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| **9. Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation REPORT ON THE SECOND QUARTER PERFORMANCE BUDGET VOTE 8: DEPARTMENT OF PLANNING, MONITORING AND EVALUATION, Dated 22 November 2017** |

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Committee) having considered second quarter performance of the Department of Planning, Monitoring and Evaluation and National Youth Development Agency, reports as follows:

1. **INTRODUCTION**

Parliament through its Committees has a constitutional responsibility to oversee quarterly programme performance information of the departments and their entities throughout a particular financial year. Quarterly performance reports are a vital tools used by parliamentary Committees to ensure accountability and transparency to assess both financial and non-financial performance of the departments. In terms of the Public Finance Regulations, departments and their entities are expected to prepare quarterly report within 30 days after the end of each quarter.

On the 08 November 2017, the Committee considered the second quarter performance of the Department of Planning Monitoring and Evaluation and the National Youth Development Agency for 2017/18 financial year. The performance information was in accordance with their Strategic Plans, Annual Performance Plan and Medium Term Strategic Framework. The report provides an overview of the presentations made before the Committee, which was mainly focusing on their achievements, output in respect of the performance indicators and set targets for the above mentioned financial year. The report outlines the findings/observations of the Committee in relation to the Department and Agency’s performance.

1. **PROGRAMME PEFORMANCE**
	1. **Overall Performance**

The Department was allocated R923.5 million in 2017/18 financial year. The Department spent R447.4 million, which is equivalent to 49.8% of the allocated budget. The overall performance of the Department in terms of the predetermined targets was 25 achieved, 3 partially achieved and 1 not achieved. Overall performance in the second quarter of the Department was 86% achievement of targets. Among reasons cited for not achieving 100% targets was delayed in implementing new organogram structure which is due for approval by the Department of Public Service and Administration. Procurement of a new office to accommodate the envisaged number of employees it is still under way. The Department to advertise all vacant posts in November 2017. With regard to gender equity, the Department had achieved 50% of women in senior management positions and 2% employment of people with disability.

1. **Programme 1: Administration**

The main objective of the programme is to provide strategic leadership, management, administrative, financial and human resource services to enable the Department to achieve its strategic and operational goals. The programme’s objective is to co-ordinate planning, monitoring and reporting on the implementation of the Departmental plans, to promote internal and external communication on the work of the department, to achieve an unqualified audit opinion on financial statements, to hire, develop and retain the right people in the right positions for the department throughout the planning period, to successfully implement and realise benefits from ICT solutions in doing the work of the department and to promote good corporate governance practices and management.

Programme 1 had 11 predetermined targets in the second quarter, 8 (82%) targets were achieved and only 3 (18%) were not achieved. Some of the reasons for targets partially achieved was as a result of late submission of performance agreements submitted after required stipulated period. To date, 39% (R67.4 million) of the annual budget has been spent under Programme 1.

1. **Programme 2**: **National Planning Coordination**

The main purpose of this programme is to advance the strategic priorities of the department by developing and implementing the outcomes system, monitoring and reporting on its progress, and evaluating its impact. The main objectives are to ensure effective outcomes planning, monitoring and evaluation through facilitating the development of plans of the Delivery Agreements for priority outcomes with government departments, monitor and evaluate the implementation of the Delivery Agreements and making recommendations for corrective action on an ongoing basis. In addition, the Department aims to provide advice and technical support to the Presidency, establish and support an effective national evaluation system to inform the government’s work on a continuous basis.

The programme had 2 predetermined targets in the second quarter, and all 2 targets were achieved. To date, 39% (R18.3 million) of the annual budget allocated under this programme has been spent.

1. **Programme 3:** **Institutional Sector Monitoring**

The programme is responsible for promoting good M&E practices in government, conducting management performance assessment and support, frontline service delivery monitoring and support and government-wide planning and M&E capacity development and learning. The branch will also be responsible for the proposed Regional Offices. Whereas the OME Branch’s focus is on the management of the outcomes system and the achievement of government’s priorities, the focus of the IPM&E branch is on what can be done to make the organisation function better.

The programme had 3 predetermined targets in the second quarter, and all were achieved. To date, 43% (R19.6 million) of the annual budget allocated under this programme has been spent.

1. **Programme 4:** **Public Sector Monitoring and Capacity**

The purpose of this programme is to develop the country’s long-term vision and national strategic plans and contribute towards better outcomes in government through better planning, better long term plans, greater policy coherence and a clear articulation of long term aspiration. The main responsibilities of the programme is to institutionalise and strengthen planning in government by facilitating the development of sectoral plans, ensuring coherence between plans, policies and service delivery across government, ensuring high-level priorities are fed through into plans across all spheres of government and engaging stakeholders on the output of the planning process to ensure buy-in.

The programme had 4 predetermined targets in the second quarter, 2 targets (50 %) were achieved and 1 (25%) target was not achieved. The target not achieved relates to the delay due to the revision of the MPAT standards for both the National and Provincial departments, To date, 47% (R15.1 million) of the annual budget allocated under this programme has been spent.

1. **Programme 5: Frontline and Citizen Based Service**

The purpose of the programme is to facilitate service delivery improvements through frontline and citizen-based monitoring and effective resolution systems. The programme is made of the following Sub-Programmes: Citizen-Based Monitoring, Executive Support Monitoring and Presidential Hotline.

Key focus of the department in this financial year is to expand and maintain frontline monitoring system capable of verifying government performance and implementing strategic interventions to improve performance. Furthermore, the Department will facilitate the implementation of strategic interventions to improve service delivery. Establishing, coordinating and enhancing citizen and community monitoring and complaints resolution system will be pursued.

The programme had 4 predetermined targets in the second quarter, and all were achieved. To date, 47% (R24.9 million) of the annual budget allocated under this programme has been spent.

1. **Programme 6: Evidence Knowledge Systems**

The purpose of the programme is to coordinate and support the generation, collation, accessibility and timely use of quality evidence to support performance monitoring and evaluation across government.

The Department will coordinate and support a national evaluation system that ensures the use of evidence from regular and quality evaluations of priority government policies, programmes and systems. Planned is providing centralised research and knowledge management support to develop and maintain an evidence base to inform planning, policy development, implementation, monitoring and review. In addition, providing quality, timely and verified data and analysis of data to support planning, monitoring and evaluation will be the focus

Programme 6 had 2 predetermined targets in the second quarter, and all were achieved. To date 75% (R80.2 million) of the annual budget allocated under this programme has been spent.

1. **Programme 7**: **Youth Development**

The purpose of the programme is to develop and implement youth policy and to provide oversight over funds transferred to the National Youth Development Agency. The programme will champion the development and implementation of the youth development policy and integrated planning in government. The programme will be a conduit for the budget of the National Youth Development Agency.

The programme had 3 predetermined targets in the second quarter, and all were achieved. To date, 50% (R221.7 million) of the annual budget allocated under this programme has been spent.

1. **NATIONAL YOUTH DEVELOPMENT AGENCY (NYDA)**

The National Youth Development Agency (NYDA) is an agency established primarily to tackle challenges that the nation’s youth are faced with. The Agency was established by an Act of Parliament, act no 54 of 2008. The NYDA Act (2008) mandates the Agency to develop an Integrated Youth Development Strategy for South Africa, and initiate, design, coordinate, evaluate and monitor all programmes that aim to integrate the youth into the economy and society in general. The Act mandates the Agency to promote a uniform approach to youth development by all organs of state, the private sector and non-government organisations (NGO’s).

* 1. **Summary and Budget Allocation**

The Agency had achieved 14 predetermined targets and only 5 were not achieved in the second quarter of 2017/18 financial year. In general, the Agency had achieved 65% of its year targets for the quarter. For targets not achieved, the Agency to implement strict performance measures in line with Agency’s performance management policy. The Agency had spent an estimated 46% of its annual budget with the main areas of underspending on two programmes. The Agency is preparing scenario plans for the establishment of offices to provide universal access to opportunities, that will then be used to negotiate with local and district municipalities for the provision of products and services to young people. The Agency to conduct in the second half of the year deep stick assessments of its entrepreneurship and jobs programmes to influence future planning.

Table below show budget spent per programme:

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| **Key Programmatic Area** | **Q2 budget** | **Annual budget** | **Q2 Actual** | **Percentage** |
| Economic Participation | R 31,112,304 | R 68,777,015 | R 30,226,562 | 97% |
| Education and skills development | R 34,917,530 | R 72,853,169 | R 28,779,703 | 82% |
| National Youth Service | R 17,640,520 | R 40,043,329 | R 15,226,334 | 86% |
| Service Delivery Channel | R 16,640,380 | R 34,140,983 | R 15,583,783 | 94% |
| Research and Policy | R 2,113,970 | R 9,726,600 | R 2,103,688 | 100% |
| Administration | R 37,501,302 | R 79,852,400 | R 36,567,783 | 98% |
| Employee costs | R 81,598,874 | R 152,461,700 | R 81,672,736 | 100% |
| Total | **R 221,524,880** | **R 457,855,196** | **R 210,160,589** | **95%** |

1. **Programme 1: Economic Participation**

The main goal of the Economic Participation programme is to enhance the participation of young people in the economy through targeted and integrated programmes. This programme aims to facilitate and provide employment opportunities for young people; to enhance their participation in the economy, aimed at increasing job creation, entrepreneurship and skills development and the provision of business support to young people.

The Agency had 5 predetermined targets in the second quarter, 4 were achieved and 1 not achieved.

1. **Programme 2:** **Education and Skills Development**

The main purpose of the programme is to promote, facilitate, and provide education and skills development opportunities to young people to enhance their socio-economic well-being, with the objective of facilitating education opportunities. The aim is to improve access to quality education and to facilitate and implement the Youth Build, job-preparedness training, the provision of scholarships and assistance to young people who are rewriting their matric.

The programme had 8 predetermined targets in the second quarter, 6 were achieved and 2 not achieved. Targets not achieved include facilitation and implementation of education opportunities in order to improve the quality education attainment for the youth.

1. **Programme 3:** **Policy and Research**

The main purpose is to create a body of knowledge and best practice in the youth development sector, and to inform and influence policy development, planning and implementation. The fundamental aim of this area is to ensure that policies and frameworks that drive youth development are developed, based on a body of knowledge and facts that are relevant to the developmental needs of the youth of South Africa.

The programme had 3 predetermined targets, 2 were achieved and 1 not achieved. Target not achieved was applicable in quarter 3&4, however the Agency managed to conduct two satisfaction surveys during the quarter.

1. **Programme 4:** **Governance**

The purpose of the programme is to achieve efficient and effective utilisation of resources through provision of judicious governance, technology and systems, business operations, human capital, financial management systems that adhere to relevant legislative requirements for public funded entities.

The programme had 5 predetermined targets, 2 were achieved and 3 not achieved. Among targets not achieved include reviews of the Human Resource strategy and roll out of the training plan.

1. **FINDINGS AND OBSERVATIONS**

The Portfolio Committee made the following observations and findings:

* 1. The Committee commended the Department of Planning, Monitoring and Evaluation and the National Youth Development Agency about their second quarter performance reports. However, the Committee was concerned about the Department and Agency for not achieving 100% of their targets in the second quarter of 2017/18 financial year.
	2. The Committee once again raised the concern regarding the tabling of the Management Performance Assessment Tool in Parliament late after the Budgetary Review Reports have been processed. The Committee stressed the importance of tabling such crucial reports prior Parliament Committees process the BRR reports.
	3. The Committee urged the Department to make available the Mandate Paper document on the website for the purpose of ensuring transparency and in the spirit of access to information.
	4. The Department was encouraged to collaborate with the Stats SA to develop a longitudinal tracking system, to track children from crèche till completion of school so that government can be able to measure impact thereof and budget accordingly.
	5. The Committee stressed the importance of the Senior Managers in the Department conducting monitoring of frontline services in an effort to strengthen and enhance productivity in this service.
	6. The Committee was concerned about the NYDA lobbying for additional funding. The Committee urged the Agency to justify its request for additional funding.
	7. Visibility of the Agency in the rural areas is a major issue that urgently needs attention. The Agency needs to develop a strategy intended to establish satellite offices in every district municipality in the country.
	8. The Agency should ensure that the Integrated Youth Development Strategy addresses socioeconomic development challenges facing the youth. The Committee urged the Agency to lobby key departments to prioritise youth development matters and dedicate a particular percent of the budget for youth programs. The National Youth Development Agency should present the strategy to the Committee in the fourth quarter of 2017/18 financial year.
	9. The National Youth Development Agency was encouraged to lobby and partner with Skills Education Training Authorities (SETAs) in training both skilled and unskilled young people. The Agency should increase its targets on skills and training development taking into consideration that 59.4% of young people are without matric.
	10. The Agency was encouraged to partner with the National School of Government on the programme called Breaking Barriers to Entry, where it aimed to train unemployment graduates to undergo service orientation to prepare them for any jobs in the public service. The National School of Government was unable to reach their targets in 2016/17 financial year.
	11. The National Youth Development Agency should intensify its efforts aimed to promote social cohesion among young people.
	12. The Chairperson of the NYDA assured the Committee that despite the resignation of the Chief Executive Officer, the Agency will continue to maintain its clean audits over the medium terms. The Committee will hold the Agency accountable on their performance on a quarterly basis.
	13. The Committee welcomed the initiative by the National Youth Development Agency to host the Job Creation Indaba to lobby public and private sector in prioritising and employing young people. Among issues to be discussed are 35% of government business should benefit the youth and relaxation of requirement of work experience for entry job market position.
1. **The Portfolio Committee recommends as follows:**

**6.**1 That the House adopts and approve the second quarter performance of the Budget Vote 8 of the Department of Planning, Monitoring and Evaluation and the National Youth Development Agency.

Report to be considered