**Report of the Select Committee on Transport, Public Service and Administration, Public Works And Infrastructure on Budget Vote 11: Public Service and Administration and on the Strategic Plan and 2023-24 Annual Performance Plan of the Department of Public Service and Administration and the Centre For Public Service Innovation, Dated 24 May 2023**

The Select Committee on Transport, Public Service and Administration, Public Works Infrastructure, having considered the revised Strategic Plan and Annual Performance Plan of the Department of Public Service and Administration and the Centre for Public Service Innovation and Budget Vote 11: Public Service and Administration reports as follows:

1. **INTRODUCTION**
	1. The Select Committee on Transport, Public Service and Administration, Public Works Infrastructure (the Committee) considered the 2023/24 budget of the Department of Public Service and Administration, the Public Service Commission, the National School of Government and the Centre for Public Service Innovation, respectively, on 3 May 2023. In preparation for this report, the Committee was briefed on the revised Strategic Plan, 2023/24 Annual Performance Plan (APP) and 2023/24 Budget Allocations of the Department and Entities.
	2. In her introductory remarks Deputy Minister Kiviet highlighted the following:
		1. The public servant strike action of March 2023 resulted in disruptions to critical health services. The Department will be focusing on the development of minimum service standards, including for essential services during protests.
		2. Efforts to manage the public sector wage bill will include the consideration of both monetary and other forms of compensation such as housing subsidies and medical aid contributions.
2. **Revised Strategic Plan and 2023/24 Annual performaNce plan**
	1. **Department of Public Service and Administration**
		1. The Minister is leading the Medium Term Strategic Framework (MTSF) target of approving and implementing the Business Processes Modernisation Programme in the Public Service. The Minister plays a supporting role in other MTSF targets, such the implementation of the Integrated Financial Management System in the Public Sector by 2021. The programme has experienced challenges and progresses has not been attained as expected. The challenges in respect of programme spending has received the attention of the Special Investigating Unit (SIU) and Public Protector.
		2. In implementing the National Framework Towards the Professionalisation of the Public Sector (“the Professionalisation Framework”), the following targets have been set for the 2023/24 financial year:
3. Review of the Public Sector Regulations, 2016 and all associated directives and circulars to address the administrative burden and excessive compliance hurdles experienced by Departments.
4. Devolving operational matters, still located with the Executive Authorities, to Heads of Department, to promote administrative efficiency and clarifying the boundaries of the political-administrative interface.
5. Review of the guidelines for advisors which will introduce minimum requirements per category; a performance management system, as well as a code of conduct for Advisors.
	1. **Centre for Public Service Innovation**
		1. As directed by the President, the CPSI will, in partnership with the Human Science Research Council, be conducting skills audits in the public service, starting with infrastructure and frontline service delivery departments.
		2. The CPSI has targeted the completion of four (4) innovation research and development initiatives during this financial year. These initiatives will take the form of research, development, testing and piloting and will include the development of apps for emergency medical services which are expected to enhance the delivery of services such as forensics and transport.
		3. The CPSI has targeted the replication of two (2) innovative solutions in the Public Sector. This will include internal assessment of the replicability, including funding and complexity; engagement with the originator and relevant institutions.
6. **2023/24 Budget Allocation and Medium Term Expenditure Framework**
	1. **Department of Public Service and Administration**
		1. The Department has a total budget of R1.7 billion over the MTEF period, with compensation of employees accounting for 54.3 per cent (R940.8 million) of this amount as the Department relies on specialist human resources.
		2. The Department’s 2023/24 budget of R553 billion reflects a 0.6% increase from its 2022/23 budget of R555.1 billion. The MTEF focus areas for the Department includes the reduction of the wage bill, intensifying the fight against corruption, improving the implementation of the Batho Pele principles and the review of key legislation.
		3. In collaboration with National Treasury and other departments, the Department plans to review remuneration policies across government over the MTEF period, with the aim of developing a single remuneration framework for the public sector (excluding state owned entities). The framework will be in line with the principles of fair (including to reduce remuneration inequality for employees performing similar tasks in different spheres of government), equitable and sustainable remuneration. To carry out these activities, R73.7 million has been allocated over the PTEF under the Remuneration, Employment Conditions and Human Resource Systems subprogramme in the Negotiations, Labour Relations and Remuneration Management programme.
	2. **Centre for Public Service Innovation**
		1. The CPSI has a total budget of over R143.9 million over the MTEF period, with an allocation of R45.9 million for the 2023/24 financial year.
		2. As indicated, the CPSI plans to initiate (four) new research and development project and these and other related activities will be carried out in the Research and Development and 2023 Estimates of National Expenditure Institutional Support and Replication subprogrammes in the Public Sector Innovation programme. The programme is allocated R70.3 million over the MTEF period.
		3. As part of its efforts to bring about a culture of innovation in the public sector, the CPSI will continue to coordinate innovation knowledge platforms and these activities are allocated R28.1 million over the medium term in the Enabling Environment and Stakeholder Management subprogramme in the Public Sector Innovation programme.
		4. Replication initiatives are carried out in the Institutional Support and Replication subprogramme, which is allocated R20.4 million over the period ahead.
7. **OBSERVATIONS AND KEY FINDINGS**
	1. **Department of Public Service and Administration**
		1. The Committee requested an update on progress on the implementation of the Judicial Commission of Enquiry into Allegations of State Capture (“State Capture Report”) recommendations. DPSA responded that last year it hosted an anti-corruption conference at which the report’s recommendations were discussed in detail. The Department will furthermore develop a guide to support public servant whistle blowers who are in/or require witness protection. Such a guide will supplement the provisions of the Witness Protection Act, 112 of 1998 and Protected Disclosures Act, 26 of 2000.
		2. DPSA reported that the amendments to the Public Administration Management Act, 11 of 2014, will introduce the legislative provisions necessary for the integration of a single public service.
		3. DPSA reported that there are currently 315 precautionary suspension cases across National Departments – at a salary cost of R 61 905 593,74. There are an additional 292 precautionary suspension cases across Provincial Departments – at a salary cost of
		R 203 851 13, 57. The Department will implement a number of measures to address the status quo, including the establishment of an independent panel (Ministerial Committee) to review long term suspensions in the system. Other efforts will include strengthening the role of labour relations officers in disciplinary processes as there is a tendency to make use of legal services units (as opposed to labour relations officers) which might delay processes.
		4. The public service collective agreement has been concluded for the 2024 year, however DPSA has identified that not all Departments fully implement all aspect of the collective agreements, leading to disputes. DPSA will therefore have a specific focus on monitoring the implementation of collective agreement.
		5. During 2019, directives were issued in relation to the early retirement (without incurring penalties) of public servants. Such an approach contributes to the reduction of the public sector wage bill as public servants on the top salary notches are replaced with new entrants on the lowest notch.
		6. There has been challenges in the implementation of the Public Service Job Evaluation System. The identified service provider indicated its intention to exit the South African market. The subsequent SCM processes to identify alternative service provider were unsuccessful and were to be repeated. Once developed, the system will first be piloted with the cluster before it is implemented across departments.
	2. **Centre for Public Service Innovation**
		1. The Department is supporting various multi – year projects including a virtual Thusong Centre in the Northern Cape. The project has been identified as a flagship project for the Premier of the Province. It is anticipated that a minimum viable product for the virtual Thusong Centre will be developed by the third quarter of the current financial year.
		2. The CPSI continues to partner with youth organisations to promote the participation of youth in the development of service delivery innovations. The CPSI plays a mentoring role during engagements with youth and hackathons, a collaborative computer programming event. The CPSI this year past hosted #PSIHack 22 as part of a programme of dedicated support to developers of public sector solutions and cohosted the Youth ICT and Business VacWork Programme in Siyabuswa, Johannesburg and Mthatha.
8. **recommendations**
	1. **Department of Public Service and Administration**

The Committee recommends that the Minister should ensure that the Department:

* + 1. Maintains constant measures to monitor compliance on the prohibition against public servants conducting business with the state and the implementation of consequence management where there is non-compliance.
		2. Resources the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit with sufficient capacity, a conducive management structure, and specialised skills to ensure that it conducts its work effectively.
		3. Take into consideration that the Public Service Amendment Bill mirrors a newly introduced provision in the Municipal Systems Act, 32 of 2000 which prohibit Senior Managers from holding political office in a political party. The Department should be aware of the fact this such a provision was the basis for an application to have the Act reviewed and set aside.
	1. **Centre for Public Service Innovation**

The Committee recommends that the Minister should ensure that the CPSI:

* + 1. Consider identifying South African Police Service sites for replicating the digitisation of records to address the challenge of dockets being unaccounted for.
		2. Together with the DPSA and the Department of Planning, Monitoring and Evaluation, assist Departments with Business Process Optimisation before existing systems are digitised. This will ensure that the digitisation process does not entrench processes that might be inefficient.

The Committee recommends that the Council approve the budget of the Department of Public Service and Administration. [The DA reserved its position on the report and abstained and the EFF voted against the adoption of the report.]

Report to be considered.