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| **4. Report of the Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation on Consideration of the Budget Vote 10: Department of Public Service and Administration, Dated 08 July 2019** |

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of Public Service and Administration, National School of Government, Centre for Public Service Innovation and the Public Service Commission tabled by the Minister of Public Service and Administration in terms of the Public Finance Management Act (Act No 1 of 1999), reports as follows:

1. **INTRODUCTION**

Parliament plays an important role in overseeing the performance of government departments and public entities. The Public Finance Management Act, section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, section 10 (1) (c) clearly stipulate that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the annual performance plans, the Committee ensured that the department and its entities budget allocation serve the needs and aspirations of the citizens. Budget allocation serve as a key instrument for government to promote socio-economic development efficiently. Budget allocation plays a critical role as an economic instrument of the government to reflects the country’s socio-economic policy priorities by translating priorities and political commitments into expenditures. Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. Furthermore, the budget highlights the constraints and trade-offs in policy choices.

On 02nd July 2019, the Committee considered presentations on the Annual Performance Plans and budget allocations of the Department of Public Service and Administration (DPSA) for Budget Vote 10 which comprises of the following institutions: National School of Government (NSG), Public Service Commission (PSC), and Centre for Public Service Innovation (CPSI). The Department is a conduit of the budget for the National School Government, Centre for Public Service Innovation and the Public Service Commission. This report summarises presentations received from the Department and its entities, focusing on their 2019/20 Annual Performance Plans and Budget as well as allocations over the MTEF.

1. **OVERVIEW OF THE DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

The Department of Public Service and Administration is expected 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. The Constitution of the Republic of South Africa envisages a Public Service that is professional, accountable and development-oriented.

The NDP identifies specific steps that need to be taken to promote the values and principles of public administration as enshrined in the Constitution. Furthermore, the NDP highlights the need for a well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivery consistently high-quality services, while prioritising the nation’s development objectives.

Unevenness in capacity that leads to uneven performance in the Public Service is also acknowledged in the NDP. This is caused by a complex set of factors, including tensions in the political-administrative interface, instability of administrative leadership, skills deficits, insufficient attention to the role of the State in reproducing the skills it needs, the erosion of accountability and authority, poor organisational design and low staff morale. Steps are needed to strengthen skills, enhance morale, clarify lines of accountability and build an ethos of public service. These steps are guided by the need for long-term policy stability as well as awareness of potentially adverse effects of over-regulation.

The main objective of the Department is to put in place the mechanisms and structures that can support departments in developing their capacity and professional ethos. The Public Administration Management Act (PAMA) has been signed into law and as a result the objective of establishing a uniform system of public administration to ensure that common norms and standards are achieved at all government levels. This effectively places DPSA at the epicentre of ensuring that all operating platforms and units to drive a compliant ethical public service which are guided by norms and standards.

1. **LEGISLATIVE MANDATE**

The Department is mandated by Section 195(1) of the Constitution which sets out 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.

1. **STRATEGIC GOALS OF THE DEPARTMENT**

The key strategic priorities of the Department are explained below:

**4.1 Building an efficient and effective Public Service**

The Department continued to eliminate areas of duplication, weaknesses and wastage within the public service and administration by identifying appropriate interventions to address these challenges. In so doing so, it ensured the following that the organisational structures of departments are rationalised and aligned to their mandates, improving the effective management of discipline and improving the implementation of resolutions signed with labour through the Public Service Coordinating Bargaining Chamber (PSCBC) collective agreements. Interventions that promote and support the health, wellness and positive morale of public servants are implemented and meaningful platforms are created and institutionalised to enable citizens to partake in and influence government’s policies with regard to how public services are delivered to them.

**4.2 Building a capable, equitable and professional Public Service**

This strategy is in line with the National Development Plan (NDP) in that a capable state, which is well run and effectively coordinated among different government institutions, will operate with the integrity and effectiveness this strategy envisages. The Department planned to introduce measures to professionalise the public service, which will include, amongst others, compulsory training programmes and the review and enhancement of appointment procedures for senior managers. The issue that the Department needs to revisit is the affirmation of people with disabilities. This is huge a huge challenge for public service since the employment is still around 2% in the public service. The public service has made tremendous strides with regard to the affirmation of women in senior management. However, the public service has not reached 50% gender representivity.

**4.3** **Introducing appropriate legislative frameworks for the Public Service and Administration**

The Department had planned to set up an enabling environment for effective public administration to be strengthened by reviewing existing legislation and introducing new legislative frameworks for public service and administration. To this effect, the Public Administration Management Bill was introduced to Parliament for processing, which had been finally assented to by the President in the form of the Public Administration Management Act 11 of 2014. By the beginning of 2015, already, the legislation was in full force and it, among other things, introduced the transformation of PALAMA into a National School of Government. The School offers training and development programmes for the public servants.

**4.4 Inculcating an ethical ethos and achieving a clean Public Service and Administration**

The Department is committed to promoting a corruption-free public administration through the implementation of practical interventions to prevent, detect and combat corruption. The Department also promotes and reinforces the ethical behaviour of public servants through improving compliance to public administration prescripts and regulations. To this effect, the Public Administration Management Act (Act 11 of 2014) was passed by Parliament and finally assented to by the President. Among other things, the Act has introduced measures to prevent public servants from doing business with the State, for which any civil servant found to be in breach will face a charge of misconduct with either a fine imposed or termination of service being instituted. The Department approved the Public Service Regulations of 2016 to implement certain provision encapsulated in the Act.

**4.5 Improved public administration in Africa and internationally**

The Department planned to contribute towards improved public service and administration in Africa and internationally through entering into mutually beneficial partnerships, dialogue and domestication of best practices. To this effect, the Ministry signed and ratified the Africa Public Service Charter on behalf of State and Government early in 2014. Values guiding the Service Charter are transparency and accountability, and good human resources management.

1. **STRATEGIC PRIORITIES 2015/2020**

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:

* **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.

* **A public service that is career of choice**

Promoting the public service as a career of choice by adopting a longer 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.

* **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.

* **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.

* **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. **BUDGET ANALYSIS**

The overall budget allocation for the Department of Public Service and Administration’s is R1 002.1 million for 2019/20 as compared to R950.6million in 2018/19 financial year. The budget increased by 5.42 per cent in nominal terms. However, in real terms the total budget allocation for the Department increased by 2.0 per cent between 2018/19 and 2019/20.

The Department’s second-largest spending area is on Compensation of Employees, which accounts for 31.3% or R1 010.5 million of the total budget over the medium term. This budget provides for a staff complement of approximately 482 per year over the medium term which is a reduction of 36 posts from the previous 518 posts. The allocation for compensation of employees was further reduced with R10 million over the medium term.

**Table 1: Programmes and budget allocation**

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| --- | --- | --- | --- | --- |
| **Programme R'000** | **Revised**  **Estimates**  **2018/2019** | **Medium Term Expenditure Estimates** | | |
| **2019/20** | **2020/21** | **2021/22** |
| 1. **Administration** | 240.6 | 246.1 | 264.6 | 284.7 |
| 1. **Policy Development, Research and Analysis** | 34.1 | 36.3 | 38.5 | 41.0 |
| 1. **Labour Relations and Human Resource Management** | 78.0 | 84.4 | 90.1 | 94.1 |
| **4**. **Government Chief Information Officer** | 22.4 | 23.3 | 24.9 | 29.6 |
| **5**. **Service Delivery Support** | 262.4 | 282.6 | 310.0 | 337.3 |
| 1. **Governance of Public Administration** | 313.1 | 329.4 | 352.7 | 375.4 |
| **Total** | **950.6** | **1 002.3** | **1 081.3** | **1 162.1** |

# Source: Estimates of National Expenditure (2019)

1. **PROGRAMME PERFORMANCE**
   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 mandates. The budget for Programme 1 increased from R240.6 million in 2018/19 to R246.1 million in 2020/21. This represents a -6.7 per cent decrease in real terms in the budget allocation between 2018/19 and 2019/20. The programme takes 24,55 per cent of the overall budget.

Budget allocated in this programme will be spent among other things on the submission of quarterly reports for the implementation of the APP submitted to the Executive Authority, National Treasury and the Department of Planning, Monitoring and Evaluation. The Department will under this programme report on the implementation of the DPSA’s Bi-lateral and Multi-lateral agreements and programmes. d DPME he submission of quarterly reports on the implementation of the APP submitted to the Executive Authority, National Treasury and DPME

* 1. **Programme 2: Policy Development, Research and 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.

In 2018/19 the budget allocation to Programme 2 was R34.1 million and in 2019/20 the allocation is R36.3 million. In real terms the budget allocation of Programme 2 increased by 0.4 per cent between 2018/19 and 2019/20. Allocation to this programme takes 3.62 per cent of the overall budget. The bulk of the Programme’s budget (R13.5 million) is allocated to the Public Service Performance, Monitoring and Evaluation sub-programme, which measures organisational performance, functionality and productivity through the monitoring and evaluation of public service norms and standards, which are derived from the performance information of public service regulatory instruments.

The Department intends to draft a proposed model for the configuration of the centre of government functioning as the national administration in support of the vision of the NDP to ensure efficient and effective coordination of public administration norms and standards. In his State of National Address of 2019, the President emphasised that government wants public servants to adhere to the principles of Batho Pele by putting people first. Government wants to instil a new discipline, to do things correctly, to do them completely and to do them timeously. The Department will draft research document for further consultation towards the legislative drafting of the draft White Paper for the Transformation and Modernisation of public administration.

The Department intends to report on the state of readiness of departments on the Organisational Functionality Assessment Tool. Among the achievement in this programme include the drafting of strategic framework for the norms and standards to institutionalised selected aspects towards the drafting of regulations for the Office of Standards and Compliance. Further, report on support provided to departments to improve on areas of non-compliance with public service legislative and regulatory prescripts as identified in the 2017/18 Auditor-General report.

In addition, the department will refine the Organisational Functionality Assessment (OFA) Tool in terms of the Public Service Regulations of 2016. The Department will on a quarterly basis develop data collection tools that support the measure of OFA to assess the current status quo in implementing the selected Public Administration Norms and Standards. The Department to report on the implementation of recommendations made towards the establishment of the national administration to support PAMA.

**8.3 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 accounts for 8.42 per cent share (R84.4 million) of the total budget vote in 2019/20. Between 2018/19 and 2019/20, the budget allocation for Programme 3 increased by 2.2 per cent in real terms. A major part of the allocation on this programme 3 goes to Public Service Employment and Condition of Services in relation to the Government Employee Housing Scheme. A total amount of R55.2 million (over the medium term) or 20.5% of total budget allocation for the programme is ring-fenced for the GEHS project.

The programme is also responsible for monitoring the vacancy rate. The programme’s budget is relatively bigger because it deals also with Negotiations and Discipline Management; Human Resource Development; Remuneration and Job Grading; Employee Benefits; Human Resource Planning and Performance Management for the entire public service.

The Department intends to submit a report on the average per cent of funded vacant posts on PERSAL against the targeted 10% or less to the Ministry of DPSA. Funds allocated to this programme over the medium term will be spent on establishing a formal graduate recruitment scheme to attract graduates into the public service. The Department to lead engagements and provide support to national departments and provincial administrations on the implementation of the revised Performance Management and Development System (PMDS) for the Senior Management Service (SMS).

The Department will develop and submit an annual report on the appointment of persons into developmental programmes within the public service to the Director-General. The target is in line with the objective of National Development Plan. The NDP clearly stipulates that South Africa needs a strategy for recruiting dedicated young people, developing their skills and building an ethos of public service.

The Department will monitor and report on the average number of days taken to resolve disciplinary cases in national and provincial departments. Over the medium term, the department will introduce the Government Employee Housing Scheme in compliance with the 2015 public sector wage agreement. The scheme will assist employees in the public service to secure appropriate, affordable finance towards purchasing or upgrading their own property. The Department will submit quarterly monitoring reports to the Minister in this regard.

* 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 budget allocation for Programme 4 accounts for 2.32 per cent share or R23.3 million of the total budget vote in 2019/20. In 2019/20, the allocation for Programme 4 increased by 4.02 per cent in nominal terms, but in real terms, it decreased by -0.3 per cent between 2018/19 and 2019/20.

The Department intends developing the Public Service Digitalisation Framework for the public service with the aim to modernise and accelerate delivery of government services. The Department will under this programme report on the improvements made by all national and provincial departments in managing the cost related to IT procurement within the public service. Moreover, the Department will, under this programme, develop the Public Service ICT standard. The Department will revise Corporate Governance of Information Communication Technology Policy Framework.

* 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 budget allocation for Programme 5 increased from R262.4 million in 2018/19 to R282.6 million in 2019/20, representing a nominal increase of R20.2 million or 7.70 per cent. In real terms, the budget allocation of Programme 5 increased by 6.2 per cent between 2018/19 and 2019/20. Programme 5, at 28.02 per cent share, represents the second largest share allocation of the total budget vote in 2019/20.

The National Development Plan focuses extensively on improving service delivery across government. The Department will report on the quality and progress with the implementation of the Service Delivery Improvement Plans for all national and provincial departments. In addition, the Department will in 2019/20 financial year report on the assessment of national and provincial departments implementing the Batho Pele standards.

To improve the efficiency and effectiveness of frontline service delivery, the Department will support prioritise departments on the implementation of the Operations Management Framework for their selected services as part of improving efficiency and effectiveness in the operations in the public service. The Department will develop framework for the establishment of the promotion and maintenance of service centres.

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

The purpose of this programme is to manage and oversee the implementation 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 budget allocation for Programme 6 increased from R313.9 million in 2018/19 to R329.4 million in 2019/20 representing a nominal increase of R16.3 million or 5.21 per cent. In real terms the budget allocation increased by 0.0 per cent between 2018/19 and 2019/20. Programme 6 accounts for the first largest allocation share, which is 32.87 per cent of the total budget vote in 2018/19. Of the budget allocated, the Department will transfer R282.6 million to the Public Service Commission established in terms of Chapter 10 of the Constitution.

Over the medium term, the department intends to submit a report on the improved adherence by national and provincial departments to the Directive on the performance of other remunerative work. Moreover, the department will monitor the improved adherence by Public Service employees in national and provincial departments to the legislative framework prohibiting them from conducting business with an organ of state. The Department to ensure adherence by designated employees from national and provincial departments to the legislative framework regarding the electronic disclosure of financial interests (e-Disclosure system).

The Department will submit a statistical fact sheet on the average time spent by HODs in a post to the Ministry of DPSA. This is in line with the NDP vision of managing the career progression of heads of department. The NDP highlights that many of government’s best performing institutions are characterised by their stability of leadership and policy approach. The Department will report on the implementation of the financial disclosure for designated employees. In addition, report on the implementation of the financial interest on the Directive on other Remunerative Work to the Director-General in the public service.

1. **BUDGET TRANSFER TO DEPARTMENTAL ENTITIES AND PUBLIC SERVICE COMMISSION**
   1. **NATIONAL SCHOOL OF GOVERNMENT**
      1. **POLICY PRIORITIES 2019/20**

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 of addressing the skills shortages.

The NDP highlights the importance of adopting a more long-term approach to develop the skills and professional ethos that underpin a developmental oriented Public Service. Of critical importance, the State has to be proactive about producing and reproducing, the skills that it needs. This includes ensuring that the work environment is conducive for learning to take place on the job. The core responsibility for recruitment and skills development will remain with individual departments, but they need to be able to draw on effective support mechanisms from the relevant governance and administration departments. The 2015-2020 MTSF requires that identified departments should be supported in the development of targets assessments mechanisms. The work regarding the assessment mechanisms will be undertaken by the National School of Government.

The School is gearing itself to meet the education, training and development needs of the public service as set out in the national development plan and the ministerial service delivery agreement, and contributing to outcome 12 of the 2015-2020 Medium Term Strategic Framework.

* + 1. **Budget analysis**

The National School of Government receives a transfer from budget vote 10 of the Department of Public Service and Administration. The National School of Government carries out its core mandate using the budget allocated through transfers receives from the DPSA and the training trading account, which is funded from the revenue it generates through training programmes. Accordingly, transfer to the school’s training trading account represent a projected 39 per cent (R281.2 million) of its total budget over the medium term.

The school aims to continue revising its funding model to ensure it generates more revenue through its training projects. The revised funding model will propose that a portion of national departments’ training budgets be redirected to the school to fund the mandatory training it provides. The school plans to conclude its consultation with key stakeholders on the revised funding model in 2019/20, and implementation is projected to begin in 2020/21. The school’s executive management is responsible for revising the funding model.

The NSG received budget of R187.9 in 2019/20 financial year as compared to R153.9 million in 2018/19 financial year. The budget has increased nominally in this financial year. Expenditure is expected to increase at an average annual rate of 10.8 per cent, from R169 million in 2018/19 to R229.9 million in 2021/22. This is mainly due to a R60 million budget increase over the medium term for the introduction of mandatory programmes to address skills gaps in the public service. Expenditure on the compensation of 91 employees accounts for an estimated 30.5 per cent (188.1 million) of the department’s total budget over the medium term.

**Table 2: National School of Government budget**

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| --- | --- | --- | --- | --- |
| **Programme R'000** | **Revised**  **Estimates**  **2018/19** | **Medium Term Expenditure Estimates** | | |
| **2019/20** | **2020/21** | **2021/22** |
| **1 Administration** | 102.6 | 108.1 | 115.1 | 122.1 |
| **2. Public Sector Organisational and Staff Development** | 66.4 | 79.8 | 93.7 | 107.8 |
| **Total** | **169.0** | **187.9** | **208.8** | **229.9** |

Estimates of National Expenditure (2019)

* + 1. **PROGRAMMES**

1. **Programme 1: Administration**

The purpose of the Administration Programme (Programme 1) is to facilitate overall management of the School and provides for 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 receive the biggest allocation of the transfer to the NSG, which is R108.1 million (61 per cent). Of this amount, more than half (R58.4 million) is allocated towards compensation of employees, R46.4 million (43 per cent) towards goods and services and R3.3 million is allocated towards payments for capital assets. The School intends to reduce number of days for debt collection to 60 days in this financial year. All suppliers of the services will be paid within prescribed period of 30 days in receipt of a valid invoice. The School intends to maintain vacancy rate to be below 10% as per the requirement of the Public Service Regulations. In an effort to maintain the 10% vacancy rate, the School will ensure implementation of the infrastructure development and human resource plan.

The School projected to collect cumulative revenue of R107 million generated through Training Trading Account as part of cost recovery by March 2020. All disciplinary cases will be dealt with within 60 days from the date of receiving the case. The School plan to reposition itself by developing three agreements supporting international exchanges and capacity building initiatives. Part of the international exchanges including facilitating the Chinese, the AU AMDIN, French learning and development programme.

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 has an allocation of R79.8 million, compared to R66.4 million in 2018/19 financial year. Treasury annual allocation in this programme, is always supplemented by collection of the training fees which are now pre-paid by departments received through training courses.

The National Development Plan emphasises the importance of professionalising the public service. The NDP highlighted that building a skilled and professional public service requires a vision on how public servants experience and expertise develops during their careers. Therefore, the NSG plays a fundamental role in ensuring that public service is professionalised by providing compulsory induction to all public servants. The School will in this financial year undertake six research projects to inform training needs and opportunities completed. Among targets to achieve in this programme is to undertake ten training needs analyses in the public sector institutions.

The School will convene four leadership platforms and publish four articles papers to promote thought leadership. Moreover, host six research colloquia workshop. In addition to the targets in this programme, the School will undertake 66 evaluations and four application of learning studies annually for identified training programs.

In responding to the goals and objectives of the NDP, the School has over the years developed and designed curriculum programmes/courses aimed at building capacity in the public service. In this financial year, the School will develop or review and quality assure six programmes in line with a curriculum framework and relevant accredited bodies annually. The Department will develop and institutionalise an Executive Coaching Programme throughout the entire public sector. Furthermore, the School will develop programmes annually including two in-service training programmes supporting outcomes 12 by the end of financial year. The School will further maintain the status of the School as an accredited training provider by the relevant accrediting bodies.

The School will rollout compulsory and demand-led training to 46 283 current and potential public servants annually. Further train 46 283 new and current public servants on compulsory and demand-led programmes through face to face and online learning annually. The School will orientate 3 000 unemployed youth graduates and interns through the Breaking Barrier to Entry (BB2E). The School will award formal certificates of competence after completion of training as a way of encouraging and promoting a culture of learning in the public sector.

* 1. **CENTRE FOR PUBLIC SERVICE 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 CPSI is established in terms of Section7(a) listed in Schedule 3A of the Public Service Act, 1994, as amended and is an organ of state. The Act mandate 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. Therefore, the Act position the CPSI to guide the process of unearthing and exploiting innovative, more efficient and effective solutions needed to ensure successful delivery on government priorities. The CPSI was in its formation established as a Section 21 Company.

The functions of the CPSI are to:

* Provide the Minister with independent, diverse and forward-looking research findings and advice on innovative service delivery with a specific focus of government priorities
* Enhance public service transformation and reform through innovation partnership and projects
* Support the creation of an enabling environment for innovation within the structures and agencies of the South African government (encouraging, learning and rewarding)
  + 1. **Budget Allocation**

The budget allocation for the CPSI is R38.4 million for 2019/20 financial year as compared to the previous year with R36.0 million. The budget will increase with 2 per cent over medium term period. In 2015, the National Treasury had granted an approval in terms of section 43 of the PFMA and Treasury Regulations section 6.3.1 (b), for the Department of Public Service and Administration to create a new transfer payment to the CPSI. As a result, the CPSI has become an independent accountable entity receiving a transfer payment through the DPSA budget vote.

* + 1. **PROGRAMMES**

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. The budget allocated for programme 1 is R20.9 million in 2018/19 as compared to R19.0 million in 2018/19 financial year. The spending focus on the programme intends to build capacity in promoting innovation in the public service. Over the medium term, the department will focus on promoting and unearthing innovation projects in the public service.

The Centre intends to review and submit the strategic plan and develop annual performance plan for the approval by the Executive Authority. The Centre intends to assess its performance and report to the Executive Authority, DPSA, DPME and the National Treasury. Review two Corporate Resource Management policies, procedures and strategies. Further, the Centre will ensure 100% payment of all invoices paid within 30 days on receipt of valid invoice. The Centre has undertaken to submit the Annual Organisational Procurement Plan to the Chief Procurement Officer.

**(b)** **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. The budget allocated for the programme is R17.5 million in the 2019/20 financial year as compared to R16.3 million of 2018/19 financial year. There was a nominal increase in the budget in 2019/20 financial year.

The focus in this programme is on the Research and Development of potential models and develop new innovative solutions working in partnership with stakeholders in the National System of Innovation. Service delivery solutions are developed in partnerships with other government departments, non-government organisations, the private sector, academia and international entities. the new solutions are tested and piloted with the service owners. The Centre will identify six knowledge platforms hosted to unearth, demonstrate, share, encourage and award innovation in the public sector.

Over the medium term, the Centre intends to investigate two service delivery challenges to identify possible innovative solutions. As part of imparting innovative knowledge, the Centre intends to capacitate 330 public sector officials and other partners. The Centre to publish two editions and ideas that work to the South African Public Sector Innovation Journal.

* 1. **PUBLIC SERVICE COMMISSION**
     1. **POLICY PRIORITIES FOR 2015/2020**

The PSC’s mandate is to:

* Enhance labour relations in the public service through the timeous investigation of all properly referred grievances as and when cases are reported.
* Promote best practice in public service leadership and human resource management through quality research reports on an ongoing basis.
* Investigate and improve public administration practices by conducting audits and investigations into public administration practices and by making recommendations to departments on how to promote good governance and to issue directions regarding compliance with the Public Service Act (1994) annually.

**The key strategic priorities of the PSC are explored below**

1. **Building an efficient, economic, effective and development-oriented public service**

The PSC’s strategy is to build a people-centred, capable and ethical public service to ensure the optimal use of resources in order to deliver a service to the people of South Africa. This is possible only through the adherence to the Batho Pele principles.

1. **Ensuring an efficient, economic, effective and development-oriented public service**

The PSC ensures that the public service employs capable and professional employees that can improve the quality of service given to public service clients.

1. **Ensuring a strengthened institutional capacity**

The PSC envisages to inculcate an independent, impartial and knowledge-based institution that would promote a development-oriented public service.

1. **Implementing labour relations and public administration practices that cultivate effectiveness and efficiency**

The PSC envisages to build an institution that is impartial and responsive to grievances and complaints lodged in respect of the public service.

**9.3.2 Budget Allocation**

The PSC received budget allocation of R278.2 million in 2019/20 financial year as compared to R264.4 million in 2018/19 financial year. The baseline allocations for the PSC over the MTSF period is R278.2 million, R297.6 million and R316.3 million respectively. Out of this budget, R212.9 million, R208.1 million, and R228.9 million is allocated to Compensation of Employees. Since the PSC is primarily a knowledge-based institution and furthermore does not outsource its functions, the relatively high percentage of the budget applied to CoE is believed to be justified.

Budget allocated will focus on fighting corruption, strengthening human resource practices and management and monitoring and evaluating service delivery performance in the public service. Monitor service delivery and the implementation of the financial disclosure framework and strengthening the financial disclosure system to combat corruption. The focus areas will contribute immensely towards the attainment of outcome 12 of government’s 2015-2020 medium-term strategic framework which emphasise building a capable and developmental state and rooting out corruption in government.

**Table 3: PSC budget**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme R'000** | **Revised**  **Estimates**  **2018/19** | **Medium Term Expenditure Estimates** | | |
| **2019/20** | **2020/21** | **2021/22** |
| **1 Administration** | 124.8 | 130.5 | 138.9 | 147.5 |
| **2. Leadership and Management Practices** | 44.7 | 46.5 | 49.9 | 53.2 |
| **3. Monitoring and Evaluation** | 39.7 | 41.8 | 44.9 | 47.8 |
| 1. **Integrity and Anti-Corruption** | 55.2 | 59.4 | 63.8 | 67.9 |
| **Total** | **264.4** | **278.2** | **291.9** | **310.4** |

**Source: National Treasury (2019)**

**9.3.3 Programmes**

**(a) Programme 1: Administration**

The purpose of the Administration Programme (Programme 1) is to provide overall management of the Commission and centralised support services**.** Programme 1 received budget allocation of R128.6 million in 2018/19 financial year. The biggest allocation out of the R128.6 million of the programme’s budget goes to Corporate Services at R64.4 million. The second largest allocation goes to the Public Service Commission at R24.5 million, and Property Management at R23.9 million, and R15.7 million is for Management.

**(b) 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. Programme 2 received budget allocation of R46.5 million in 2019/20 financial year. In real terms the budget allocation of Programme 2 will increase over the medium term period with R49.9 million in 2020/21 and R53.2 million in 2021/20 financial years. The key cost driver is compensation of employees which accounts for 94.2 per cent of the total medium term budget.

The programme has two sub-programmes, namely: Labour Relations Improvement, and Leadership and Human Resource Reviews. The Commission will under this programme promote sound labour relations and practices through timeous investigation of all properly referred grievances and provision of best practices. The Commission intends to finalise grievances of the employees on salary 2 -12 within 30 days from date of receipt of all relevant information. Whilst for the SMS members, the grievances will be finalised within 45 working days of receipt of all relevant information. The Commission will produce three reports on the management of grievances in the public service. Furthermore, the Commission intends to produce research reports on labour relations by March 2020.

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. Programme 3 received budget allocation of R41.9 million in 2019/20 financial year. In real terms the budget allocation of Programme 2 will increase over the medium term period with R44.9 million in 2020/21 and R47.8 million in 2021/22 financial year. The programme has two sub-programmes which are as follows: Governance Monitoring and Service Delivery and Compliance Evaluations.

The Commission has identified the project on evaluation of compliance with Constitutional Values and Principles (CVP’s) governing public administration as a key project to report on annual basis. The spending focus on the programme will be to conduct twelve research reports on the qualitative evaluation of departments against the CVPs produced.

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

The Integrity and Anti-Corruption Programme (Programme 4) undertakes public administration investigations, promotes high standard of professional ethical conduct among public servants and contributes towards prevention and combating of corruption. The budget allocation for Programme 4 accounts for R59.3 million of the total budget vote in 2019/20 financial year. In 2019/20 financial year, the allocation for Programme 4 increased as compared to R55.2 million in 2018/19. The budget is expected to increase over the medium term with R63.8 million in 2020/21 and R67.9 in 2021/22 financial year.

The programme’s budget is divided into two sub-programmes, namely: Public Administration Investigations and Professional Ethics. In this programme, the Commission intends to prevent conflicts of interest by requiring members of the Senior Management Services to disclose their financial interests. The Commission will investigate and improves public administration practices, makes recommendations to departments on the promotion of good governance.

Cabinet approved a single National Anti-Corruption Hotline (NACH) and assigned it to the PSC to investigate and manage the cases. The purpose of the NACH is to establish a centralised hotline system that will serve the public service as a whole as opposed to a decentralised system. The NACH caters for government departments, agencies and public bodies. The Commission refers the cases to the relevant departments within seven days of receipt cases reported. The Commission intends to deliver one research report in professional ethics. In addition, the Commission to achieve 90 per cent of early resolution cases finalised within 45 days upon receipt of all relevant information.

1. **OBSERVATIONS AND KEY FINDINGS**

The Portfolio Committee identified the following matters in relation to the Budget Vote 10:

* 1. **Department of Public Service and Administration**
     1. The Committee considered the Annual Performance Plans of the Public Service Commission, Department of Public Service and Administration; and its entities for 2019/20 financial year. The APP reaffirms the Department’s mandate to implement and coordinate interventions aimed at achieving professional, accountable and developmental oriented public service, capable to deliver on the objectives of the National Development Plan (NDP) 2030.
     2. The Committee notes a brief overview by the Minister on the work of the Department and approved Ministerial Handbook. The Handbook serves as a guideline for the benefits and privileges of the Ministers/MECs and their families in the execution of their duties during term of office and in some cases to the time thereafter. The Minister highlighted that certain sections in the Handbook are the responsibilities of other Ministers such Finance and Public Works. The Minister indicated the Handbook was not clear in the past in terms of staff assigned to the offices of both Ministers and Deputy Ministers. The current Handbook is explicit on numerous areas in relation to the benefits and privileges.
     3. The Committee applauds the Department for the review and approval of the Ministerial Handbook. However, the Committee’s discontent with the Ministerial Handbook was on the increment of staff in the Minister’s offices, from 10 to 15 employees, this happen at the time when government is grappling with reducing the wage bill in the public service. The Committee will welcome a brief on the Ministerial Handbook in due course.
     4. The Committee notes the progress made thus far with regard to approval and the implementation of the Graduate Recruitment Scheme. The Scheme seeks to provide a well-defined, transparent and shared strategy for recruiting dedicated young people and ensuring that their skills are developed, and accompanied by a career progression to ensure that they are retained in the service.
     5. Having noted the progress made thus far on the Scheme, the Committee is of the view that government has to provide interns with improved stipends in order to attract the best skilled young people in the public service across all the race in the country. The Committee further note that since its inception, a total of 96 913 youths were placed, of which 40 052 were appointed permanently and some on contract.
     6. The Committee commended the Department for removing experience as a requirement for the entry positions in the public service.
     7. The Committee was concerned about the lack of monitoring payment of the performance bonuses across the public service. Performance bonuses are paid to senior managers without considering the department’s performance. The Committee urged the Department to monitor and develop standard on the payment of performance bonuses which should be supported by the overall performance of the departments.
     8. The Department is charged with the responsibility of promoting professional ethics in the public service. However, the Committee was alarmed by the increase in the number of disciplinary cases and the number of days taken to resolve cases in the public sector, even though a pool of experts to fast track these cases has been established in the Department. The Department needs to come up with a rapid strategy to reduce disciplinary cases that are not finalised within 60 days in the public service.
     9. Delays in the full implementation of the Public Administration Management Act of 2014 is a concerned to the Committee. The Act seeks to provide a legal framework across the three spheres of government by bringing some degree of uniformity. The Department has to finalise its consultation and ensure full implementation of the Act in the public administration. The Committee urged the Department to report if there are any stumbling blocks impacting the implementation of the PAM Act.
     10. The Committee notes that the Department is in a process of developing a Draft White Paper for Public Administration Transformation and Modernisation, which is linked to the social vision of the NDP and the provisions of PAMA. The White Paper will serve as a policy document that responds to the challenge of state capacity and capability, and which is based on a home-grown system of public administration.

The Committee urged the Department to strengthen its efforts to modernise the public service through digitisation of government systems. Digital transformation serves as a strategic driver to create open, participatory and trustworthy public sector. Through digitalisation transformation, government would be able to improve its efficiency, effectiveness and governance in the public sector. The DPSA has to take a lead in developing strategies in digitalising the public service.

* + 1. The Department needs to urgently engage relevant departments with the aim of reaching amicable solutions, regarding the location and the funding model of the Thusong Service Centres.
    2. As part of reengineering the public service, the Committee urged the department working with Organised Labour Unions to find a lasting solution to reduce the wage bill in the public service.
    3. The Committee notes that filling of vacancies in the public service takes longer than stipulated time frames enshrined in Section 62 (9) of the Public Service Regulations (PSR) of 2016. The PSR state that a funded vacant position should be filled within six months from the day advertised. Government departments in the public service take more than six months to fill funded vacant posts.
    4. The Committee applauds the Department for conducting workshops across the public service regarding the implementation of the Revised Determination on Other Remunerative Work. These workshops would provide clarity to the public servants on the remunerative work outside the public service.

**National School of Government**

* + 1. The Committee applauds the National School of Government for its effective revenue collection strategy, which yield the intended results. The Committee further cautioned the School to deal with public servants who do not attend training courses, yet their departments prepaid for those courses. The School needs to report such public servants to their respective departments and ensure actions are taken as such is regarded as a fruitless and wasteful expenditure.
    2. The Committee was of the view that the NSG has to ensure accreditation of training courses which are not yet accredited. However, the NSG highlighted that training courses not accredited are also useful in the public service as they impart knowledge on certain skills needed by the public servants.
    3. The Committee urged the National School of Government to move beyond offering training courses to more of tracking, determining the impact and value add to the public service. Measuring the impact on the public servants would enhance and enrich the School curriculum.
    4. The Committee further urged the NSG to start developing training courses responding to the Fourth Industrial Revolution as part of leveraging this transformation in the public sector given its potential to increase productivity.

**Centre for Public Service Innovation**

* + 1. The Centre for Public Service Innovation has to consistently intensify its efforts to create an enabling environment for innovation to thrive in the public sector. The Committee urged the Centre to continue assisting government departments with innovative solutions with the main purpose of enhancing services and saving cost from a traditional way of rendering government services.
    2. The sustainability of the innovative solutions discovered by the CPSI was the main concerned identified by the Committee. In handing over innovative solutions to the various government departments, the CPSI has to play a role of monitoring the implementation thereof, with the aim of enhancing solutions if challenges are encountered.

**Public Service Commission**

* + 1. The Committee is persistently concerned about the anomaly of the budget shortfall of the Public Service Commission to avoid collapse of the constitutional institution. The Committee notes that PSC has to restructure its programmes as a result of the budget constraints experienced in the institution. Restructuring as a result of budget shortfall might weaken the institution and erode its capacity to investigate, monitor and evaluate government compliance with regard to the values and principles of public administration in the public service.
    2. The Committee applauds the PSC for launching the Constitutional Values and Principles (CVPs) throughout the country with the main aim of building accountable and ethical public service. The CVPs plays a crucial role in building a capable and developmental state. The Committee will hold the PSC to account annually on the monitoring and evaluation of the CVPs in the public service.
    3. The Committee notes the Commission intends to introduce legislative reforms on Institutional Practice Review.

1. **RECOMMENDATIONS**

The Portfolio Committee recommends that the Department of Public Service and Administration ensures the following:

* 1. The Department of Public Service and Administration should brief the Committee on the revised and approved Ministerial Handbook.
  2. The Department should consider reviewing stipends given to youth who are in learnership, internship and artisan programme in order to attract the best skilled young people and people with disabilities across all the races in the public service.
  3. The Department should ensure government departments reduce backlog of the disciplinary cases which are over 60 days in the public service.
  4. The Department should finalise the consultations on the development of the Regulations of the Public Administration Management Act of 2014 with the aim of bringing some degree of uniformity across all spheres of government. In its effort of consultation, the Department should put more emphasis on building a capable single public service.
  5. The Department should ensure adequate funding to the newly established Pubic Administration Ethics, Integrity and Disciplinary Technical Assistance Unit as part of implementing PAM Act prescripts. The Department should consider branding and launching the Unit with the aim of publicising it and conveying the message to the public servants for not tolerating corruption in the public sector.
  6. The Department working in collaboration with the DPME should ensure that performance bonuses paid to Members of the Senior Management correlate with the departmental performance as measured by the DPME and the Auditor-General of South Africa. The DPSA should lead in developing a mechanism to standardise and to prevent disjuncture between bonuses and performance.
  7. The Department should use community radio stations and other media platforms, to raise awareness on the new reforms in the public service.
  8. The Batho Pele principles and the Public Service Charter should be reinvigorated, implemented and entrenched in all government departments, especially those departments providing direct services to the citizens. The Department should monitor the implementation of the Batho Pele principles and the Public Service Charter in the public service to ensure government departments are responsive, accountable and caring to their clientele, so that queues and turning away service clients are eliminated.
  9. The Department should lead the transformation of the modernisation of the service delivery model by harnessing into a new ways of digital technologies to enhance better quality services to the citizens.
  10. The Department should report on the final reconfiguration of the public service and functions affected and their possible migration to other departments.
  11. The Department should ensure that the filling of vacancies in the public service is in line with Government’s intention to reduce the wage bill.

**National School of Government**

* 1. The National School of Government should intensify its revenue collection strategy to ensure it remains financially viable and sustainable. The School should penalise public servants who were meant to attend training courses, but decide to abscond whilst their departments paid training fees in advance.

* 1. The School should put necessary training mechanisms in place to position the School as a training institution of choice for all public servants, with a focus on training needs and a tailor-made curriculum. The School should speed up its accreditation process with the South African Qualifications Authority (SAQA) and relevant accreditation authorities.
  2. The School should find a mechanism with the Ministry to institutionalise its training programmes in such a way that most strategic and policy training programmes are made compulsory for the entire public service and at all levels. The NSG should develop a mechanism to ensure certain training courses are compulsory for a particular category to attend.

**Centre for Public Service Innovation**

* 1. The Centre should analyse factors hindering efficient service delivery in government and design tailor-made innovative solutions towards addressing weakness in the delivery system.
  2. The Centre should handover innovative solutions to the relevant departments and monitor the sustainability of such solutions. The Minister of the Department of Public Service and Administration should play a key role in encouraging other Ministries, including the Premiers, on new innovations discovered by the Centre.

**Public Service Commission**

* 1. The PSC should continue monitoring and evaluating government on the Constitutional Values and Principles in the public sector. The PSC should after having tabled the report to Parliament, publish the results on the State of the Public Service with regard to the adherence of the CVPs to the members of the public by utilising platforms such as media conferences and social media as a way of popularising its work.

1. **CONCLUSION**

The Department of Public Service and Administration and its entities plays a crucial role in building a state that is capable of realising developmental and transformative agenda. Professionalising the public service remains an integral part of the Department through reskilling and retraining of the public servants. The NDP highlights the key areas that the Department must focus on, such as stabilising the political-administrative interface and making the public service as a career of choice. The DPSA and entities’ Strategic Plans and Annual Performance Plans are aligned towards achieving the goals and aspirations of the NDP. The Portfolio Committee noted the progress made in implementing and coordinating interventions aimed at achieving an efficient, effective and development oriented public service. The work of the Public Service Commission assists Parliament Committees to conduct effective oversight. The National School of Government is gradually progressing towards transforming the public service in terms of skills and is very innovative in finding new solutions to challenges. The CPSI also plays a crucial role as a catalyst for radical transformation through developing innovation solutions to the public sector challenges.

**The Portfolio Committee recommends as follows:**

That the House adopts and approve the Budget Vote 10 of the Department of Public Service and Administration

Report considered