**Report of the Portfolio Committee on Public Service and Administration on consideration of the first, second and third quarter performance 2021/22 financial year for the budget vote 12 of the Public Service Commission, dated 23 March 2022**

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Committee) having considered first, second and third quarter performance of 2021/22 financial year of the 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 Act of 1999 guides the Department to do quarterly performance reports. 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 March 09, 2022, the Committee considered the first, second and third quarter performance of 2021/22 of the Public Service Commission. Performance information was in accordance with the Strategic Plan, Annual Performance Plan and Medium Term Strategic Framework 2020-2025. The report further provides an overview of the presentation 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 Public Service Commission performance.

1. **THE MANDATE OF THE PUBLIC SERVICE COMMISSION**

The 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. The PSC is required by the Constitution to exercise its powers and to perform its functions without fear, favour or prejudice. The Constitution links the PSC’s independence firmly with its impartiality and no organ of state may interfere with the functioning of the PSC.

The PSC is vested with custodial oversight responsibilities for the Public Service and monitors, evaluates and investigates public administration practices. It also has the power to issue directions regarding compliance with personnel procedures relating to recruitment, transfers, promotions and dismissals. The PSC is accountable to the National Assembly and to Provincial Legislatures and must annually report on its activities and performance to these two institutions.

The PSC is a constitutional oversight body, established in 1996, primarily to promote “a high standard of professional ethics in the public service”. The PSC operates in terms of the PSC Act 1997. The Act provides for the regulation of the PSC with regard to:

1. The constitution of the PSC.
2. Appointment of Commissioners.
3. Designation of the Chairperson and Deputy Chairperson.
4. Conditions of appointment of Commissioners.
5. Removal from office of Commissioners.
6. Functions of the PSC (inspections, inquiries, etc.)
7. Rules according to which the PSC should operate.
8. The Office of the PSC (OPSC); and
9. Transitional arrangements with regard to service commissions (created under the Interim Constitution).
10. **PUBLIC SERVICE COMMISSION PROGRAMME PERFORMANCE**
    1. **PUBLIC SERVICE COMMISSION**

The Public Service Commission’s overall budget allocation for 2021/22 is R286.3 million, and spent R192.9 million in the third quarter of the financial year. The Commission has historical record of irregular expenditure which was carry-through effect of a multi-year contract for a mandatory service (Data-Warehouse) that was not procured through SITA in 2018/19 financial year. In 2021/22 financial year, there are no new procurement incurred from January 2019 to date that has resulted in irregular expenditure.

**Allocated Budget and Expenditure**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programmes** | **Adjusted Budget** | **Actual Expenditure** | **Actual % of Budget** | **Norm** | **Variance** | **Actual Amount** |
| **(R’000)** | **(R’000)** | **(%)** | **(%)** | **(%)** | **(R’000)** |
| **Administration** | **135,943** | **85,891** | **63.2%** | **75.0%** | **11.8%** | **16,066** |
| **Leadership & Management Practices** | **48,872** | **37,137** | **76.0%** | **75.0%** | **-1.0%** | **-483** |
| **Monitoring & Evaluation** | **43,877** | **30,796** | **70.2%** | **75.0%** | **4.8%** | **2,112** |
| **Integrity & Anti-Corruption** | **57,579** | **39,112** | **67.9%** | **75.0%** | **7.1%** | **4,072** |
| **TOTAL** | **286,271** | **192,936** | **67.4%** | **75.0%** | **7.6%** | **21,767** |

**4.2 Programme Performance**

The report presents first, 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 two predetermined targets in the first quarter 2021/22 financial year and all targets were achieved. In the second quarter 2021/22 financial year, the PSC had three predetermined targets, two were achieved and one was not achieved. The third quarter 2021/22 financial year, the PSC had two predetermined targets and one achieved and one was not 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 two predetermined targets in the first quarter 2021/22 financial year and all targets were achieved. In the second quarter 2021/22 financial year, the PSC had four predetermined targets and all targets were achieved. The third quarter 2021/22 financial year, the PSC had three predetermined targets and all targets 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 six predetermined targets in the first quarter 2021/22 financial year and targets were all achieved. In the second quarter 2021/22 financial year, the PSC had six predetermined targets all and targets were achieved. The third quarter 2021/22 financial year, the PSC had six predetermined targets and all targets were 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 seven predetermined targets in the first quarter 2021/22 financial year and all targets were achieved. In the second and third quarter 2021/22 financial year, the PSC has seven predetermined targets and all targets were achieved.

1. **FINDINGS AND OBSERVATIONS**

The Portfolio Committee made the following observations and findings:

* 1. The Committee notes and welcomed the first, second and third quarter performance of 2021/22 financial year for the Public Service Commission. The Committee further commends the PSC for not incurring any irregular, unauthorised, fruitless and wasteful expenditure over the past three quarters.
  2. The Committee encouraged the PSC to continue to pay invoices within 30 days. The PSC has paid 99.5% of the valid invoices.

* 1. Vacancy rate was at 9% in the PSC for the third quarter. An underspending of R8.8 million was realised under compensation of employees due to vacant posts which include four commissioner’s vacancies at the National PSC. The Committee encouraged the PSC to fill all vacancies at the Commission where the institution has powers to recruit. Parliament and legislature should also play their role in filling commissioners vacancies timeously.
  2. The Committee was concerned about high number of complaints lodged with the PSC, among top on the list was irregular appointment and Human Resource related matters. These complaints signal that recruitment process in the public service need to be reviewed and strengthened in order to ensure capable and competent personnel are appointed based on merits. The Human Resource Management weakness need to be addressed in order to play a meaningful role to ensure line managers responsible for identify suitable candidates for appointment recruit best in the public service.
  3. The PSC visibility was once again on the limelight by the Committee. The Committee urged the PSC to extend their horizon in communicating its work on the ground so that members of the public are aware of their existence. Social media platforms should be used to create awareness on the work of the Commission.
  4. With regard to cases of corruption reported on the National Anti-Corruption Hotline, social grant fraud and appointment irregularities top number of cases reported in the PSC. The Committee was of the view that social security system need to be strengthened in order to minimise fraud committed which cost government whole lot of monies.
  5. The Committee notes concern raised by the PSC that departments are taking an extended period of time in providing feedback despite the fact that whistle-blowers are requesting feedback on progress made with regard to investigations. The Committee propose that measure need to be put in place to monitor referrals and develop consequence management if there was non-compliance emanating from departments.

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

6.1 The House adopts and approve first, second and third quarter performance report for 2021/22 financial year of the Budget Vote 12 of the Public Service Commission.

Report to be considered