139 are pending. The PSC also conducted investigations and assessments of the awarding of higher salaries on appointment and counter offers in the national Departments of Transport and Labour.

The PSC developed a three year strategy in promoting professional ethics in the public service. Following on this, the PSC hosted various workshops with a particular focus on selected departments in the Western Cape and North West provinces as well as with the Departments of International Relations and Cooperation and Labour. This included workshops relating to the management of conflicts of interests, the Code of Conduct and financial misconduct. During the 2015/16 financial year, the PSC received 48 424 calls on the National Anti-Corruption Hotline. Out of 48 424 calls, a total of 2 499case reports were generated.

The PSC scrutinised 100% (8 986) of the financial disclosure forms received to assess compliance and whether the involvement of officials in any activities of the companies could lead to potential and/or actual conflicts of interest. The financial interests of SMS members who did not submit their financial disclosure forms were also scrutinised to assess their involvement in any activities of the companies that could lead to potential and/or actual conflicts of interest. Where applicable, the PSC conducted consultations with SMS members who were found to be involved in activities that could be construed as posing conflicts of interest.

* 1. **NATIONAL SCHOOL OF GOVERNMENT**

The National School of Government received its budget appropriation through budget vote 12 of the Department of Public Service and Administration. The appropriated funds for the 2015/16 financial year was R140.439 million with the expenditure of R137.638 million.

The School of Government operates a Trading Account for its training operations. Total revenue decreased by R32.8 million from R149.0 million (2014/15) to R116.2 million (2015/16), a decrease of 22%. Income from course fees decreased by 30.6% from R86.6 million (2014/15) to R59.3 million (2015/16). Transfer funds from Vote to Trade Account decreased by R7.7 million from R55.5 million in 2014/15 to R47.8 million in 2015/16.

* + 1. **Programme Performance**
1. **Programme 1: Administration**

The programme governs the overall management of the School and provides for organisational support services enabling the Director-General/Principal, Branch Heads and all employees in the NSG to carry out their responsibilities within an effective governance system. The responsibilities of this programme include providing administrative, legal, human resource and financial management, across the Department. The programme comprises of the following sub-programmes: Office of the Principal and Corporate Management. The programme was allocated R92.644 million and the actual expenditure was R89.843 million, which amounts to 97.0%.

The NSG developed and reviewed 22 policies to ensure effective organisational management and compliance with legislation and good governance framework. The vacancy rate was reduced to 10.5% by March 2016 from 15.4% in the last financial year. The debt recovery book value was reduced from R34 786 million in 20914/15 to R16 506 million in 2015/16 financial year. Debt recovery still remains a challenge for the School with an average of 72 days taken to collect payments due. The ICT Disaster Recovery Solution was successfully implemented and approval obtained for SITA to fully manage the Virtual Private Network and BAS back-up.

The School developed a five-year Strategic and Annual Performance Plan which was tabled on time in Parliament. All employees signed Performance Agreements in the School. Furthermore, the NSG aligned the Service Delivery Improvement Plan (SDIP) with the Medium Term Strategic Framework (MTSF) and the Strategic Plan for 2015-2020. The average time taken to collect payments was 72 days arising from learning and development interventions. Average time taken to collect debts is gradually been reduced as compared to 90 days taken in 2014/15. All payments were processed within the required period of 30 days as per the Treasury Regulations.

1. **Programme 2: Public Sector Organisational and Staff Development**

The main aim of the Public Sector Organisational and Staff Development Programme is to facilitate transfer of payments to the Training Trading Account for management development and the training of public sector employees. The programme caters for the School Training Trading Account which comprises of the following three sub-components: the Training Policy and Planning; Training Management and Delivery; and Specialised Services. Programme 2 was allocated a final appropriation of R47.797 million and the expenditure of R47.795 million was realised, which is at 100%.

The Sub-programme: Training Policy and Planning commissioned and published several research projects. The School held seven roundtable discussions on various topics. Approximately seven research papers were presented in different conferences and eight papers articles/journals published. A total of 661 learning and development facilitators, moderators and assessors were contracted. Out of 153 IICs were re-contracted.

A target of 29 350 of new public servants to undergo through Compulsory Induction Programme was not achieved due to low uptake on training programme. Of targeted number, 14 619 new public servants went through CIP, resulting to 50% achievement. All four quarterly reports have been produced on the rollout of CIP. A total of 1 784 unemployed youth graduates orientated through the Breaking Barriers to Entry (BB2E) programme and measured through attendance of formal training. Policy for on-board capacity being drafted and not finalised for approval. Cabinet approved the utilisation of public servants for public service training.

IN 2014/15, the School developed a formal graduate (internship) and cadet (learnership) recruitment scheme to be implemented by departments in attracting and nurturing young talent. In 2015/16, recruitment scheme was not approved according to initial plan. The project is led by the Department of Public Service and Administration. The establishment of the Learner Enrolment Centre has been completed and it is fully operational. The School developed and published a prospectus on the website to be accessible by the public servants. The status of the NSG as an accredited training provider as well as accreditation of training programmes are monitored on a quarterly basis. The School of Government has been granted accreditation for the period 1 February 2016 to 31 March 2018 by the PSETA.

* 1. **Centre for Public Service Innovation**

The Centre for Public Service Innovation (CPSI) is an entity of the Ministry for the Public Service and Administration established to entrench and drive service delivery innovation across all sectors. Chapter 3 of the National Development Plan (NDP) states that “Innovation across state, business and social sectors should start to become pervasive”. The NDP stipulates that innovation should also focus on improved public service delivery and on goods and services aimed at low-income sectors.

The CPSI is bridging the gap between the world of science and technology driven by the National System of Innovation led by the Department of Science and Technology. The National System of Innovation includes entities such as National Advisory Council on Innovation (NACI), the Innovation Hub and the Technology Innovation Agency (TIA). The CPSI’s Strategic Plan is aligned to the Government priority outcomes.

The budget of the CPSI is transferred through the budget vote of the Department of Public Service and Administration. In the 2015/16 financial year, the final appropriation was R29.003 million with the actual expenditure of R28.055 million which represents 96.7% of budget well spent. The CPSI was audited by the Auditor-General of South Africa.

1. **AUDITOR-GENERAL OUTCOMES**

**The following are matters raised pertaining to the DPSA:**

The Auditor-General has reported that financial statements present fairly in all material respects the financial position of the Department as at 31 March 2016. The Department’s financial performance and cash flows for the 2015/16 were in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act (PFMA). The Auditor-General’s Report has the following matters of emphasis:

**9.1.1 Predetermined objectives**

The Auditor-General did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes and objectives:

* Programme 5: Service delivery. Page(s) 63-66.
* Programme 6: Governance of Public Administration on support. Page(s) 67-73.
	+ 1. **Unaudited supplementary schedules**

The supplementary information set out on pages 246 to 261 does not form part of the financial statements and is presented as additional information. The Auditor-General had not audited this schedule and, accordingly, he could not express an opinion thereon.

* + 1. **Legal and regulatory requirements**

The objective of the Auditor-General’s tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, he could not express an opinion or conclusion on these matters.

* + 1. **Compliance with legislation**

The Auditor-General did not identify any instances of material noncompliance with specific matters in key legislation, as set out in the general notice issued in terms of the Public Audit Act (PAA).

* + 1. **Internal control**

The Auditor-General did not identify any significant deficiencies in internal control.

1. **OBSERVATIONS AND KEY FINDINGS**

The Committee made the following observations:

* 1. The Committee commended the Department of Public Service and Administration, the Public Service Commission and its entities for receiving clean and unqualified audits for 2015/16 financial year. The Department was urged to lead by example and maintain the good audit status in the future.
	2. The officials were quiet on the savings initiatives required by National Treasury and the threats that this may hold in destabilising the public sector. References towards improvements in productivity and the elimination of wastage were seldom made in the presentations and the annual reports.
	3. Recruitment of interns in government is a progressive move and should be expanded. However, the Committee was concerned about government departments not able to retain majority of youth who have undergone Learnership, Internship and apprentice programmes in the public service.
	4. The Ministry should delegate the responsibility to study the authenticity and compliance with the Financial Disclosure Framework (FDF) to the Accounting Officers across the public service so that the Executive Authority should be responsible only for signing off the filing of the disclosures with the Public Service Commission. This will help ease the process and timely compliance with this management prescript.
	5. The Department should consider conducting an Indaba on Public Servants Living with Disabilities to understand their plights in their workplaces. The Indaba will determine whether government has created conducive environment for public servants living with disabilities to enable them to perform their duties competently without any hindrances.
	6. The Ministry is requested to facilitate the process of establishing an operational business/sales unit with proper and adequate funding at the National School of Government so that the marketing, advocacy on the School’s objectives, and the requisite business management principles can be efficiently designed to assist the School to be properly funded to execute its mandate.
	7. Standards dealing with the time to fill vacancies in the public service has to be clearly defined in terms of different job categories. The Committee urged the Department to consider categorising the average time taken to fill vacancies in terms of the levels of the positions. The Committee urged that all the average time to fill posts should not exceed acceptable time frame.
	8. The Committee applauded the Ministry of the Department of Public Service and Administration in strengthening and improving confidence in the integrity of the public service through introducing reforms to fight against corruption by effecting amendments to the relevant codes of legislation in order to prevent public servants from doing business with the state.
	9. Over the past years, the Committee was concerned about the funding model for the Thusong Service Centres. The Committee is of the view that the Department in collaboration with the Government Communication and Information Services should close the matter, clarify funding model and responsibilities in the Thusong Service Centre to better enhance service delivery in different centres.
	10. The Department should improve targets concerning the employment of the people with disabilities. The improvement of targets for the people with disabilities should not only target operation posts and menial tasks, but also technical as well as management levels. The Department should provide detailed information on the employment equity in the public sector.
	11. The sector, especially the Department, must ensure that all funded posts are filled and desist from shifting funds meant for vacancies to goods and services as this impacts negatively on service delivery.
	12. Online courses offered by the National School of Government need to be accredited with the Public Sector Education Training Authority (PSETA) in order to increase high rate of enrolment in this regard. The School should monitor online enrolment.
	13. The National School of Government as established by the Public Service Act should improve its quality and the cost-effectiveness of its training, in order to become the training provider of first choice for training and development of the employees in the public sector.
	14. The National School of Government is urged to find ways to use the public media channel like the SABC and the Parliamentary Television Channels to advocate and promote its services to the public service and the general public.
	15. The National School of Government should change its business architecture, more particularly in ensuring its courses and certificates are accredited in order to attract students and for the public sector to consider the school as their training academy.
	16. The Centre for Public Service Innovation should continue entrenching a culture and practice of innovation in the public sector. The CPSI should in future plan for new innovation projects which will bring change and add value in improving efficiency and value for money in the public sector. The Committee advised the CPSI to be innovative and reflect new innovation projects in their annual performance plans rather than reporting on the same projects every year.
	17. The Centre for Public Service Innovation is asked to design best practices for evacuation strategies regarding buildings, particularly for the schools, hostels and places of work for people with disabilities (particularly for the blind and deaf) during disasters or fires.
1. **RECOMMENDATIONS FOR THE SECTOR**

The following recommendations are proposed:

**Legislative and Policy matters:**

* 1. The Department must consider setting different standards for the time required to fill vacancies at the various levels, including specialist categories.
	2. The Department must ensure standardization of the learnership, internship and apprentice programme in terms of contracts and remuneration in the public service. The Department must ensure uniformity in this programme across the public service.
	3. The National School of Government (NSG) must revise its business architecture to ensure courses offered are accredited by the South African Qualifications Authority.

**Administrative matters:**

* 1. The departments should invest more, and lead the way in training and employing young graduates and ensuring interns are correctly placed in the public service. The number of learnerships, internships and apprentices in the public sector should be increased in order to contribute to the skills base of South Africa. This will assist with future staff needs in the public service.
	2. The Centre for Public Service Innovation must design training in queue management, as well as ways to alleviate long queues and waiting times in the public sector. The expansion of the use of modern technology to improve service standards and to communicate better with members of the public should be facilitated by the Centre for Public Service Innovation.
	3. The Ministry and the Department are asked to facilitate the mobility of a predetermined percentage of savings from a department which realised such savings through the implementation of an innovation strategy designed by the CPSI, so that such funding can help to generate resources for new innovation projects.
	4. The Public Service Commission must commission a follow up study to determine factors impeding government departments in achieving 2% of people with disabilities and 50% of women in senior management in the public sector and make proposals and proposals.
1. **CONCLUSION**

The Department of the Public Service and Administration has in 2015/16 financial year continued to implement and coordinate interventions aimed at achieving an efficient, effective and development oriented public service which is an essential element of a capable and developmental state. The NDP highlights the need for well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services. In this regard, the Department and its entities have performed well in putting measures in place such as legislative reforms on the prohibition of the public servants in doing business with state and achieving 100 per cent of financial disclosure in the public service. Although the Committee noted the performance of the Department and its entities, it has emphasized that much still needs to be achieved in the public service. The Governance Cluster of Parliament is complimented for its contribution towards the BRR Report, and also the Support Staff for the drafting of the same.

**Report to be considered.**