**Report of the Portfolio Committee on Public Service and Administration on consideration of the first, second and third quarter performance 2021/22 for the Budget Vote 10 of the Department of Public Service and Administration, 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 Department of Public Service and Administration and Centre for Public Service Innovation, 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 Department of Public Service and Administration and Centre for Public Service Innovation (an entity). Performance information was in accordance with the Strategic Plans, Annual Performance Plan and Medium Term Strategic Framework 2020-2025. 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’s performance.

1. **DEPARTMENT PROGRAMME PERFORMANCE**
	1. **DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

The Department of Public Service and Administration’s has spent R295.6 million from the overall budget allocation of R488.7 million for 2021/22 financial year. The total budget and expenditure excludes monies expropriated to the Centre for Public Service Innovation (CPSI). However, the Department has transferred R42.9 million to the CPSI which result into a voted budget of R531.7 million. There were no fruitless and wasteful expenditure experienced within DPSA during the 1st,2nd and 3rd quarter periods.

In terms of the Human Resource, the vacancy rate remains at 15.03% beyond reasonable level as per the Public Service Regulations of 2016. The Department had highlighted that vacancy status report reports are submitted to management and the Audit Committee on a monthly and quarterly basis. The projected vacancy rate by 31 March 2022 will be 14% with the envisaged filling of another four vacancies by 31 March 2022 and 12% April 2022 with the envisaged filling of another nine vacancies. Another challenge resulting into high vacancy rate cited was working arrangements as a result of COVID 19 which affected timely filling of vacancies resulting in the adjustments to the recruitment plan time lines.

**Figure 1: Allocated Budget and Expenditure:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DESCRIPTION** | **Original Budget** | **Actual -up to 31 Dec 21** | **Available Budget** | **Percentage spent on Budget** |
| **R'000** | **R'000** | **R'000** | **%** |
| **A** | **B** | **C=A-B** | **C=B/A** |
| **Administration** | **242 330** | **158 197** | **84 133** | **65,3%** |
| **Human Resource Management and Development** | **47 187** | **31 872** | **15 315** | **67,5%** |
| **Negotiations, Labour Relations and Remuneration Management** | **99 874** | **47 696** | **52 178** | **47,8%** |
| **E-Government Services and Information Management** | **34 292** | **13 574** | **20 718** | **39,6%** |
| **Government Service Access and Improvement** | **65 048** | **44 327** | **20 721** | **68,1%** |
| **Total** | **488 731** | **295 666** | **193 065** | **60,5%** |
| **Centre for Public Service Innovation** | **42 953** | **32 144** | **10 809** | **74,8%** |
| **TOTAL** | **531 684** | **327 810** | **203 874** | **61,7%** |

* 1. **Programme Performance**

The Department have six programme, which are as follows:

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 has four predetermined targets in the 2021/22 financial year. in the first quarter, the Department achieved all of its four set targets. Whilst in the second quarter, three targets were achieved and one target was not achieved. In the third quarter, two set targets were achieved and two not achieved. Among targets not achieved include the engagement with NEDLAC as the Department was interdicted and the Bill was referred back to the PSCBC and the Public Service Amendment Bill was not submitted to the Office of the Chief State Law Adviser for certification.

1. **Programme 2: Human Resources Management and Development**

Manage,oversee and  facilitate  human  resource  planning, management and  development  in  the  workplace.  Facilitate compliance with minimum norms and standards set by the Minister for Public Service and Administration, in line with the Public Administration Management Act (1994), through the office of standards and compliance.

The main objectives are contributing to improve the stability and credibility of the public service by developing and implementing the revised human resource development strategic framework for the public service by 2024/25, implementing the skills audit methodology framework for the public service by March 2024, introducing a remote working policy and guidelines for future states of disaster by March 2023 issuing a directive to institutionalise the mandatory in service training by March 2023. Furthermore, ensure compliance with the department’s legislation and policies by developing an early warning system for detecting the public service’s noncompliance with the department’s legislation and policies by March 2023.

Programme 2 has two predetermined targets in 2021/22 financial year. In the first quarter, the Department had two set targets and only achieved one target. In the second quarter, the Department achieved three targets and only one was not achieved. In the third quarter, the Department achieved one target and two were not achieved. Among targets not achieved include consultation with the Department of Corporative Governance and Traditional Affairs on the joint-up plan inputs to develop a plan on the development of state capacity/skills. In addition to targets not achieved, is the directive to institutionalise mandatory in-service training framework as the department is currently engaging National Treasury and National School of Government for Treasury to consider introducing a conditional deviation permitting the NSG to offer the mandatory training programmes for the public service.

1. **Programme 3: Negotiations, Labour Relations and Remuneration Management**

Programme 3: Negotiations, Labour Relations and Remuneration Management was formerly known as Public Service Employment and Conditions of Service. The function of the programme is to manage, oversee and facilitate organisational development, job grading, macro organisation, remuneration, human resource information systems, conditions of service, labour relations and dispute management in the public service. It also administers the implementation of the Government Employees Housing Scheme and the macro organisation of the State, and ensures coordinated collective bargaining.

Programme 3 has six predetermined targets for 2021/22 financial year. The Programme has achieved five targets and not achieved one target in the first quarter. In both second and third quarters, the Department had achieved six targets per quarter and one target per was not achieved. Targets not achieved include research to determine relevant practices in the organisation within the scope of the Personnel Expenditure Review (PER) and formulation of recommendations for changes to the public sector remuneration framework.

1. **Programme 4: E-Government Service and Information Management**

Manage, oversee and facilitate ICT governance, e-enablement, ICT infrastructure, information and knowledge management, and innovation in the public service. Coordinate and facilitate ICT stakeholder management. Key objectives include contributing towards improving the stability of the public service on an ongoing basis by monitoring the implementation of the national e-government strategy and roadmap towards the digitalization of government services, monitoring the implementation to improve public service ICT infrastructure, monitoring the implementation of policies and programmes on ICT enterprises architecture, ICT risk and security standards, business continuity and service management, information management and data and information archiving.

Programme 4 has three predetermined targets for the 2021/22 financial year. All set targets were achieved by the Department in all three quarters of 2021/22 financial year.

1. **Programme 5: Government Services Access and Improvement**

Programme 5 is responsible to manage, oversee and facilitate service access, operations management and service delivery improvement in the public service. Furthermore, coordinate and facilitate citizen relations and public participation programmes. Key objectives include to contribute towards improving the stability of the public service by monitoring the implementation of the business process modernisation programme by national and provincial department over medium term. promote good governance by monitoring and reporting on the institutionalisation of the African Peer Review Mechanism’s national action plan in 2022/23. Also monitor the implementation of the revised Batho Pele programme to ensure that measurable, uniform Batho Pele standards are put in place over the medium term to enable recipients of public services to monitor department’s adherence to Batho Pele Principles.

Programme 5 has six predetermined targets for the 2021/22 financial year. The Department had achieved all six target in both first and second quarter performance of the financial year under review. In the third quarter, the Department achieved three targets and three targets were not achieved. Targets not achieved include the amendments to the draft Organisational Functionality Assessment Tool (OAF) and Guideline. Moreover, the modernisation of business process and as well as monitor the implementation of the programme on participatory governance and citizen engagement.

* 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 first, second and third financial year of 2021/22 the organisation had only one target that was due in quarter three and has since been achieved. The expenditure from 01 April to 31 December 2021 amounted to R21.196 million or 51.13 percent of R 41.453 million's adjusted appropriation for the year. The expenditure can be explained as follows:

**Compensation of Employees**

An amount of R14.126 million was spent up to 31 December 2021 (63.67 percent) of the Compensation of Employees Budget):

The spending is lower than anticipated due to the five vacant posts in the organisation. The current funded vacant posts not affected by the organisational structure review were advertised in June 2021 to be filled in the current financial year.

The report presents the first, 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.

Programme 1 predetermined targets were achieved in all three quarters under review.

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.

Programme 2 predetermined targets were achieved in all three quarters under review.

1. **FINDINGS AND OBSERVATIONS**

The Portfolio Committee made the following observations and findings:

* 1. The Committee notes and welcomed first, second and third quarter performance of 2021/22 financial year for the Department of Public Service and Administration and Centre for Public Service Innovation. The Committee commends the Department and CPSI for not incurring unauthorised, irregular, fruitless and wasteful expenditure in 2021/22 financial year. The Committee was also concerned about the decline of performance of the department which was high in the first and second quarters but low in the third quarter performance.
	2. The Committee notes delays encountered by the Department in finalising the Public Service Amendment Bill and the Public Administration Management Amendment Bill due to NEDLAC consultation which took longer than anticipated. However, the Committee was concerned about the delays and encouraged the Department to ensure all stakeholders are urged to speed up the process to avoid tabling these important amendments later towards the end of the sixth parliament.
	3. The Committee supports the Department in developing the Revised outline of the Public Service Job Occupational Dictionary which will assist government departments with the job description whenever organograms are reviewed.
	4. The Committee further notes development concerning building single public service wherein the Department together with the Department of Co-operative Governance and Traditional Affairs will be embarking on developing a plan for the state capacity for the selected districts and metros.
	5. The Committee commends the Department for continuously developing measures to guard against unaffordable wage bill in the public service. Furthermore, the Committee urged the Department to speed up the finalisation stage of procuring a service provider to conduct Personnel Expenditure Reviews that will cover the formulation of recommendations for changes to the public sector remuneration framework.
	6. The Department was also encouraged to supports government departments in the implementation of the lifestyle audit in whatever forms including providing capacity building.
	7. The Department together with the National School of government was urged to monitor government departments SMS adverts to ensure Nyukela Programme remain the requirements as per the directive and new mandatory as this was communicated to all Heads of Department in the public service.

**Centre for Public Service Innovation**

* 1. The Centre for Public Service Innovation (CPSI) was urged to leverage the Public Private Partnership (PPP) in its efforts to provide innovation solutions to address service delivery challenges. The PPP should feature strongly in the CPSI objectives.
	2. The CPIS was encouraged to replicate the e-learning innovative solutions that has been piloted in North West, Kwa-Zulu Natal and Limpopo provinces. However, the CPSI cited issues of financial resources to rollout in other provinces.
	3. The Committee stressed the importance of the CPSI innovative solutions being measured to determine the impact of those solutions. The Committee would in future like to receive impact evaluation report on the innovative solutions implemented rather than the number of solutions discovered.

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

5.1 The House adopts and approve first, second and third quarter performance report for 2021/22 financial of the Budget Vote 10 of the Department of Public Service and Administration.

Report to be considered