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| **7. PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION AS WELL AS PLANNING MONITORING AND EVALUATION REPORT ON THE SECOND QUARTER PERFORMANCE FOR BUDGET VOTE 10: DEPARTMENT PUBLIC SERVICE AND ADMINISTRATION, 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 Public Service and Administration, National School of Government, Centre for Public Service Innovation and Public Service Commission for 2017/18 financial year, 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 01 November 2017, the Committee considered the second quarter report for 2017/18 financial year on the performance of the Department of Public Service and Administration and its entities as well as the Public Service Commission. 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 mainly focusing on their achievements, output in respect of the performance indicators and targets set for the above mentioned financial year. The report outlines the findings/observations of the Committee relating to the Department and its entities’ as well as Public Service Commission performance.

1. **DEPARTMENT & ITS ENTITIES AND PUBLIC SERVICE COMMISSION PROGRAMME PERFORMANCE**
	1. **DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

Quarterly performance reports were verified by the Department’s Internal Audit Unit. The reports were also submitted to the Minister for the Public Service and Administration, the Department of Planning, Monitoring and Evaluation, and National Treasury. The Department had spent R401.3 million of R897.1 million allocated budget in the second quarter for 2017/18 financial year. The Department had achieved 24 targets of 32 planned targets. Meaning only 8 targets were not achieved and department provided reasons for deviation. The following is a trend performance information over second quarters of the 2017/18 financial year, report as follows:

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| --- | --- | --- | --- | --- |
| **Branch** | **2nd Quarter Targets** | **Targets Achieved** | **Targets not Achieved** | **Percentage Achievement** |
| 1. Administration | 7 | 4 | 3 | 57% |
| 2. Research and Policy Analysis | 5 | 3 | 2 | 60% |
| 3. Labour Relations and Human Resource Management | 7 | 4 | 3 | 57% |
| 4. Government’s Chief Information Officer | 4 | 4 | 0 | 100% |
| 5. Service Delivery Support | 5 | 5 | 0 | 100% |
| 6. Governance of Public Administration | 4 | 4 | 0 | 100% |
| **OVERALL DPSA PERFORMANCE** | **32** | **24** | **8** | **75%** |

1. **Programme 1: Administration**

The main purpose of the programme is to provide strategic leadership, management and support services to the Department, and coordinate the Department’s international relations. The purpose of the programme is to provide policy, coordinated strategic and overall administrative support services to enable the Ministry and the Department to deliver on the mandates.

The Department had seven predetermined targets. The Department achieved 57%, which is equivalent to four predetermined targets in the second quarter. Only 43%, which is equivalent to three targets were not achieved. The Department had spent 37% of the allocated budget. Among reasons cited for not achieved the targets was the draft quarterly progress reports on the implementation of the department’s bi-lateral and multi-lateral programmes which was compiled, but could not be finalised by the end of September 2017 as some information was still outstanding. Also the consultation process on the 2nd phase of Public Administration Management Regulations had not commenced.

1. **Programme 2: Research and Policy Analysis**

The main purpose of this programme is to manage and oversee the formulation, development and review of policies, policy reform and transformation programmes. It also manages research on and analysis of public service capacity, performance and reform by conducting productivity, accessibility and continuity studies tracking trends in best practice in public administration discourse in order to enhance access to public services through feasibility and continuity studies.

Programme 2 had five predetermined targets in the second quarter of 2017/18 financial year. The Department achieved 60% of its targets which is equivalent to three targets. Only 40% of the targets were not achieved. The Department had spent 41 % of the allocated budget. Among the target not achieved by the Department was the consultation with regard to identified functional overlaps with all Centre of government departments which do not support the policy direction. The Department had identified two departments to capacitate with regard to the practical implementation of the Productivity Measurement Tool. The Department of Agriculture was supposed to be capacitated in October 2017.

1. **Programme 3: Labour Relations and Human Resource Management**

The purpose of this programme is to develop, implement and monitor human resources policies and functions by managing labour relations negotiations, employee relations, discipline and work environment management. The programme is aimed at designing remuneration and job grading policy frameworks as well as support the implementation of human resource development and planning strategies, systems and practices.

Programme 3 had seven predetermined targets for the second quarter of 2017/18 financial year. The Department achieved 57% of its targets which is equivalent to four targets. Of seven targets, only 43% of the targets were not achieved. The Department had spent 46% of the allocated budget. Among the targets not achieved were the draft revised SMS PMDS which is still under consultation with the Presidency and Cabinet. The draft revised SMS PMDS is developed on the same architecture as that of the PMDS for HODs and is therefore dependent upon Cabinet’s approval of the PMDS for HODs. Once the PMDS for HODs has been approved, the Minister will issue the revised SMS PMDS.

The Department experienced delays during the 1st quarter of 2017/18, on the average number of days taken to resolve disciplinary cases by all national and provincial departments. One of the target not achieved was the costing and the proposal for the new round of salary negotiations which can only happen after organised labour has tabled its demand at the Public Service Coordinating Bargaining Council.

1. **Programme 4: Government’s Chief Information Officer**

The purpose of the programme is to promote and manage the use of Information Communication Technology (ICT) as a strategic tool in the design and delivery of citizen-centred services within government by coordinating and consolidating Public Service Information Communication Technology policies, strategies, costs, risk assessments, as well as ICT Governance matters. The programme was introduced in order to develop, implement and monitor information communication technology (ICT) policies and norms and standards.

The Department had four predetermined targets in the second quarter 2017/18 financial year. All targets were achieved in the second quarter. The Department had spent 39% of the allocated budget.

1. **Programme 5: Service Delivery Support**

The purpose of the programme is to manage and facilitate the improvement of service delivery in government by supporting and monitoring Operations Management and Service Delivery Planning. The programme has five sub-programme which are Operations Management, Service Delivery Support Programmes and Service Centres (Thusong), Complaints and Change Management (Batho Pele), Public Participation and Social Dialogue; and Community Development and Citizen Relations.

The Department had achieved 100% of its predetermined targets for second quarter 2017/18 financial year. The Department had spent 43% of its allocated budget.

1. **Programme 6: Governance and Public Administration**

The purpose of this programme is to manage and oversee the development of policies, strategies and programmes on Public Service ethics, integrity and leadership. Furthermore, the programme envisages to ensure intergovernmental relations and macro organization of the State which include organizational design, strategic planning framework as well as monitor government intervention programmes and Human Resource Information System. The programme has five sub-programmes which are: Human Resource Management Information Systems, Public Service Leadership Management, Organisational Design and Macro Organisation, Ethics and Integrity Management and International Relations and Government Intervention.

The Department had four predetermined targets for the second quarter 2017/18 financial year. In terms of the budget, the Department spent 46% of the allocated budget. The Department had achieved 100% of its predetermined targets for second quarter 2017/18 financial year.

* 1. **NATIONAL SCHOOL OF GOVERNMENT**

**3.2.1 Policy priorities**

The National School Government (NSG) derives its mandate from the Public Service Act. In terms of the Act the institution is mandated to provide training or effect the provision of training. The NSG’s aims to enhance capacity of all public servants at all levels to perform effectively and efficiently, develop and use assessment mechanisms to build confidence in the recruitment processes of the public service. Subsequently, the department develops training programmes that are specific to the needs of the public service with a view to addressing the skills shortages. The report presents quarterly performance of the second quarter performance of 2017/18, which is as follows:

1. **Programme 1: Administration**

The purpose of the Administration Programme (Programme 1) is to facilitate overall management of the School and provides for the responsibilities of the Principal, Branch Heads and other members of management. These responsibilities include providing centralised administrative, legal and office support service, human resource and financial management, communication, special projects, international relations, and internal controls and oversight.

Programme 1 had 7 predetermined targets for the second quarter 2017/18 financial year. Of 7 targets, the School achieved 5 targets as planned. Some of the target not achieved was a projected revenue of R58 million, and only R48.8 million was generated.

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

The Public Sector Organisational and Staff Development Programme (Programme 2) is responsible for facilitating transfer payments to the Training Trading Account for management development and training of public sector employees.

Programme 2 had 14 predetermined targets for the second quarter 2017/18 financial year. The School achieved 12 targets whilst 2 targets were not achieved. Target not achieved was mainly on projected quarterly training of 13 611 new and current public servants through a face to face and online learning (including compulsory induction and demand led trainings). The School has only trained 11 920 for new and current public servants on an online learning.

The following is a trend on financial performance information over second quarters of the 2017/18 financial year, report as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Annual Budget 2017/18 | Quarterly budget 2017/18 | Actual Expenditure 2017/18 | Variance budget  | Expenditure as % of pro-rata budget  |
|  | R'000 | R'000 | R'000 | R'000 | % |
| Administration |  95,894  |  44,353  |  38,743  |  5,610  | 87% |
| Public Sector Organisational and Staff Development |  64,612  |  30,045  |  30,045  |  -  | 100% |
| Total Vote Expenditure  |  **160,506**  |  **74,398**  |  **68,788**  |  **5,610**  | **92%** |

* 1. **CENTRE FOR PUBLIC SECTOR INNOVATION**
		1. **Policy Priorities**

The responsibility for the public sector innovation is vested in the Minister of Public Service and Administration, in terms of section 3(1)(i) of the Public Service Act (1994). The Act mandates the Centre for Public Service Innovation (CPSI) to unlock, entrench and nurture the culture of innovation within the public sector for improved performance and productivity. The report presents the fourth quarter and first quarter performance of the CPSI, which is as follows:

* + 1. **Programmes**

**2017/18 second quarter**

|  |  |  |
| --- | --- | --- |
| **No of Targets**  | **2nd Quarter Targets Achieved**  | **2nd Quarter Targets Not Achieved**  |
| **19** | **16** |  **3** |

1. **Programme 1: Administration**

The programme provides strategic leadership, overall management of and support to the organisation. There are three sub-programmes under programme 1 which are Strategic Management, Corporate Resource Management and Office of the Chief Financial Officer.

During the second quarter period, the organisation had achieved 16 targets (84%) out of 19 targets with 3 targets (16%) not achieved. The targets not achieved in this quarter would be achieved in the following 3rd and 4th quarters.

1. **Programme 2: Public Sector Innovation**

The programme drives service delivery innovation in public sector in line with government priorities. There are three sub-programmes under programme 2, which are Research and Development, Solution Support and Incubation, and Enabling Environment.

Under this programme, the CPSI had achieved almost all the targets. Only two targets were not achieved. Reasons for not achieving the targets were as a result of the postponement of the investigation of the service delivery challenges in frontline service delivery in the Home Affairs Department and two training workshop leading innovations in the public service.

* 1. **PUBLIC SERVICE COMMISSION**

**3.4.1 Constitutional mandate**

The Public Service Commission (PSC) is an independent institution established in terms of Chapter 10 of the Constitution. It derives its mandate from Section 195 and 196 of the Constitution, 1996, which set out the values and principles governing public administration, which should be promoted by the PSC, as well as the powers and functions of the PSC.

**3.4.2 Programmes**

The PSC achieved 88% of its predetermined targets for the second quarter 2017/18 financial year, with 12% not achieved. In terms of the budget, the PSC spent 48% of the allocated budget.

The report presents on the second quarter performance 2017/18 of the PSC, which is as follows:

1. **Programme 1: Administration**

The purpose of the Administration Programme (Programme 1) is to provide overall management of the Commission and centralised support services**.** The PSC had 42 predetermined targets. The PSC achieved 40 targets whilst 2 targets were not achieved. Among targets not achieved was the responsibility for monitoring of compliance with the submission of HoDs “Performance Agreements” which was transferred to the DPME.

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

The Leadership and Management Practices Programme (Programme 2) is responsible for promoting sound public service leadership, human resource management, labour relations and labour practices. The PSC had 12 predetermined targets for second quarter performance 2017/18 financial year. The PSC achieved 11 targets and only 1 was not achieved. Among reasons cited for not achieving the target was that the PSC was still awaiting the information from the DPME with regards to Factsheet compliance with the submission of the HoDs Performance Agreement before March 2018.

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

Programme 3: Monitoring and Evaluation establishes a high standard of service delivery, monitoring and good governance in the public service. The PSC had achieved 56% and with 44% not achieved targets. Among targets not achieved include reports on the systematic review and development of the CVP assessment tool by November 2017.

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

The Integrity and Anti-Corruption Programme (Programme 4) undertakes public administration investigations, promotes high standards of professional ethical conduct among public servants and contributes towards prevention and combating of corruption. The PSC had 15 predetermined targets in the second quarter performance 2017/18 financial year. Of 15 targets, the PSC achieved 14 targets (98%) whilst only 1 target was not achieved (7%).

1. **FINDINGS AND OBSERVATIONS**

The Portfolio Committee made the following observations and findings:

1. The Committee noted the second quarter performance of 2017/18 financial year of the Department of Public of Service and Administration and its entities.
2. The Committee noted the second quarter performance of 2017/18 financial year of the Public Service Commission.
3. The Committee noted with concerns the slow pace of finalising revenue collection strategy in assisting the National School of Government to be financially sustainable. The Committee urged the NSG to fast track the process of finding lasting solutions on financial model and its engagement with the National Treasury. The National School of Government should develop a turnaround strategy for the revenue collection in order to be self-sustainable in future.
4. The Committee commended the National School of Government on the highlights mentioned of reducing average debt collection from 48 days to 27 days. The Committee further applauded the School for paying suppliers within the prescribed 30 days of receipt of valid invoices.
5. The Committee raised concern with regards to the training offered by the NSG, particularly in the manner in which officials get assessed and awarded certificates. The Committee advised the School to ensure training courses offered are intensive and students are thoroughly assessed in order to make the National School of Government a school of choice among public servants.
6. The Committee was of the view that the School should reduce the vacancy rate and address the cause of staff turnover by conducting exit interviews for the purpose of retaining employees. The Committee further stressed the importance of retaining highly skilled staff.
7. The Committee was concerned about the online training services, especially to people from the rural areas and the cost of data. The National School of Government should devise a strategy to ensure online training services is accessible for the public servants working in the rural areas.
8. The Committee urged the NSG to reposition its model by developing training courses which are relevant to the current challenges confronting the public service and ensuring the school is the number one choice among public servants. Collaboration with academics and experienced public servants in training public servants is integral to the success of the School.
9. With regard to the Centre for Public Service Innovation, the Committee was concerned about some of the targets in Programme 2 not being achieved. The Committee encouraged the CPSI to ensure attainments of targets in the third quarter performance. The CPSI must ensure appointment of two Project Managers to ensure targets are achieved in Programme 2.
10. The CPSI should share with Committee lesson learned with regard to the Public Sector Innovation Conference.
11. With regard to new technology advanced to solve service delivery challenges, the Committee noted technology can create more complex problems and impact on the efficiency of services. The CPSI was encouraged to critically consider managing risk associated with new innovative solutions in solving the service delivery challenges in the public service.
12. The DPSA was complimented by the Committee on the progress so far regrading wage negotiations and the fact that there was a mandatory body established such as the Inter-Ministerial Committee, although the process begin late the Committee commended the Department on the progress.
13. The Policy on the Performance Management Development System for the Senior Management should be finalised. The Department of Public Service and Administration should present the policy to the Committee in the fourth quarter of 2017/18 financial year.
14. The Committee was concerned with the ICT risk in the public service. The Committee encouraged the Department to consider upgrading the PERSAL system or replacing the system as it was an old system and associated with risk. Among concern raised was the unreliability of the information captured with regard to disciplinary cases in the PERSAL System.
15. The Committee noted that most of the predetermined targets for the first and second quarter for the Public Service Commission were not achieved under Programme 3: Monitoring and Evaluation. The Committee urged the Public Service Commission to improve performance on Programme 3: Monitoring and Evaluation in the remaining two quarters of the financial year.
16. **The Portfolio Committee recommends as follows:**

6.1 That the House adopts and approve second quarter performance of the Budget Vote 10 of the Department of Public Service and Administration

Report to be considered