

2nd presentation 2

National School of Government
2nd and 3rd Quarter Organisational Performance Report:
A presentation to the Portfolio Committee

Prof. Richard M Levin
Principal: National School of Government
1 February 2017

170201 PC-Sunday



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Outline of Presentation

1. Key Message
2. Highlights of Performance
3. Programme Performance: (Programmes 1 and 2)
4. Financial Performance
5. Human Resource Oversight
6. Corporate Governance
7. Conclusion



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Key Message

- ❖ The presentation to the Portfolio Committee provides an overview of the second and third quarter performance of the National School of Government measured against the 2016/17 Annual Performance Plan
- ❖ There is an improvement in our performance, as compared to the first quarter performance and we remain committed to achieving the performance targets articulated in the APP
- ❖ The National Treasury has granted a tariff approval to the NSG for consultancy work in order to meet diverse training and institutional support needs of departments and other state institutions. This provides us with the opportunity to widen our capability towards playing a greater role in supporting institutional performance management



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Highlights of Performance

- ❖ In August 2016, the NSG entered into an MOU with SALGA to collaborate in capacity building in local government, targeting top leaders in local government and induction programmes for councillors and senior managers. 10 000 municipal councillors and traditional leaders have been trained in 5 weeks
- ❖ NSG entered into a MoU with the French School of Administration. One of the issues discussed was a high level post-graduate African Governance Programme, apart from continued short courses at ENA. The NSG also entered into a MOU with the American University (AU) and ILDA, which led to the launching of the "Master Instructor: Train-the Trainer: Foresight, Leadership and Innovation Course" from 6th to 12th December 2016.
- ❖ The segmentation of the CIP for the different salary levels in the public service – the successful pilot of CIP 1-3, online initiatives for CIP 9-12, the Executive Induction Programme – all well received
- ❖ Piloting of the Ethics Online Course – interest generated in the course by the Financial Services Board and other institutions
- ❖ Our municipal footprint continues to expand, with the NSG signing a three-year MOA with the City of Cape Town for the delivery of identified Leadership and Management Training programmes
- ❖ Department and provinces are increasingly appreciating the efforts of the NSG on the development of training needs analysis (TNA). There is a growing requirement for skills data and training needs analysis. In Q 2 the NSG assisted the Department of Arts and Culture to develop 10 TNAs, and 9 TNAs completed for Mpumalanga Health Department in the 3rd Quarter



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PROGRAMME PERFORMANCE



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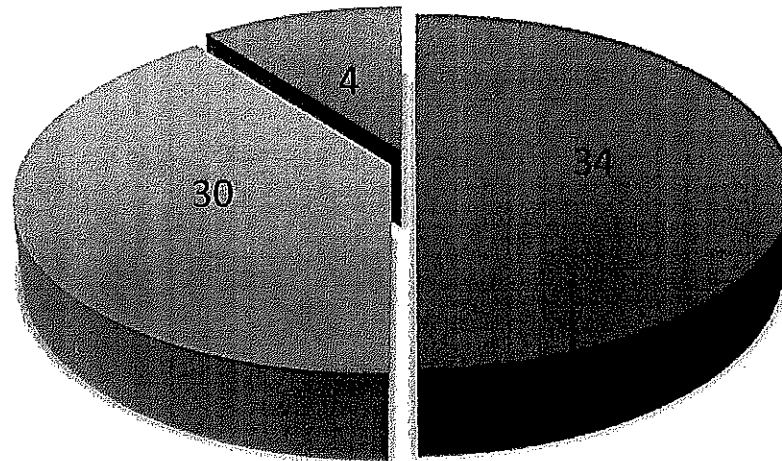
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Summary of Quarterly Performance

Annual Performance Plan Targets



■ Number of Targets ■ Targets Achieved ■ Deviation

In terms of the performance targets in the APP, a total of 30 against 34 targets were achieved in the third quarter. This translates to an overall achievement of 88%

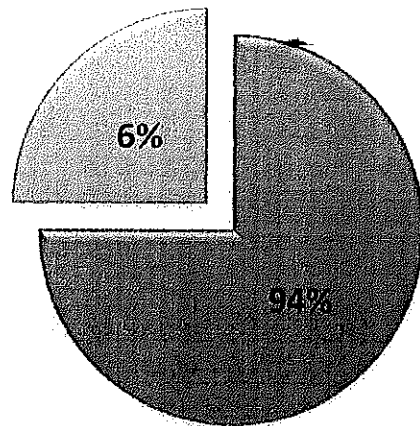


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Quarterly Performance for Programme 1 (Administration)

Programme 1



■ Achieved Targets ■ Targets Not Achieved

Programme 1 had 16 targets of which 15 were achieved as planned

Some of the Performance Highlights

- ❖ The Student Information System (SIS) will be funded by the EU, ToR have been developed after extensive consultation with relevant stakeholders
- ❖ The average number of debt collection is reduced to 33 days as the pre-payment model gains momentum.
- ❖ 99.9% of suppliers (1038/ 1039 invoices) paid within 30 days.
- ❖ The NSG signed MoU with American University Washington, to facilitate capacity building beyond South Africa
- ❖ Transfer of departmental records commenced has commenced and the Corporate Services file plan is complete
- ❖ As on 31 December 2016 vacancy rate is at 8.8% target
- ❖ 139 of 164 employees' unskilled to match organisational Competency Framework by 31 December 2016



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Quarter Targets not Achieved: Programme 1

| Performance targets not achieved | Quarter 3 Status | Remedial action |
|---|---|--|
| Develop and implement business process map and standard operating procedure for 1 identified business function (SDIP) | The development of the SOP will be on hold until the reengineering process is complete. | The NSG completed the business process mapping (as-is status) for 11 training functions within the NSG. Work is continuing in the development of the SOP |



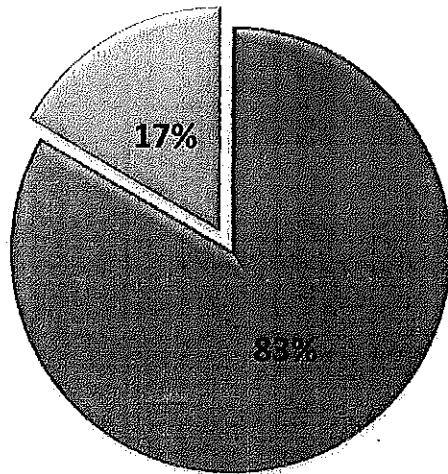
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Quarterly Performance for Programme 2

Programme 2



■ Achieved Targets ■ Non Achieved Targets

Programme 2 had 18 targets planned for the quarter, 15 targets were achieved whilst 3 targets were not achieved

Some of the Performance Highlights

- ❖ 10 TNA reports were completed for the Department of Arts & Culture 9 TNA reports completed for Mpumalanga Health Department
- ❖ 32 quality evaluations have been carried out and reports are developed.
- ❖ Multi-stakeholder leadership platform on the Perspectives on coaching, hosted with the Eskom Leadership Academy.
- ❖ Added an open course on Ethics in the Public Service and GRAP as part of the eLearning offerings
- ❖ MOA's signed with Free State Provincial Treasury, Department of Science and Technology and Buffalo City Metropolitan Municipality
- ❖ Completed the design of 2 in-service programmes:
Public Value and Change Management
Strategic Management and Public Accountability
- ❖ Developed Module 1 for CIP 6 - 12 for online delivery.



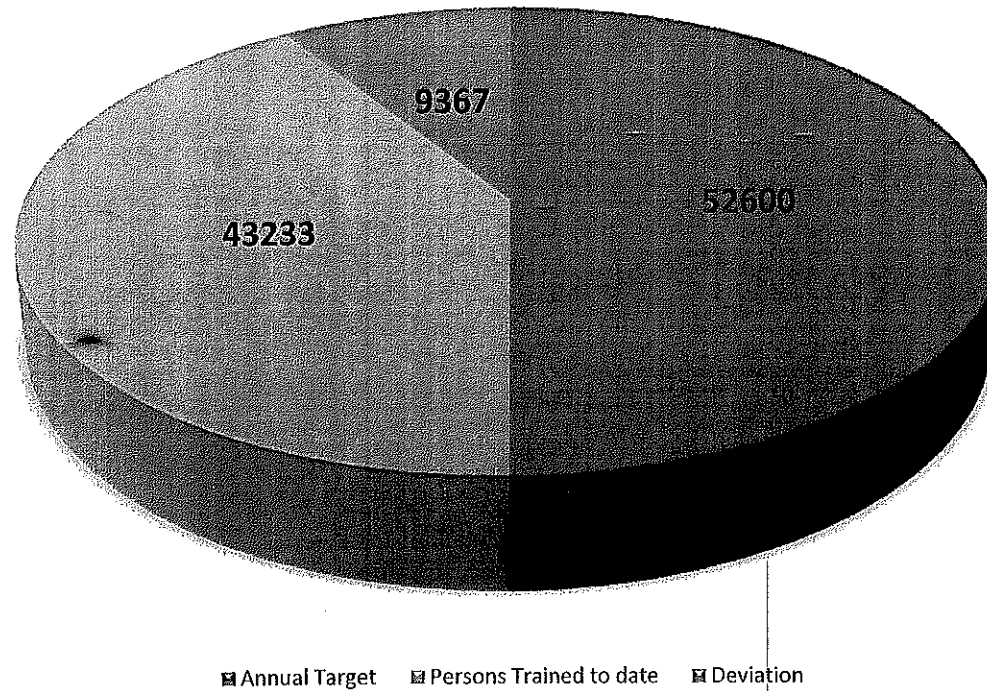
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Training Targets vs. Delivery (April to December 2016)

Cumulative Training Delivery



82% achievement towards annual target (incl. eLearning and Councillors Induction)



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Quarterly Training Delivery: Per Stream

| Training Stream | Annual Target | Cumulative (April to Dec) |
|-----------------------------------|---------------|---------------------------|
| Leadership | 6 000 | 7 437 |
| Management | 10 000 | 8 107 |
| Administration | 4 000 | 3 517 |
| Unemployed youth graduates (BBZE) | 2 750 | 1 917 |
| Induction | 29 850 | 22 255 |
| Total | 52 600 | 43 233 |



Quarter Targets not Achieved: Programme 2

| Performance targets not achieved | Quarter 3 Status | Remedial action |
|---|---|---|
| Train 8 955 newly appointed public servants on the Compulsory Induction Programme | Trained 3 552 newly appointed public servants on the Compulsory Induction Programme | Letters from the Principal sent to DG colleagues for the release of trainers. Utilisation of NSG staff for additional training capacity. |
| Orientate 700 unemployed youth graduates through the BB2E Programme | 613 unemployed youth graduates trained through the BB2E Program | Explore other sources of funding |
| Projected quarterly revenue of R40m generated. | Revenue generated amounts to R28 775 370, which is 80% of the projected amount | On-going marketing of NSG courses and programmes. Review projections for 2017-18. Pursue amendment of funding model with National Treasury. |
| 100% Learner records captured accurately within 10 working days from date of learning and development activity. | 70% records captured within set timelines | Distributed capacity enlisted across the organization |



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FINANCIAL PERFORMANCE



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Vote Account

| DESCRIPTION | Annual Budget Allocation | 3 rd Quarter Pro- rata budget | 3 rd Quarter Actual Expenditure | % on Budget |
|--|--------------------------|--|--|--------------|
| | R'000 | R'000 | R'000 | % |
| Administration | 88,590 | 65,862 | 63,065 | 96.0% |
| Public Sector Organisational and Staff Development | | | | |
| Total | 88,590 | 65,862 | 63,065 | 96.0% |

Expenditure Per Classification

| DESCRIPTION | Annual Budget Allocation | 3 rd Quarter Pro- rata budget | 3 rd Quarter Actual Expenditure | % on Budget |
|-------------------------------|--------------------------|--|--|--------------|
| | R'000 | R'000 | R'000 | % |
| Compensation of employees | 49,989 | 37,392 | 37,304 | 100.0% |
| Good and services | 36,243 | 25,964 | 23,108 | 89.0% |
| Transfers and subsidies | | | 134 | 0.0% |
| Payments for capital assets | 2,358 | 2,506 | 2,519 | 98.0% |
| Payments for financial assets | | | | |
| Total | 88,590 | 65,862 | 63,065 | 96.0% |



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Trading Account

| | Annual Budget 2016/17 | 3 rd Quarter Pro- rata budget 2016/17 | 3 rd Quarter Actual Expenditure 2016/17 | 3 rd Quarter Variance budget compared to actual (over)/under | 3 rd Quarter expenditure as % of pro-rata budget |
|--|--------------------------|--|--|--|---|
| Economic Classification | R'000 | R'000 | R'000 | R'000 | R'000 |
| Training related revenue (course fees) | 150 971 | 119 154 | 78 517 | (40 637) | 81% |
| Cash - Interest | 2 434 | 1 777 | 5 186 | 3 409 | 333% |
| Total revenue | 153 405 | 120 931 | 83 703 | (37 229) | 85% |
| Compensation of employees | (86 713) | (65 035) | (65 214) | (180) | 118% |
| Goods and services | (124 478) | (90 869) | (73 570) | 17 299 | 92% |
| Payments for capital assets | 0 | 0 | (774) | (774) | 0,0% |
| Total Expenditure | (211 191) | (155 904) | (138 784) | 17 119 | 103% |
| Surplus/(Deficit) | (57 786) | (34 972) | (55 855) | (20 883) | |



HUMAN RESOURCE OVERSIGHT



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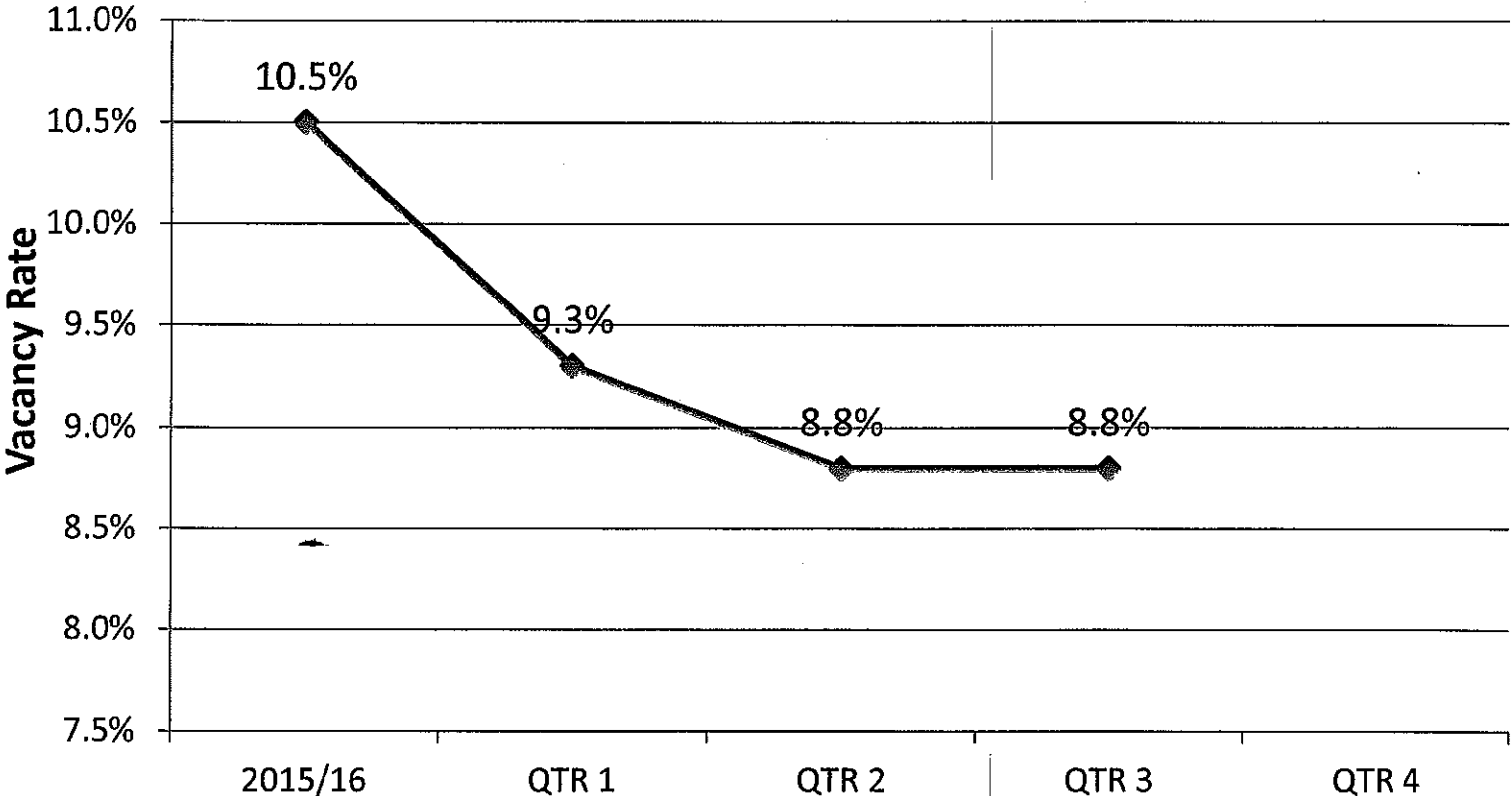
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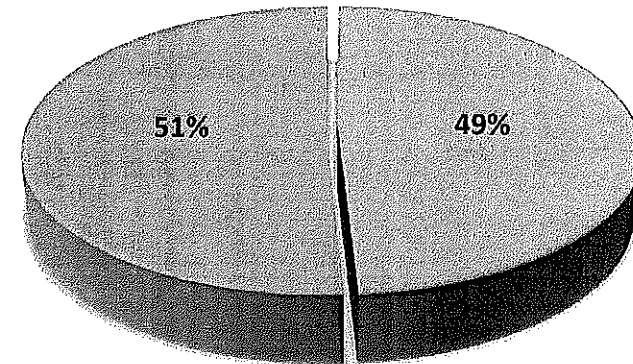
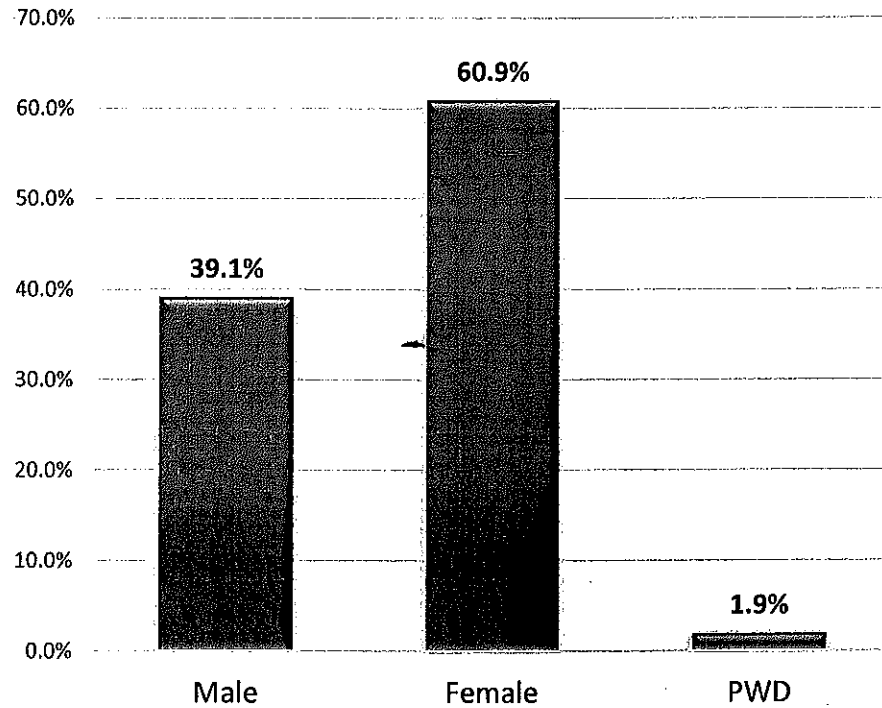


Vacancy Rate

The NSG has a total of 227 posts on the approved establishment for Programmes 1 & 2 with 207 posts filled, representing a vacancy rate of 8,8% by 30 December 2016.



Employment Equity



■ SMS Male ■ SMS Female



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CORPORATE GOVERNANCE



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Corporate Governance

The NSG improves corporate governance through implementing the following efforts:

- ❖ The NSG convenes oversight meetings including the Audit, Risk and departmental management to ensure operational efficiency
- ❖ The Management Performance Assessment Tool (MPAT) is being closely monitored and managed in order to ensure institutional compliance
- ❖ The strategic risk assessment was adopted by the Risk Committee, the committee to continue with the monitoring of the risks implemented
- ❖ New Audit Committee members were appointed for a 3 year term to ensure compliance and oversight on the operations of the NSG.
- ❖ Performance Agreements of all new employees are signed within the required timeline
- ❖ All NSG staff members were encouraged to fill their financial disclosure forms. One member of the SMS did not disclose on time, and disciplinary action was accordingly taken



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Conclusion

- ❖ The achievement of the training targets remains a challenge. Deliverables that are behind schedule are receiving priority attention and processes are implemented to ensure the achievement of all targets in the remaining quarter of the financial year
- ❖ Rigorous marketing, including a marketing plan for specific programmes, are being undertaken. The National Treasury has approved funding for the establishment of a sales unit within the NSG.
- ❖ The training statistics and revenue generation are being monitored through weekly management meetings, chaired by the Principal
- ❖ The NSG has to implement a pre-payment method in light of a debtors book with long outstanding debt owed by other departments. Whilst this has reduced the debtors book, slow departmental procurement processes for compliance with prepayments and short notice periods and payments result in bottlenecks

2

1



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Thank you



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