**REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION ON THE ANNUAL PERFORMANCE PLANS (APPS) 2022/23 AND THE BUDGET VOTE 12 OF THE PUBLIC SERVICE COMMISSION, DATE 06 MAY 2022**

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plan, Annual Performance Plan and Budget allocations of 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 planning and performance of government departments and public entities as well as Chapter 9 and10 institutions. 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 stipulates 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 strategic and annual performance plan, the Committee ensured that the Public Service Commission’s plan and budget allocation serve the needs and aspirations of the citizens. Budget allocation serves as a key instrument for government to promote socio-economic development. Budget allocation plays a critical role as an economic instrument of the government to reflect on 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 03rdMay 2022, the Committee considered presentation on the Strategic and Annual Performance Plan and budget allocation of the Public Service Commission (PSC). This report summarises presentation received from the PSC, focusing on the 2019/24 Strategic Plan and 2022/23 Annual Performance Plan and Budget as well as allocations over the MTEF.

1. **OVERVIEW 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 Assemblyand to Provincial Legislatures and must annually report on its activities and performance to these two institutions.

1. **LEGISLATIVE MANDATE**

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. **STRATEGIC GOALS OF THE PSC**

The strategic goals of the PSCfor 2019-2024 are as follows:

* 1. **Promoting the implementation values and principles**

The PSC has a constitutional mandate to promote and monitor compliance with constitutional values and principles in the course of rendering of services to the public. The promotion of the constitutional values and principles is aimed at fostering a positive behavioural change in the public servants and the Public Service in order to ensure that services are delivered in a responsive, caring and ethical manner, among other things.

In order to ensure the continuity over the MTEF period, the commission plans to conduct 50 quantitative evaluation reports in 2020/21 and 12 qualitative evaluations in each of the remaining years of the MTEF period. The purpose of these reports and evaluations is to assess departments’ compliance with constitutional values and principles with a view to promoting a culture of excellence in the public service. Quantitative indicators are used to establish whether systems are in place, while qualitative indicators aim to establish whether those systems assist in effecting change.

* 1. **Promoting professional ethics in the public service**

In terms of Section 195 of the Constitution, the PSC is required to promote professional ethics in the Public Service. Given this Constitutional mandate, the PSC would raise ethics awareness through the promotion of Code of Conduct in the public service ethical leadership dialogues and commemoration of international events such as the International Anti-Corruption Day.

* 1. **Public Administration Investigations**

The PSC will, over the MTEF, continue to conduct investigationsas a way of holding public service accountable in exercising their functions. A variety of access mechanisms have been established by the PSC to promote accountability and encourage a culture of reporting ethics-related issues, accountability-related issues such as appointment, procurement and financial irregularities, non-compliance with Public Service legislation and policy, service delivery and professionalism-related issues such as bias/impartiality, unfairness, discrimination and prejudice, and performance-related issues such as incapacity, incompetence, lack of training/capacitating and lack of representivity.

* 1. **Management of the Public Sector National Anti-Corruption Hotline**

Public Sector National Anti-Corruption Hotline (NACH) is another mechanism established by government to prevent and combat corruption. Government has introduced the NACH for departments, public entities and local government in 2004 through a Cabinet Decision of 14 August 2003. The investigation or resolution of the NACH cases has been a challenge since its inception and has been an MTSF commitment for a number of years and departments are expected to resolve 80% of cases lodged with the NACH per quarter. The PSC would over the MTSF monitor the resolution of these cases.

* 1. **Management of the Financial Disclosure Framework**

In terms of Regulation 21(1)(a) of the Public Service Regulations, 2016, the PSC is required to scrutinise the financial disclosure forms of Members of the SMS. The purpose of the scrutiny is to assess compliance with the requirement to disclose all financial interests and also establish whether the involvement of officials in any activities of the companies could lead to conflicts of interest.

The scrutiny of the financial disclosure forms involves the verification of information provided in the financial disclosure forms against the information contained in the Companies and Intellectual Property Commission Deeds Registry and the National Traffic Information System databases. The PSC also assesses the extent to which SMS members are engaged in work outside their normal employment in the relevant Departments.

* 1. **Disciplinary Proceedings on Financial Management**

In terms of the Public Finance Management Act, 1999 (PFMA) read in conjunction with Treasury Regulations, 2002, accounting officers of departments are required to report on the outcome of completed disciplinary proceedings on financial misconduct, to amongst others, the PSC. The PSC will over the MTEF monitor and evaluate, amongst others, how departments are managing financial misconduct, which is part of ensuring that the Public Service maintains a high standard of professional ethics. The PSC will continue to produce on annual basis an overview of completed disciplinary proceedings in respect of financial misconducts. The overview is aimed at reflecting on action taken by departments institutionalising consequence management on cases of financial misconduct.

1. **KEY STRATEGIC PRIORITIES 2022/23**

The key strategic priorities of the Vote were set for 2022/23 are explored below:

**6.1 Putting in place institution building reforms**

Focus will be placed on selected institution building reforms. These will be aimed at transforming the organisation to ensure organisational renewal in line with the new vision, mission and values of the PSC. The first variable will be aimed at increasing the visibility of the PSC. A concerted effort will be made to brand the organisation to build relationships and ensure that stakeholders are aware of the PSC’s mandate.

The second variable will focus on the PSC’s organisational structure and design in line with the business model. To achieve an organisational fit, an organisational structure is needed that will effectively respond to the mandate and strategy of the organisation. Accordingly, the purpose and function of each position in the structure will be reviewed.

The third variable will focus on the PSC’s employees to ensure that there is a right fit between the individual and the job through a skills audit process so as to ensure that specialist skills are available to cover the wide mandate and complexity of the PSC. The extent to which incumbents have the necessary job knowledge and skills required for the job will be assessed, together with their zeal to work and their commitment to the job.

**6.2 Optimum use of technology**

The COVID-19 pandemic had a profound impact on the Public Service and the PSC, as well as Government and business functioning, as it led to rapid adoption of technology for continued interface through virtual or online platforms. There is also a need to think through the continual evolution of automation and innovation, and how new technology can be infused into the work of the PSC and that of the Public Service. Remote working has presented challenges with employees experiencing connectivity challenges, thus affecting their participation in meetings and other platforms. In addition, connectivity from the National Office has serious challenges, especially when there are more people connected to the network. This clearly demonstrates the need for the PSC to invest in increased ICT infrastructure to enable the PSC to operate effectively, increase its reach and keep up with the pace of digitisation and technological advances. It is also important to introduce a digitised management environment, one where all documentary evidence is channelled through the hierarchy and stored in electronic archives.

**6.3 Improvingthe quality of reports**

During the last two years, the PSC witnessed an increase in disputes and even increasingly litigious responses (with escalating legal fees and costs) regarding the outcome of its investigations into grievances and complaints. The mitigating strategies has been to look at alternative methods to conduct its work through mutual consensus and trying to settle disputes as early as practicable through mediation. In this regard, Commissioners and employees have undergone mediation training to capacitate themselves for this important shift. An additional mitigating strategy includes the establishment of a quality assurance structure, which provides for self-assessment of the PSC’s products prior to publication.

The PSC has identified a need to continuously improve on the quality of its reports. Topics need to be researched thoroughly and arguments should be drafted by writing logically and coherently, supported by evidence, especially in relation to grievance and investigation reports. Writing skills, such as writing strategies, writing in a way that communicates ideas and decisions clearly and concisely, constructing a well-reasoned argument, and organising evidence and ideas, are increasingly becoming important considering the legal challenges that have emerged.

**6.4 Gender and disability mainstreaming, as well as employment of youth**

The Office of the Public Service Commission (OPSC) annually reviews and submits the Gender and Disability Mainstreaming Programme of Action to the Department of Public Service and Administration (DPSA). The programme looks at the progress recorded against set objectives. The OPSC plans to conduct a Gender Survey to assess the extent to which the processes and programmes at the OPSC has been engendered. Training on Sexual Harassment will also be undertaken to empower employees on how to prevent and deal with sexual harassment. Persons with disabilities currently constitute 1.98% of the staff establishment and the OPSC is working hard to ensure that the 2% target for the employment of persons with disabilities are met and exceeded.

As at March 2022, 22,3% of employees were comprised of youth. In terms of gender mainstreaming, the PSC has a gender balance of 50% women at Senior Management level. In 2021/22, the PSC had arepresentation of females in the Senior Management Service (SMS) of the OPSC at 51% and at the Middle Management Service (MMS) at 47%. Additionally, 1.99% of PSC employees are persons with disabilities. Hopefully, this might improve to 2% in 2022/23. Focus will also be placed on creating employment opportunities for the youth through an internship programme.

**6.5 Promoting Broad-based Black Economic Empowerment (BBBEE)**

The PSC has earmarked 60% of its procurement spend for B-BBEE compliant suppliers to support economic stimulation and growth and generation of sustainable jobs by the small, medium and micro enterprises (SMMEs). During the 2020/21 financial year, 63% of B-BBEE compliant suppliers were appointed, which exceeded the PSC’s target of 40%, by 23%. The PSC will continue to ensure that B-BBEE compliant suppliers on Level 1 Contributor Status are appointed going forward.

**6.6 Promoting an ethical Public Service**

In order to eliminate the grave threat posed by corruption against the country’s democratic values and its vision of being an ethical and developmental State, an extensive National Anti-Corruption Strategy 2020-2030, that calls on all stakeholders to take responsibility for ethical leadership, was launched in 2020. Accordingly, cultivating and fostering a culture of reporting in which citizens understand the negative impact of corruption and where individuals are empowered to report any devious or corrupt activities they become aware of, is a strategic objective of the Anti-Corruption Strategy. As the custodian of the National Anti-Corruption Hotline (NACH) and one of the bodies to whom a protected disclosure can be made in terms of the Protected Disclosures Act, the PSC has a responsibility to adequately protect whistle-blowers and to ensure that citizens are willing to become partners in the fight against corruption. This is in line with the SONA undertaking of stepping up the protection of whistle blowers.

**6.7 Maintaining a Grievance Management platform**

As the leading arbiter of grievances in the Public Service, the PSC serves around 1.2 million+ public servants. The challenge is that collective agreements regulating the lodging of grievances by services departments and educators direct employees to refer unresolved matters to relevant bargaining councils, in spite of the employees’ constitutional rights to refer their grievances to the PSC. The existence of specialised units and ombud bodies in some departments require employees to escalate grievances that have not been resolved within departments to such structures. The PSC will continue to publish reports and factsheets on grievance management in the Public Service, as well as engage with departments individually and collectively on key topical issues that are identified during the investigation of grievances and the monitoring of grievance trends in the Public Service.

**6.8 Conducting Public Administration Investigations**

The PSC cannot predict the number of requests for investigations into public administration practices and must frequently reprioritise its planned activities to accommodate priority cases referred to it. In the past year, the demand for investigations increased in comparison to the previous year. At the same time, the complexity of investigations has also intensified, whereas the number of investigators (6 at national and at 7 provincial level) have not increased. The capacity of investigators to focus on investigations is furthermore negatively impacted by the need for them to spend substantial time defending challenged reports or providing evidence during disciplinary hearings emanating from reports, as well as preparing investigation files for audit purposes. Consistency and uniformity in the handling of complaints will be ensured through the process of reviewing the existing PSC Rules on conducting investigations, and the establishment of standard operating procedures for the handling of complaints lodged with the PSC.

**6.9 Monitoring service delivery sites**

During 2020/21, the PSC conducted unannounced inspections at schools at selected primary and high schools in eight of the nine provinces to assess compliance with the minimum health, safety and social distancing requirements in mitigation of COVID-19 during the reopening phase for grades 7s and 12s. The PSC, with the emphasis on being a responsive Public Service, identified the Department of Home Affairs (DHA) as a priority area for 2021/22 inspections at selected offices across the nine provinces. These inspections sought to determine the extent to which the services are accessible to citizens, the degree of modernisation and the impact of service delivery, and define best practices implemented to inform the service delivery model to be applied across the service points. To this effect, the PSC commits to conducting two (2) studies on the effectiveness of government support for service delivery

**6.10 Promoting and evaluating compliance with the constitutional values and principles (CVPs) in the Public Service**

The promotion of the CVPs is aimed at fostering a positive behavioural change in public servants and the Public Service to ensure that services are delivered in a responsive, caring and ethical manner, among other things. The PSC needs to ensure through its promotional work that Government follows a values-driven approach rather than just a compliance approach that would tick the right boxes in terms of the indicators of the different constitutional values and principles. These values should talk to the needs of the people and the services they deserve, especially those that were previously excluded from receiving the services they deserved.

The PSC reviewed its Guide on the Constitutional Values and Principles Governing Public Administration. The aim was to promote mutual understanding of the values, principles and concepts to ensure that they are embedded and mainstreamed in the daily work of public servants, irrespective of the functional area in which they work in Government.

**6.11 Managing the Public Sector National Anti-Corruption Hotline**

Over 56% of the cases reported to the NACH in the 2020/21 financial year were reported by anonymous whistle-blowers. The majority of the case reports related to social grant fraud involving pension, disability and child support grants committed by members of the public, as well as officials. The consequences in the occurrences of social grant fraud are two-fold. Not only is there a financial implication when a loss occurs, but the actual beneficiary who qualified to receive the grant suffers. Therefore, the South African Social Security Agency must strengthen its internal controls in the management of social grants.

The PSC will continue to manage the NACH as a mechanism to report fraud and corruption in the Public Service. To maximise its utilisation in the combating and prevention of corruption, the NACH needs to be operationalised 24 hours a day throughout the year. Access to the NACH by the public and public officials would ensure the realisation of the capable, ethical and developmental state through the reporting of fraud and corruption.

**6.12 Managing the Financial Disclosure Framework (FDF)**

In terms of Regulation 18(1) of the Public Service Regulations, 2016, all members of the Senior Management Service (SMS) in the Public Service are required to disclose all their registrable interests annually to their respective Heads of Department (HoDs), by no later than 30 April each year. The Medium Term Strategic Framework (MTSF) envisages 100% compliance with the disclosure of interests.

In terms of Regulation 21(1)(a) of the Public Service Regulations, 2016, the PSC is required to verify the financial disclosure forms of members of the SMS. The purpose of the scrutiny is to assess compliance with the requirement to disclose all financial interests and also establish whether the involvement of officials in any activities of the companies could lead to conflicts of interest. The PSC will continue to conduct scrutiny of the financial disclosure forms of SMS members but will adopt a risk-based approach to doing this. Particular focus will be on topical and critical issues prevailing at a particular point in time. The PSC will also explore the possibility of automating the scrutiny process in line with the Fourth Industrial Revolution (4IR).

**6.13 Conducting disciplinary proceedings on financial misconduct**

The PSC will continue to produce on an annual basis an overview of completed disciplinary proceedings in respect of financial misconduct. The overview is aimed at reflecting on actions taken by departments institutionalising consequence management

1. **BUDGET ALLOCATION 2022/23**

The Public Service Commission’s overall budget allocation for 2022/23 is R288.4 million in 2022/23 financial year, compared to R286.3 million in 2021/22 financial year. This represents an increase of 8.1 per cent in nominal terms. However, in real terms the total budget for the Department decreased by only -1.8 per cent between the 2021/22 and 2022/23 financial years. Expenditure is expected to increase at an average annual rate of 1.3 per cent, from R286.3 million in 2012/22 to R297.7 million in 2024/25. Compensation of employees’ accounts for 75per cent (R652.1 million) of the commission’s projected expenditure over the medium term.

Budget allocated will focus on fighting corruption, strengthening human resource practices and management and monitoring and evaluating service delivery performance in the public service. It will also monitor service delivery and the implementation of the financial disclosure framework and strengthening the financial disclosure system to combat corruption.The budget of the Public Service Commission is divided into four programmes. The main cost drivers are Programme 1: Administration (R143.2m) and Programme 4: Integrity and Anti-Corruption (R55.7m).

The Commission will continue to focus on the professionalization of the public service by promoting ethical conduct in human resource management and leadership. In aid of this, the commission will conduct research and monitor and develop capacity on key public service issues, such as ethical practices in recruitment processes, effective discipline management, and the effective management of employee development. to carry out these activities, R29.3 million is allocated over the MTEF period in the Leadership and Management Practices programme. The commission will continue to oversee service delivery by conducting inspections on key departments that are directly involved in providing services and support Parliament in exercising its oversight role by holding the executive accountable. For these purpose, R27.3 million over the medium term is allocated in the Monitoring and Evaluation programme.

**Table 1: Overall budget allocation for 2022/23 financial year**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Budget** | | | **Nominal Rand change** | **Real Rand change** | **Nominal % change** | **Real % change** |
| **R million** | **2021/22**  **Million** | | **2022/23**  **Million** | **2022/23** | | **2022/23** | **2022/23** |
| **Programme 1: Administration** |  | 135,9 | 143,2 | 7,3 | 1,1 | 5,37 per cent | 0,83 per cent |
| **Programme 2: Leadership and Management Practices** |  | 48,9 | 48,1 | -0,8 | -2,9 | -1,64 per cent | -5,87 per cent |
| **Programme 3: Monitoring and Evaluation** |  | 43,9 | 41,6 | -2,3 | -4,1 | -5,24 per cent | -9,32 per cent |
| **Programme 4: Integrity and Anti-Corruption** |  | 57,6 | 55,7 | -1,9 | -4,3 | -3,30 per cent | -7,46 per cent |
| **TOTAL** |  | **286,3** | **288,6** | **2,3** | **-10,1** | **0,8 per cent** | **-3.54per cent** |

**Source: National Treasury (2022)**

1. **PROGRAMME PERFORMANCE**

The PSC has four programmes whose budget and activities are as follows:

* 1. **Programme 1: Administration**

The purpose of this Programme is to provide overall management of the PSC and centralised support services. The budget for Programme 1 increased from R135.9 million in 2021/22 financial year to R143.2 million in 2022/23 financial year. This represents a 0.83 per cent increase in real terms in the budget allocation between 2021/22 and 2022/23. The programme is one of the three major cost drivers under this Vote, consuming 50 per cent of the overall allocation. It is also one programme that experiences real percentage increase. The main cost drivers are Chief Financial Officer (R46.1m); Corporate Services (R27.1m); Property Management (R25.4m), Public Service Commission (R23.8m) and Office of the DG (R20.6m.

The programme take 50 per cent of the bulk of the budget due to the budget of the Chairperson, Deputy Chairperson and 12 national and provincial Commissioners being part of Programme 1. Furthermore, the PSC has centralised its support function and as a result, the budget for Administration is high as it includes the budget for centralised support services e.g accommodation costs, SITA services, training, internal audit, operation lease payments etc. For the first year of the MTEF, a total budget of R143.2 million will be utilised to ensure that the PSC achieves the outputs for Programme 1 whilst at the same time providing high level strategic direction to the PSC.

The budget allocated for Programme 1 will be spent on developing the strategic and annual performance plan for the PSC. The PSC intends to receive unqualified audit opinion in 2022/23 financial year.

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

The Leadership and Management Practices (Programme 2) is responsible for promoting sound Public Service leadership, human resource management, labour relations and labour practices.The programme has two sub-programmes, namely: Labour Relations Improvement, and Leadership and Human Resource Reviews.

The budget allocation for Programme 2 increased from R48.1 million in 2022/23 financial year to R48.9 million in 2021/22 financial year. In real terms the budget allocation of Programme 2 decreased by -2.9 per cent between 2021/22 and 2022/23. This programme consumes the third largest portion (17 per cent) of the overall budget. The budget will be utilised in ensuring that the PSC improves the turn-around time for the finalisation of grievances lodged by employees in the public service. The bulk of the Programme’s budget (R23.8 million) is allocated to the Leadership and Management Practices sub-programme, which provides overall management of the programme. The other main cost driver is Labour Relations Improvement (R16,1m), which is responsible for promoting labour relations and practices through the timeous investigation of properly referred grievances and the provision of best practices in the public service.

In line with government initiatives as outlined in Priority 1 of the MTSF, the PSC will focus on professionalisation of the public service through promoting meritocracy and ethical conduct in areas of Human Resources Management and Leadership practices. As part of contributing to Priority 1 of the MTSF, in the upcoming three years, the PSC has identified “Sound management and leadership practices” as one of its outcomes. This outcome will be achieved through placing emphasis on improving employer employee relations, managing grievances, conducting research and influencing debates and policy perspectives on leadership practices, human resource management, public service reform and professionalisation.

The PSC’s contribution will be facilitated through research, monitoring and capacity development on key topical issues relating to, among others, ethical practice in the recruitment process, effective discipline management, the strategic repositioning of Human Resources in departments as well as effective management of continuous employee development. 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.

The PSC’s investigations on grievances are largely focussed on a desktop audit and virtual meetings with affected and interested parties, due to lack of funding to conduct on-site grievance investigations as well as COVID-19 related challenges. The PSC will as far as possible utilise technology-driven solutions to assist with document collection, as well as provide virtual connectivity for interviews. However, not all public servants have access to technology, as such, physical meetings and engagements will be convened with some of the affected parties.

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

The main purpose of the programme is to improve the functionality of the Public Service through institutional and service delivery evaluation. Programme 3 accounts for 14 per cent (R40.9 million) of the total budget vote in 2022/23. Between 2021/22 and 2022/23, the budget allocation for Programme 3 decreased by -9.32 per cent in real terms. The main cost drivers of the Programme are Programme Management: Monitoring and Evaluation at R24.0 million and Service Delivery and Compliance Evaluations at R9.0 million.

For a budget of R41.6 million for 2022 financial period, Programme 3 is confronted with an inadequate budget to conduct more inspections on the implementation of service standards and will thus focus at selected facilities. Programme 3 will also put a concerted focus on measuring the impact of the changes in public administration practices in order to scale the adherence to the Constitutional Values and Principles in the public sector and impact thereof. Continuous engagement with key stakeholders is a best strategy that Programme 3 will embark on in order to promote the CVP’s. A slight increase in budget allocation for the outer two years of the MTEF will amount R41 million and R427 million, respectively.

In line with the Constitutional imperative of building an ethical and values-driven public service, the PSC will continue to promote the CVPs both within government departments and other state institutions through the implementation of service standards at selected facilities, producing reports on Section 196 (4)(e), facilitation of Citizens Forums and studies on the effectiveness of government for service delivery over the MTEF period. The PSC is planning to deliver its outcome for “A well-coordinated and functioning M&E system for the PSC by continuing with the promotion of the CVPs. The PSC aims to ensure through its promotional work, that a values-driven approach rather than only compliance and rules approach that stick to tick the right boxes is implemented. This means finding a balance between the rules and the application of the Bill of Rights in the Constitution.

The PSC will further exercise oversight mandate of ensuring efficiency and effectiveness in the delivery of services by conducting service delivery inspections. Inspection seek to provide deep stick analysis of service delivery as experienced by service users, yet provide the PSC with an opportunity to propose improvements within departments. The PSC facilitate Citizens Forums to find solutions for service delivery challenges and conduct studies into effectiveness of government for service delivery to propose measures to ensure effective and efficient performance within the public service.

The main contribution of the PSC through the discharge of its monitoring and evaluation function will be on improved leadership, governance and accountability, functional, efficient and integrated government and professional, meritocratic and ethical public administration. This contribution will be realised through monitoring of departmental compliance with Constitutional Values and Principles(CVPs) in order to ensure that the Public Service is responsive to the needs of the citizens. One of the mechanisms the PSC intends to use to measure the responsiveness of the Public Service is monitoring departmental performance against their respective service standards. The PSC’s work on building stronger institutions will be complemented by service delivery inspections, so that the institutions can also be evaluated from the perspective of the citizen so that solutions to real world service delivery problems can be developed.

The PSC aims to continue with sector specific service delivery inspections for the next five financial years. The PSC intends to conduct service delivery inspections in government facilities.Furthermore, the PSC produces evaluations and advice addressed to decision-makers with a view to changing public administration practices and behaviours. In line with its Constitutional mandate, the PSC’s contribution towards strengthening state capability has prioritised the ambition to build a value-driven public service through ethical, credible and accountable leadership, and embedding constitutional values and principles across the public sector.

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

The Integrity and Anti-Corruption programme is responsible for undertaking public administration investigations, promoting a high standard of professional ethical conduct amongst public servants and contributing to the prevention and combating of corruption.The budget allocation for Programme 4 accounts for 19 per cent share or R54.7 million of the total budget vote in 2022/23. In 2022/23, the allocation for Programme 4 decreased by -3.30 per cent in nominal terms, but in real terms, it decreased by -7.46 per cent. The main cost drivers are Programme Management: Integrity and Anti-Corruption at R22.6 million and Professional Ethics at R21.1 million, respectively.

The budget will contribute in speeding up the finalisation of investigations within 90 working days. In addition, the programme will also continue with the important work of promoting professional ethics through exposing non-adherence with the financial disclosure framework by SMS members within the public service. Of critical importance is adherence and the implementation of the ethics framework. The organising of three annual professional ethics workshops is another spending area for the programme. In order to prevent the scourge of corruption that is bedevilling the country, the programme 4 has a mammoth task of ensuring that its works yields positive results.

One of the crucial areas for a functioning and responsive public service, is strong ethical conduct by public servants. The PSC will over the next MTEF, produce reports that are intended to depict the status of adherence to ethical conduct within the public service. As part of promoting professional ethics, the PSC will organise professional ethics events wherein thought leaders in the ethics space will lead discussions. It is high time that ethical conduct is entrenched within the public sector in order to address unethical conduct that is troubling the country. The PSC will also produce articles aimed at promoting and creating awareness about the need for entrenching the culture of professional ethics in the public service. In addition, the PSC will engage Ethics Officers at national and provincial level as part of the professionalization of the public service.

1. **OBSERVATIONS AND FINDINGS**

The Portfolio Committee identified the following matters in relation to the Budget Vote 12:

* 1. The Committee noted and welcomed the Annual Performance Plan 2022/23of the Public Service Commission. The strategic plan covers most of the functions of the Commission as encapsulated in section 196 of the Constitution. The Committee further noted that the PSC’s strategic focus is mainlya contribution towards building a responsive, ethical and value-driven public service that responds timeously, efficiently and effectively to the needs of the citizens.
  2. Over the past years, the PSC used to receive its budget through transfer from the Department of Public Service and Administration’s budget vote;as much as the Committee welcomed government’s decision to grant the full budget vote status as part of reinstating its independence from the Executive. The Committee was of the view that the PSC budget should be located within the budget vote of Parliament in order to restore its independence from the Executive since it is still depending on the Minister of Public Service and Administration to argue their budget before the MINCOMBUD and in Cabinet.
  3. The Committee notedthe PSC’s initiative onthe legislative reform project intending to introduceto Parliament a Bill that will allow the Commission to be supported by a Secretariat that is independent of government in order to strengthen its independence. Currently the Director-General of the PSC is appointed through section 12 of the Public Service Act, 1994, thus making him/her part of employees under the Public Service. Appointment of the PSC Director-General through Public Service Act and participation in the FOSAD structure compromise the independence of the commission.
  4. The Committee further noted the existing vacancies of the Commissioners at the National Office and in Mpumalanga, and Gauteng provinces. The Committee was wary of Section 3(2)(a) of the Public Service Commission Amendment Act, 1997 which stipulatesthat such posts should be filled within a 90-day period before they become vacant. The Committee was concerned about the Mpumalanga PSC Commissioner post, which took longer to fill and encouragedMpumalanga and Gauteng legislatures to fast-track their recruitment process to be in line with Section 3(2) of the Act.
  5. The PSC’scapacity in the provincial offices needs to be reinforced, as each province is allocated staff complement of 10 employees to cover the work of provincial departments. Provincial departments are responsible for the implementation of government policies and programmes and it is where service delivery suffers. Therefore, 10 staff members per provincial PSC are not sufficient to investigate, monitor and evaluate the provincial programmes.
  6. The PSC footprint in the rural areas has been on the spotlight, particularly in monitoring government facilities (Service Delivery Inspection) providing services in the rural towns. The PSC was urged to be more visible through Service Delivery Inspectionsin the rural areas in order to be visibleto communities receiving government services.
  7. The PSC together with the Committeehas to devise a strategy to ensure that specific recommendations emanating from the Commission’s reports are tabled in the National Assembly for debating and processing. Tabling of the reports in the National Assembly will assist the PSC in the implementation of the recommendations and,therefore, follow through. Portfolio Committees concerned can also get an opportunity to acquaint themselves with these recommendations, so that it is not the sole responsibility of the Committee to interrogate, monitor and follow up on these recommendations.
  8. The Committee in its analysis of the annual performance plan identified an anomaly in terms of PSC spending 75 percent of budget allocated mainlyon Compensation of Employees. The PSC is a knowledge-based institution that attracts highly specialised individuals with relatively scarce skills to be able to assist the institution to pursue its mandate of investigating, monitoring and evaluating as well as research. However, the core mandate of the PSC must not suffer as a result.The Committee was concerned about 25% of budget allocated to execute the PSC mandate in terms of achieving planned targets. With this limited budget to PSC projects, the Committee was of the view that the PSC would not be able to cover all aspects as expected.

1. **RECOMMENDATIONS**

The Portfolio Committee recommends that the Public Service Commissionundertakes the following activities:

* 1. The PSC should speed up the finalisation of the legislative reform project, which seeks to allow the institution to be supported by the Secretariat independent of the Executive in order to strengthen the Commission, especially when the Commission has acquired back the status of a fully-fledged budget vote.
  2. The PSC should consult with the Speakers of the Provincial Legislatures on a continuous basis to discuss the work of the PSC, which includes fast tracking of appointments of the Commissioners within a required timeframe per section 3(2)(a) of the Public Service Commission Act, 1997.
  3. The PSC should review its organisational structure with the intention of strengthening capacity in the provincial offices in order to cover a wide spectrum of provincial departments as well as making an impact to the citizens in the provinces.
  4. The PSC should through its Service Delivery Inspections expand its reach of monitoring government facilities in all sectors in the semi-rural and rural provinces. There are various government department’s facilities that require extensive monitoring in order to deliver effective and quality services to the citizens.

**For the Committee**

* 1. The Committee must devise a workable strategy to ensure that tabled Commission’s reports are debated in the National Assembly and in the Legislatures as part of entrenching a culture of accountability by the Executive Authority.
  2. Parliament should reconsider the Kader Asmal recommendationsof proposing the relocation of Budget Allocations of InstitutionsSupporting Democracy from national departments to the Budget Vote of Parliament, which is consistent with the notion of giving effect to the financial independence of the ISDs, as a marker for constitutional independence.

1. **CONCLUSION**

The independence of the Public Service Commission will reaffirm its powers and enable it to perform its functions without fear, favour or prejudice in the interest of the maintenance of effective and efficient public administration. Therefore, the Committee supports the recommendation of PSC budget allocation to be part of Parliament’s budget vote in order to restore its independence. As much as the Commission accounts to the Portfolio Committee on Public Service and Administration, the PSC conducts investigations, monitoring and evaluation in a wide spectrum in various government departments and there are reports that necessarily do not fall within the mandate of the Committee. Therefore, if tabled reports can be debated in the National Assembly and legislatures this will assist with the implementation of the recommendations by various government departments.

**The Portfolio Committee recommends as follows:**

That the House adopt and approve the Budget Vote 12 of the Public Service Commission.

Report to be considered