**6. Report of the Portfolio Committee Public Service and Administration on consideration of the Second and Third quarter performance of 2019/20 financial year: Department Public Service and Administration, Entities and Public Service Commissions, dated 11 March 2020**

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Committee) having considered second and third quarter performance of 2019/20 financial year of the Department of Public Service and Administration, National School of Government, Centre for Public Service Innovation and Public Service Commission, 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 in a specific financial year. The Money Bills Amendment and Related Matters Act (2009) describe the process of exercising this responsibility. The Act states that portfolio committees of parliament must conduct reviews of the finances of their respective departments and entities and if required, issue recommendations on the forward use of resources.

Programme performance information focuses on information that is collected by government departments in the course of fulfilling their mandates and implementing policies. Quarterly performance reports serve as a vital tool used by parliamentary committees to ensure accountability, transparency and oversight on how government resources are spent. Committees are expected to monitor both financial and non-financial performance of the departments. The Public Finance Management Regulations compel departments and their entities to prepare quarterly report within 30 days after the end of each quarter. Committees conduct oversight over performance reports to fulfil Parliament’s oversight and accountability mandates as enshrined in the Constitution and under the rules established by the National Assembly.

On February 26, 2020, the Committee considered the second and third quarter performance of 2019/20 of the Department of Public Service and Administration and entities as well as the Public Service Commission. Performance information was in accordance with the Strategic Plans, Annual Performance Plan and Medium Term Strategic Framework 2015-2020. The report further provides an overview of the presentations made before the Committee mainly focusing on the 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 AND ENTITIES AS WELL AS PUBLIC SERVICE COMMISSION PROGRAMME PERFORMANCE**
	1. **DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

The Department had in the second and third quarter spent R676.5 million from the allocated budget of R993.3 million for 2019/20 financial year. The Department has paid all service providers within 30 days in all quarters. There were no cases of unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure in both quarters. In the second quarter 2019/2020 financial year, the Department achieved 24 targets of 26 planned targets. Only 2 targets were not achieved and department provided its reason for the deviation. In the third quarter 2019/2020 financial year, the Department achieved 20 targets of its planned targets and only 6 were not achieved.

The Department had 425 posts, of which 55 are vacant which is above 10 percentage requirement in terms of the Public Service Regulation of 2016. Of the 55 vacant posts, 27 are for senior management service members and 28 are for employees at level 2-12. With regard to gender representativity, there are 48% of women in SMS position and 3.8% of people with disability. In order to improve the percentage of women at SMS, the Department is intenting to fill its SMS vacant posts with females.

**Allocated Budget and Expenditure**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Allocated Budget** | **Actual Expenditure 31 December 2019** | **Available Budget** | **% spent on Budget** |
| **R’000** | **R’000** | **R’000** | **%** |
| Administration |  243 449 |  137 191 | 106 258  | 56.4% |
| Policy Development, Research and Analysis |  34 410 | 23 878  | 10 532 | 69.4%  |
| Public Service Employment and Conditions of Service |  75 575 | 42 725 | 32 850  | 56.5%  |
|  Government Chief Information Officer |  23 335 | 15 999 | 7 336 | 68.6% |
|  Service Delivery Support |  64 056 | 46 393 | 17 663 | 72.4%  |
|  Governance of Public Administration |  47 947 | 32 442  | 15 505 | 67.7%  |
| **Total** | **488 772** | **298 628** | **190 144** | **61.1%** |
| Centre for Public Service Innovation | 38 437 | 29 228 | 9 209 | 76.0% |
| National School of Government | 187 905 | 140 181 | 47 724 | 74.6% |
| Public Service Commission | 278 229 | 208 415 | 69 814 | 74.9% |
| **Total** | **993 343** | **676 452** | **316 891** | **68.1%** |

* 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 the mandates.

Programme 1 had six predetermined targets in the second quarter 2019/20 financial year. Of total targets, 5 were achieved and 1 targets were not achieved. In the third quarter 2019/20 financial year, the programme achieved all five targets.

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.

Programme 2 has seven predetermined targets in the second quarter of 2019/20 financial year. All targets were achieved. In the third quarter 2019/20 financial year, the Department had 7 targets. Of total targets, 2 were achieved and 5 targets were not achieved.

1. **Programme 3: Public Service Employment and Conditions of Service**

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 has two predetermined targets in the second quarter of 2019/20 financial year. The Department achieved 100 per cent of its planned second quarter targets. In the third quarter 2019/20 financial year, the Department achieved all 4 targets.

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.

Programme 4 has four predetermined targets in the second quarter of 2019/20 financial year. The Department achieved 100 per cent of its planned second quarter targets. In the third quarter 2019/20 financial year, the Department had achieved all 3 targets.

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.

Programme 5 has six predetermined targets in the second quarter of 2019/20 financial year. All targets were achieved. In the third quarter 2019/20 financial year, the Department had 6 targets. Of total targets, 5 were achieved and 1 target was not achieved.

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.

Programme 6 had one predetermined target in the second quarter of 2019/20 financial year. The Department was unable to achieve such a target. In the third quarter 2019/20 financial year, the Department had achieved only 1 predetermined target.

* 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 and third quarter 2019/20, which is as follows:

**Budget allocation and expenditure**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Allocated Budget** | **April to Dec Pro-rata budget 2019/20** | **April to Dec Actual Expenditure** | **% spent on Budget** |
| **R’000** | **R’000** | **R’000** | **%** |
| Administration |  108 058 | 80 696 | 64 470  | 80% |
| Public Service Employment and Conditions of Service |  79 847 | 59 486 | 59 486  | 100%  |
| **Total** | **187 902** | **140 182** | **123 956** | **88%** |

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 had eleven predetermined targets in the second quarter of 2019/20 financial year. Of total targets 6 were achieved and 5 targets were not achieved. In the third quarter 2019/20 financial year, the Department had 12 targets. Of total targets, 8 were achieved and 4 not achieved.

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 sixteen predetermined targets in the second quarter of 2019/20 financial year. Of total targets 10 were achieved and 6 targets were not achieved. In the third quarter 2019/20 financial year, the Department had 18 targets. Of total targets, 15 were achieved and 3 not achieved.

* 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 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.

During the second quarter period the organisation had, six targets of which 4 were achieved and 2 were not achieved by 30 September 2019. This represents a 67% achievement. In the third quarter period, the organisation had four targets and 1 target was not achieved by the end of December 2019, which is 75% achievement.

The report presents the second and third quarter performance of the CPSI, which is as follows:

* + 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.

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.

* 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 Programme Performance**

The PSC has achieved 100 percent of planned predetermined targets in the second and third quarter of 2019/20 financial year. Substantive work on selected annual targets due in the last quarter has already commenced. The report presents both the second and third quarter performance 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 four predetermined targets and all of these targets have been achieved (100%) in second quarter of 2019/20 financial year. During quarter three, PSC had three targets and all were achieved.

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 four predetermined targets and all of these targets have been achieved (100%) during 2nd quarter of 2019/2020 financial year. During the quarter 3, PSC had three targets and all were achieved

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

Monitoring and Evaluation establishes a high standard of service delivery, monitoring and good governance in the public service. The PSC had one predetermined target in the second and third quarter of 2019/20 financial year. The target was 100% achieved.

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

The Integrity and Anti-Corruption Programme undertakes public administration investigations, promotes high standard of professional ethical conduct among public servants and contributes towards prevention and combating of corruption. The PSC has three predetermined targets in the second and third of 2019/20 financial year. The targets were 100% achieved.

1. **FINDINGS AND OBSERVATIONS**

The Portfolio Committee made the following observations and findings:

* 1. The Committee notes and welcomed the second and third quarter performance of 2019/20 financial year for the Department of Public Service and Administration, National School of Government, Centre for Public Service Innovation and the Public Service Commission.

* 1. The Committee encouraged the Public Service Commission, in collaboration with the Department, to monitor and manage payments of capped leave. The Commission was advised to adequately budget monies for capped leave for in case employees who qualifies for such an old benefit is going on pension. Government had taken a decision to encourage employees to take leave within a calendar year, failure would result into leave days been forfeited.
	2. The Committee was pleased by the PSC in promoting code of conduct programme in the public service in order to root out corruption and maladministration.
	3. The Committee welcomed the decision of the PSC to provide training workshops on labour relations matters since the Commission has the responsibility of dealing with grievances of the public servants.
	4. The National School of Government was advised to develop a monitoring tool to measure the outcomes and value of training offered to the public servants.
	5. The Committee notes the process the National School of Government is embarking on the configuration of the organogram to streamline its programmes in line with their mandate. The Committee further advised the School to expand their reach by entering into a Memorandum of Understanding with SALGA and Department of Cooperative Governance in providing training in the local government. The Committee urged the School to rollout the Local Government Development training in all local municipalities.
	6. The National School of Government was advised to develop training curriculum for members of the legislature that would empower public representatives with requisite skills to exercise their oversight.
	7. The Committee was concerned about public servants who still could not qualify for Government Housing Allowance Scheme due to debt and blacklisted status. The Department was advised to develop a programme to educate new recruits in the public service about financial management. The programme would assist new recruits to exercise caution of incurring financial challenges as a result of poor personal financial management which lead to their inability to access Government Housing Scheme.
	8. The Committee stressed that it was an unfair practice to allow departments to pay out performance bonuses whereas the Department did not do well and that should be monitored.
	9. The Committee requested the Department together with the Government Pension Fund to provide reports on the update on Steinhoff debacle and its effect on the pension fund.
	10. The Committee welcomes the announcement of the Department developing framework for the Thusong Service Centres. The Framework is explicit on how the centres would be funded and maintained. The Framework would be taken to Cabinet for approval.
	11. The Committee notes the feasibility study commissioned by the Ministry of the Department of Public Service and Administration to determine the relevancy and suitability of the Centre of Public Service Innovation.

**5. Recommendations**

5.1 The Committee requested the Public Service Commission to conduct a study on negligence and the state of the public health system caused by the health professionals in hospitals. The Committee notes the work done by the Commission in monitoring health facilities such as 1 Military Hospital.

5.2 The Committee requested for the provision of the PSC report regarding the outcomes of promotion of the code of conduct, which targeted corruption and maladministration.

5.3 Regarding the Framework on Thusong Service Centres, the Committee recommended that service level agreements (SLAs) be signed between the Department of Cooperative Governance and Traditional Affairs (CoGTA), as the policy sponsor of these centres, and other relevant transversal departments looking after oversight in the public service, as well as those that render services in the centres.

**6. The Portfolio Committee recommends as follows:**

6.1 The House adopts and approve second and third quarter performance report of the Budget Vote 10 of the Department of Public Service and Administration, National School of Government, Centre for Public Service Innovation and Public Service Commission.

Report to be considered