

Budgetary Review and Recommendations Report of the Portfolio Committee on Planning Monitoring and Evaluation on Vote 09 of the Department of Planning, Monitoring and Evaluation and Brand South Africa, Dated 20 October 2023.

1. BACKGROUND

The Portfolio Committee on Planning Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly as mandated by Section 5 of the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 to consider and report on the Annual Reports of the Department of Planning, Monitoring and Evaluation (DPME) and Brand South Africa (BSA) tabled by the Minister of Planning, Monitoring and Evaluation and Minister in the Presidency as follows:

2. INTRODUCTION

The Budgetary Review and Recommendation Report (BRRR) of the Portfolio Committee on Planning Monitoring and Evaluation has been compiled in compliance with the money Bills Amendment Procedure and Related Matters Act, No.9 of 2009, (hereafter, the Money Bills Act). Section 5 of the Money Bills Act requires the National Assembly, through its committees, to annually assess the performance of each national department. This culminates in a committee submitting a Budgetary Review and Recommendation (BRR) Report where the committee may make recommendations on the forward use of resources to address the implementation of policy priorities and services, as the relevant department may require additional, reduced or re-configured resources to achieve these priorities and services.

To give effect to the requirement of Section 5 of the Money Bills Act, the Portfolio Committee, on 13 October 2023, considered the 2022/23 annual reports containing financial and nonfinancial performance of the Department of Planning, Monitoring and Evaluation and Brand South Africa against the Department's predetermined objectives and targets.

3. PURPOSE OF THE BUDGETARY REVIEW AND RECOMMENDATIONS REPORT

The Constitution of the Republic of South Africa, 1996 (the Constitution), specifically Section 77 (3), stipulates that an Act of Parliament must provide for a procedure to amend money bills before Parliament. In terms of Section 5 of the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 the National Assembly, through its Committees, must annually compile Budgetary Review and Recommendations reports (BRRR) that assess service delivery and financial performance of departments and may make recommendations on forward use of resources. The BRRR is also a source document for the Committees on Appropriations when considering and making recommendations on the Medium-Term Budget Policy Statement.

Moreover, the Money Bills Amendment Procedures and Related Matters Act, section 5 (3) highlights focus areas on the budgetary review and recommendation report as:

- Providing an assessment of the department's service delivery performance given available resources.
- Providing an assessment of the effectiveness and efficiency of the departments' use and forward allocation of available resources; and
- Including recommendations on the forward use of resources.

3.1 Method

The Portfolio Committee on Planning Monitoring and Evaluation compiled the 2022/23 BRRR using the following documents:

- The National Development Plan: Vision for 2030.
- Medium Term Strategic Framework 2019-2024.
- State of the Nation Address 2022.
- Strategic Plans of the DPME and Brand SA.
- National Treasury (2023) 4th Quarter Expenditure Report 2022/23 Financial Year, Pretoria.

- Annual Performance Plans of the DPME and Brand South Africa 2022/23.
- Annual Report of the DPME and Brand South Africa 2022/23.
- Auditor-General South Africa's outcomes of audit findings 2022/23.
- The Portfolio Committee also met with the leadership and management of the Department and Brand South Africa.

4. NATIONAL DEVELOPMENT PLAN VISION 2030

The Department of Planning, Monitoring and Evaluation supports the National Development Plan's objective of an accountable and transparent government. The Department's focus is on strengthening accountability and improving coordination, and it works with the National Planning Commission to facilitate and monitor the implementation of the National Development Plan. The Department is responsible for mainstreaming the National Development Plan into the work of Government by drafting the Medium Term Strategic Framework to guide Government's programme. The strategic framework includes 14 outcomes, which form the basis of the new performance agreements between the President and individual Members of Cabinet.

5. MANDATE OF THE DEPARTMENT OF PLANNING, MONITORING AND EVALUATION

The mandate of the Department of Planning, Monitoring and Evaluation is derived from section 85(2)(c) of the Constitution, which enables the President to exercise authority over Members of Cabinet by coordinating the functions of state departments and administration. The primary aim of the Department is to improve government service delivery through planning, performance monitoring and evaluations. The DPME has the following key mandate:

- Facilitating the development of plans/delivery agreements for cross-cutting priorities or outcomes of Government, and monitor and evaluate the implementation of these plans/delivery agreements.
- Putting in place and managing guiding frameworks for strategic planning and annual performance planning in national and provincial departments.
- Monitoring the performance of individual national and provincial government departments and municipalities.
- Monitoring frontline service delivery.
- Managing the Presidential Hotline.
- Carrying out evaluations.
- Promoting good monitoring and evaluation practices in Government.

5.1 Overview of the 2022/2023 financial year

The Department has the following activities planned for 2022/23:

5.1 Reviewing the NDP

The NDP was adopted as a guide to achieving South Africa's goals, broadly in terms of socioeconomic development, and specifically in terms of eliminating poverty, creating jobs and reducing inequality by 2030. The National Planning Commission was tasked with reviewing some aspects of the NDP to address certain implementation challenges. Over the medium term, this review is expected to assess the capacity and capability of the State in measuring the implementation of the NDP. Related activities are set to be carried out in the Management: National Planning Coordination sub-programme in the National Planning Coordination programme.

5.2 Revised Medium Term Strategic Framework

The MTSF is a critical component of the National Planning System and provides the platform for NDP implementation and the translation of national priorities into the budget framework as well as sectoral and institutional plans. The MTSF was approved by Cabinet in October 2019. It was officially launched with the SONA for implementation in June 2020. The central objective of the MTSF is to achieve a better life for all South Africans by addressing the triple challenges of unemployment, inequalities and poverty and focus on thematic government priorities:

- Priority 1: A Capable, Ethical and Developmental State
- Priority 2: Economic Transformation and Job Creation
- Priority 3: Education, Skills and Health
- Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 5: Spatial Integration, Human Settlements and Local Government
- Priority 6: Social Cohesion and Safe Communities
- Priority 7: A better Africa and World

5.3 Improving and strengthening government planning and coordination

The Department is mandated to improve and strengthen government's planning and coordination. This involves: ensuring the implementation of government's medium-term strategic framework, which is implemented in five year cycles to allow for revisions, and serves as a roadmap for achieving goals linked to NDP outcomes; and conducting assessments of national departments' draft strategic and annual performance plans to ensure alignment with the medium-term strategic framework and the NDP. In this regard, in each year over the medium term, the Department expects to produce 47 assessment reports. Based on the outcomes of these assessments, the Department will, in consultation with the National Treasury, identify delivery priorities for the funding of national departments. Related activities are carried out in the Planning Coordination sub-programme in the National Planning Coordination programme.

5.4 Supporting implementation of short-term and medium-term goals

Tracking the performance of the short-term and medium-term goals of Government's 2019-2024 medium-term strategic framework is a core function of the Department. Accordingly, over the MTEF period, the Department will engage national and provincial departments, government agencies and key state-owned entities to assess their implementation of the priorities and indicators of the medium-term strategic framework, and identify performance gaps and interventions to address underperformance. In this regard, the Department plans to produce two reports per year over the medium term for submission to Cabinet.

5.5 Monitoring and supporting implementation

Over the medium term, Government's 2020-2024 medium-term strategic framework will form the basis of using the Programme of Action monitoring system, which will identify critical actions to be taken by government towards achieving the NDP's vision while enabling direct links between the NDP, and departmental strategic and annual performance plans. Through the programme of action monitoring system, the Department will report to Cabinet bi-annually regarding the implementation of Government's 2020-2024 Medium-Term Strategic Framework.

These activities are carried out in the Outcomes Monitoring and Support sub-programme in the Sector Monitoring Services programme. Due to a growing demand from parliamentary committees and Cabinet, over the medium term, the Department plans to intervene and support the implementation of government policies and programmes at various levels of the service delivery value chain, particularly in provinces placed under administration and in areas of social unrest. Also, the Department will fast-track the implementation of government policies and programmes in critical development issues through Operation Phakisa Monitoring Services programme.

5.6 Developing intervention programmes to support service delivery

The Department plans to produce two reports per year over the MTEF period to monitor the impact of policy priorities in relation to actual service delivery through various frontline monitoring programmes, including targeted site visits, citizen-based monitoring and the Presidential Hotline. To enhance capacity over the medium term, the Department plans to assess the performance of government departments, agencies, state-owned enterprises and local government. This will include the development of a new monitoring model to replace the management performance assessment tool, and support the annual development and assessment of performance agreements of Heads of Department. These activities will be

carried out in the Public Service Monitoring and Capacity Development sub-programme in the Public Sector Monitoring and Capacity Development programme.

5.7 MTSF and the District Development Model

Localisation of the MTSF should take place by ensuring that all departments (national and provincial) are submitting details on the geospatial location of their projects and interventions on an ongoing basis. This will also include the cascading of and localisation of MTSF interventions within the local government sphere in Metropolitan and District Municipalities. The localisation of the MTSF is centred on embedding an iterative process that is both top down and bottom up across the spheres towards cumulative contribution towards achieving the targets of the MTSF and attaining the desired outcomes and impacts of the MTSF.

5.8 Conducting research and evaluations

The Department's ongoing focus is on maximising the use of its evaluations and research to generate rapid and relevant evidence to inform planning and monitoring, and appropriate interventions. As such, over the medium term, the Department plans to work towards improving research and knowledge, and maintain evidence-based policy development, planning, implementation and monitoring by providing support for data management. This will be achieved by developing and monitoring the implementation of a national evaluation plan, and conducting evaluations and research to support the planning and monitoring activities of the National Planning Coordination and Sector Monitoring Services programmes. Accordingly, in each year over the medium term, the Department plans to produce 10 evidence reports on indicators related to evaluations, and research and development.

6. DEPARTMENT'S PROGRAMME PERFORMANCE

6.1 Department of Planning, Monitoring and Evaluation

6.1.1 Budget Allocated and Expenditure 2022/23

Table 1: Appropriation per programme (R'000)

2022/23				2021/22		
Programme	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	196 909	191 419	5 490	190 777	175 964	14 813
National Planning Coordination	86 338	80 031	6 307	80 069	57 242	22 827
Sector Monitoring Services	71 349	61 119	10 230	66 545	57 172	9 373
Public Sector Monitoring & Capacity Development	84 949	76 131	8 818	80 513	75 094	5 419
Evaluation, Evidence and Knowledge Systems	41 849	899	7 950	41 309	31 246	10 063

TOTAL	481 394	442 599	38 795	459 213	396 718	62 495
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Source: DPME Annual Report 2022/23

The Department of Planning, Monitoring and Evaluation achieved 95% of targets during the year under review. The Department spent R442.6 million (91.9 per cent) of the allocated budget of R481.4 million in the 2022/23 financial year. The Department underspent by R38.8 million (8.1 per cent) in the 2022/23 financial year as of March 2023. In comparing the budget underspent with the current year under review, the department had in the 2021/22 financial underspent with R62.5 million (13.6 per cent) of the allocated budget as of March 2022. Meaning there is huge reduction of underspending by the Department.

The underspending was experienced in all five programmes of the department, with the Sector Monitoring Services with R10.2 million, Public Sector Monitoring and Capacity Development with R8.8 million, Evaluation, Evidence and Knowledge Systems with R7.9 million, National Planning Coordination with R6.3 million and Administration with R5.5 million. The underspending in Compensation of Employees by R19.5 million was mainly due to the vacant funded positions which were not filled as of March 2023, however, recruitment process is ongoing. The underspending in Goods and Services by R14.8 million was as a result of Consultants: Business and Advisory Services mainly due to nonresponsive bids and bidders failing to meet the minimum qualification criteria.

The Department has an approved Organisational Structure of four hundred and eighteen (418) approved positions. Due to budget cuts implemented by the National Treasury, twenty-nine (29) positions were unfunded in order to remain within the allocated Cost of Employment budget. A revised organisational structure was drafted where all unfunded posts were removed and is currently awaiting approval before obtaining concurrence from the Minister for Public Service and Administration (MPSA).

A new 3-year Human Resource Plan which is aligned to the new organisational structure was approved in August 2021, covering the period from 2021-2024 and was still implemented and monitored. The Department filled 55 posts in the 2022/23 financial year and managed to achieve vacancy rate of 10% by March 2023. The Department managed to appoint 32 interns, which translates to 8.4% interns against target of 5%. Despite achieving target of below 10% vacancy rate, the Department experienced a high staff turnover of 15.6% during the reporting period.

In achieving 50% gender representation of females in SMS and increasing the percentage of people with disabilities employed in the Department, female representation was at 59.3% (9.3 above the Employment Equity target) and 55.6% female occupying SMS positions. The achievement has to be commendable. The Department was currently at 1.4% of people with disabilities as compared to 2.2% of employment of people with disabilities in the previous year. The Department awarded bursaries to seventeen employees.

6.1.2 Programme Performance

During the reporting period under review, the Department achieved 95 percent of its targets regarding the performance information. The Department has six programmes in 2022/23 financial year organised as follows:

6.1.2.1 Programme 1: Administration

The main objective of the programme is to provide strategic leadership, management, administrative, financial and human resource services to enable the Department to achieve its strategic and operational goals. The Programme's key focus is to implement revised organisational structure and recruitment of key personnel, improve the quality of performance information, maintain good financial management practices to sustain clean audit outcomes and strengthen communication around the National Development Plan.

Programme 1 spent R191.4 million of the allocated budget of R196.9 million, which is an estimation of 97% in the 2022/23 financial year. Programme 1 underspent on sub-programme: Corporate Services and Financial Administration with R5.2 million due to vacancy rate in the Department. The total

amount of under expenditure was R5.4 million. The programme had four (4) predetermined targets. Of total targets, the Department achieved three (03) targets and one (1) was not achieved.

The average vacancy rate was at 8.54%, which is below 10% acceptable rate in the public service. In the 2021/22 financial year, the vacancy rate was at 7.5% in the 2021/22 financial year. Percentages on the vacancy rate of the Department continue to be unstable due to instability caused by high number of resignation and transfers. Vacancy rate impacts critical services in the department. Although the Department was within the acceptable vacancy rate, there are more vacant posts in the senior management positions.

The Department produced four quarterly reports against the Annual Performance Plan (APP) were submitted to the Executive Authority and National Treasury within 30 days at the end of the quarter. Section (1) (f) of the Public Finance Management Act, states that, “accounting officer of a department must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period”. In view of the above, the Department achieved 100% of the payment of valid invoices within 30 days. The Department pays suppliers within three to five days.

The Department achieved 99% Senior Management Service (SMS) disclosing financial interest in terms of Chapter 3, C.1 of the Public Service Regulations (PSR), required to disclose to their respective Executive Authorities (EAs), particulars of all their registrable interests (e.g. companies and properties) not later than 30 April each year, in respect of the period 1 April of the previous year to 31 March of the current year. Three officials who failed to disclose their financial interests were referred to Labour Relations for consequence management.

6.1.2.2 Programme 2: National Planning Commission

The purpose of the Programme is to develop, implement planning frameworks, and facilitate the alignment of the planning and budgeting functions across government and in the Department. The key objective of this Programme is to ensure the achievement of the NDP’s objectives by 2030, through developing an annual budget prioritisation framework, embedding the national spatial development framework in the strategic and annual performance plans of national and provincial departments over the medium term.

The Programme further intends to coordinate planning functions across government by assessing the alignment of the strategic and annual performance plans of national and provincial departments and public entities with Government’s 2019-2024 Medium-Term Strategic Framework annually. In addition, the Programme has to assess alignment of provincial growth and development plans with local government’s Integrated Development Plans and, in turn, with Government’s 2019-2024 Medium-Term Strategic Framework annually.

Programme 2 spent R80 million of the allocated budget of R86.3 million, which is an estimated at 92.7% in the 2022/23 financial year. The Department had nine (09) predetermined targets by March 2023. All planned targets were achieved. The Department had under this programme achieved the following, revising, updating and developing the policy and legislative frameworks which guide the country’s planning system; developed the overall strategy and instruments to guide government prioritisation and implementation for the 2022/23 financial year; management, coordination and alignment of the national planning system; promoting the spatial planning agenda within the broader development agenda; leading, developing and coordinating institutional arrangements to strengthen integrated planning and alignment across different spheres of government, and Policy Framework for Integrated Planning and its implementation plan.

The Department made tremendous strides in strengthening integrated planning and improving harmonisation of planning and synergies across the state machinery. In September 2022, the Department developed the Policy Framework for Integrated Planning which was adopted by Cabinet for implementation. The framework and its implementation plan build on progress made in institutionalising planning and seeks to address weakness such as the fragmentation of planning, inadequate capabilities and inadequate development orientation. The implementation of the

Framework seeks to improve coordination and coherence between long, medium and short-term planning.

The Department further led reforms to improve the quality of the APPs to be aligned with the NDP and other government priorities. An assessment of the first draft 2023/24 APP of national institutions was undertaken. The Department has introduced the government-wide Electronic Quarterly Performance Reporting System (eQPRS) in the year under review. The Department initiated a process towards the modernisation and automation of the planning system. This initiative derives from the overall imperative to modernise and digitise the public sector and specifically from the 4IR Commission implementation plan.

The Department continues to work with sectors to embed a results-based approach and improve alignment with the NDP and Revised 2019-24 MTSF through the standardisation of indicators for sectors with concurrent functions at national and provincial level. Standardised indicators for eight (8) sectors were approved for implementation in the 2023/24 financial year.

The Budget Prioritisation Framework (BPF) was developed to facilitate alignment of the 2023 national budget process with short-, medium- and long-term priorities of government. This is to ensure key plans and priorities are adequately resourced to support development outcomes. The BPF remains a key input into the national budget process and was part of deliberations in the budget function group meetings and the Medium-Term Expenditure Committee.

The Department revised and further undertook consultations on the draft the National Development Planning Framework Bill, which aims to provide framework for a coherent and synthesised national development planning system involving the three spheres of government. The Bill codifies the national planning system as outlined in the Policy Framework for Integrated Planning and is expected to be tabled by Cabinet.

Spatial Transformation remains a critical component in the planning of government projects. The Department continue to support efforts to integrate the National Spatial Development Framework (NSDF) within the national planning system and to improve the localisation of government plans in the context of the District Development Model (DDM). The Department continues to support and oversight to the implementation of the DDM including through the Presidency Steering Committee on the DDM.

6.1.2.3 Programme 3: Sector Monitoring Services

The purpose of the Programme is to ensure government policy coherence. The Programme develops, facilitates, supports and monitors the implementation of sector plans and intervention strategies. The main objectives of the programme are to ensure the effective implementation of government's 2019-2024 Medium-Term Strategic Framework by monitoring the achievement of targets in priorities 1 to 5 and priority 7 and reporting on progress to Cabinet twice in a year. Furthermore, it monitors and reports on the achievement of targets in the performance agreements between the President and Ministers annually, and support, where and when required for the development and implementation of special intervention programmes.

Programme 3 spent R61.1 million of the allocated budget of R71.3 million, which is an estimated at 85.7% in 2022/23 financial year. The Department had twelve (12) predetermined targets, and all targets were achieved. The Department produced two Medium-Term Strategic Framework Integrated Reports and 100% briefing notes against all the Cabinet Memorandum.

The Local Government Management Improvement Model (LGMIM) tool provided an integrated and holistic view of a municipality's performance across several critical key performance areas. The results of the LGMIM are incorporated in the municipal plans Integrated Development Plans (IDP) to facilitate the unblocking of service delivery issues. The Department facilitated accelerated implementation of priorities outlined in the MTSF to contribute to the speedy resolution of the triple developmental question of poverty, inequality and job creation.

The Programme planned to spend budget on monitoring the quality of management through the Local Government Management Improvement Model and produce improvements plans. The Department produced 29 self-assessment reports. The Department is responsible to coordinate and monitor government departments in implementing projects and fast-tracking services through Operation. The

Department produced two (2) Integrated Operations Phakisa reports. Further two (2) integrated report and annual reports were produced. The programme further produced four progress report on Food and Nutrition Security and one report for ease of doing business.

6.1.2.4 Programme 4: Public Sector Monitoring and Capacity Development

The purpose of the Programme is to support the implementation of the Medium-Term Strategic Framework by monitoring and improving the capacity of state institutions to develop and implement plans, and provide services. The main objective of the Programme is to strengthen state governance, efficiency, effectiveness and equity through: monitoring the achievement of targets related to Priority 6 of Government's 2019-2024 Medium-Term Strategic Framework, and reporting on progress to Cabinet twice in a year. Furthermore, it develops and implements the new performance and capabilities analytical framework by ensuring the alignment of the performance agreements of Heads of Department with Government's 2019-2024 Medium-Term Strategic Framework and supporting assessments conducted on Heads of Department annually. Additionally, the Programme monitors service delivery through regular frontline monitoring visits, citizen-based monitoring and the Presidential Hotline, and reporting thereon.

Programme 4 spent R76.1 million of the allocated budget of R84.9 million, which is an estimate of 89.6% of the 2022/23 financial year. The programme had nine (09) predetermined targets and all were achieved. The Department produced two status reports and a framework of assessment of Ministers were developed. In addition, two reports on the evaluation of the HoDs were produced.

As part of the President's policy statement on the monitoring of the State-Owned Enterprises, the Department produced two SOE monitoring reports for nine SOEs contributing towards the MTSF. In the past years, the President established the Presidential State-Owned Enterprises Council (PSE) to support the repositioning of state-owned enterprises with regard to the monitoring of the State-Owned Enterprises.

The Department produced two Frontline Service Delivery Monitoring reports on the implementation of MTSF priorities at the district level. The programme further administers the Presidential Hotline (PH). The Hotline resolution rate is dependent on sector departments and provinces resolving cases sent to them. However, the PH Case Management team has worked continuously with the Departments to resolve cases. Some cases are complex and take time to resolve. Four Presidential Hotline Performance reports were produced.

During the year under review, the Department produced two public service performance and capability monitoring reports. Moreover, two public service performance and capability monitoring reports were produced. Lastly, the Department under this programme achieved Framework on the socio-economic impact of DDM.

6.1.2.5 Programme 5: Evaluation, Evidence and Knowledge Systems

The purpose of the Programme is to coordinate and support the generation, collation, accessibility and timely use of quality evidence to support performance monitoring and evaluation across government. The main objective of the programme is to support the planning and monitoring roles of the Department by developing and implementing the national evaluation plan annually, conducting research and evaluations in key policy areas as identified annually, and producing relevant evidence reports. It also improves knowledge management in the Department through the development and implementation of a departmental knowledge and evidence hub.

Programme 4 spent R33.9 million of the allocated budget of R41.8 million, which is an estimate of 81.0% of 2022/23 financial year. The programme had six (6) targets in the financial year. Five (5) targets were fully achieved and one (1) was not achieved. The Department produced evidence plan for the National Evaluation Policy Framework and National Evaluation Plan. Furthermore, it produced four evaluation reports and three research reports. The Development Indicators report, and Database were also produced.

The Department highlighted that implementation of the targets in this programme solely depends on the cooperation of stakeholders. The Department was in the process to procure external IT service provider to build the Centralised Data Management and Analytical System (CDMAS) system in

2021/22 financial year. However, in 2022/23 financial year phase 1 & 2 CDMAS functional data was not yet deployed. The Department had to still consult with State Information Technology Agency (SITA) to meet the business requirement of the CDMAS.

7. BRAND SOUTH AFRICA

7.1 Mandate of Brand South Africa

Brand South Africa (BSA) was established as a trust in 2002 and gazetted as a schedule 3A public entity in accordance with the PFMA No.1 of 1999. Its purpose is to develop and implement a proactive and coordinated international marketing and communications strategy for South Africa; to contribute to job creation and poverty reduction; and to attract inward investment, trade and tourism.

BSA aims to make an indirect contribution to economic growth, job creation, poverty alleviation and social cohesion by encouraging local and foreign investment, tourism and trade through the promotion of the Nation Brand. BSA develops and implements a proactive and coordinated international marketing and communications strategy for South Africa to contribute to job creation and poverty reduction, and to attract inward investment, trade and tourism.

7.2 Brand SA objectives for 2022/23

- 1) Developing and articulating a South Africa Brand identity that will advance South Africa's long-term positive reputation and global competitiveness.
- 2) Building individual and institutional alignment to and supporting the brand in South Africa, and pride and patriotism amongst South Africans.
- 3) Seeking to build awareness and the image of the brand in other countries.
- 4) Seeking the involvement and cooperation of various government departments, public entities, the private sector, the non-governmental sector and civil society in achieving this objective.

7.2.1 Summary of targets and budget expenditure

Brand South Africa spent all allocated budget of R219.5 million for the 2022/23 financial year. Staff complement of Brand SA sits at 43 filled posts against 53 approved posts. The overall vacancy rate was at 24.5% which is above the 10% acceptable threshold. The increase in the vacancy rate was due to the combination of factors such as resignations, terminations and the moratorium placed by the Minister due to proposed envisaged long-standing merger. The overall staff turnover rate was at 8.7% in the 2022/23 financial year as compared to 17.3%, in the 2021/22 financial year.

7.3 Programme Performance

Brand SA has achieved 27 set targets out of 29 planned targets. Only two targets were not achieved. The BSA has three main programmes, namely:

(a) Programme 1: Administration

The Programme seeks to provide strategic leadership, management and support services to the core business functions of Brand South Africa and is overall responsible for ensuring sound governance, high performance and optimal utilization of available capital and resources.

The budget allocated was spent on a number of activities including implementation of organisational corporate identity; reporting to Board of Trustees on status of policy governance; policy and procedures awareness workshop; payment of valid invoices to suppliers within 30 days from date of receipt of invoice; and drafting and tabling of the Annual Performance Plan to

the Executing Authority in Parliament. Brand SA submitted four reports to the Board of Trustees on the applicable legislative framework.

(b) Programme 2: Brand, Marketing & Reputation Management

The Programme seeks to develop and articulate a Nation Brand identity that will advance South Africa's long-term reputation and global competitiveness. This includes a focus to research and monitoring sentiment and performance of the National Brand to analyse trends and providing insights to inform decision making and communication; and then to both proactively and reactively communicate the country's value proposition, values and highlight progress being made.

The budget was spent on various activities, which include among others, marketing campaigns that illustrate the attractiveness of the national Brand to reach all domestic and international audiences; the "This is Who We Are", "GrowWithSouthAfrica" campaigns, Play Your Part advocacy, exporting South Africa to South Korea Campaign, Mining Indaba, Joburg International Film Festival, World Economic Forum Annual Meeting in Davos 2023, and the United Nation General Assembly Meeting. The integrated reputation and communication activities were implemented for strategic platforms domestically, constitutional awareness campaigns and global South Africans activities implemented in the key markets. Furthermore, the organization developed positive communication pieces, positive thought leadership and webinars. Brand SA reviewed and responded to relevant issues impacting on the Nation Brand in line with the reputation management strategy. The entity further promoted the National Pride, Social Cohesion and Active Citizenship.

(c) Programme 3: Stakeholder relationships

The Programme seeks to build and leverage collaborative partnerships, integrate and coordinate efforts and approaches to market the Nation Brand identity and promote the Nation's value proposition and to interface meaningfully with stakeholders who drive or influence the Nation Brand and its reputation.

The budget was spent on among the following activities: Immigration Focused Activity, Culture and Heritage Activity, Safety and Crime Management Activity, Tolerance Focused Engagements, Youth Mentorship Activity- What About The Boys and South African National AIDS Council World AIDS Day Activity.

8. AUDITOR-GENERAL OUTCOMES

8.1 Auditor General's Report

The Auditor-General (AG) audited the financial statements of the Department of Planning, Monitoring and Evaluation comprising of appropriation statement, the statement of financial position as at 31 March 2023. The financial statements are in accordance with Modified Cash Basis prescribed by National Treasury and the requirements of the Public Finance Management Act (PFMA). The Department achieved Clean Audit in consecutive years. Whilst Brand SA achieved a Clean Audit in 2022/23.

8.2 Predetermined objectives

The Auditor-General evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

8.2.1 Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets and provides explanations for over and under achievements. This information should be considered in the context of the material findings on the reported performance information.

8.2.2 Adjustment of material misstatements

The Auditor-General identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2A: National Planning Commission and Programme 4: Public Sector Monitoring and Capacity Development. Subsequently the Department corrected all the misstatements, and the AG did not include any material findings in this report.

8.3.4 Compliance with legislation

The AG performed procedures to obtain evidence that the Department of Planning, Monitoring and Evaluation had complied with applicable legislation regarding financial matters, financial management and other related matters. The AG did not identify any instances of material non-compliance with specific matters in key legislation.

8.2.5 Internal Controls

Internal controls in the department were relevant to AG audit of the financial statements, reported performance information and compliance with applicable legislation, however, the AG objective was not to express any form of assurance on it. The AG did not identify any significant deficiencies in internal control.

9. OBSERVATIONS AND KEY FINDINGS

The Committee made the following observations and findings:

The Department

- 9.1 The Portfolio Committee notes and commends the Department of Planning, Monitoring and Evaluation (DPME) for achieving the tenth *clean audit outcome* in consecutive years. Furthermore, for having achieved 95% of its set targets in the 2022/23 financial year. The Committee further notes the Auditor-General comment that “the overall audit outcomes for the Department has improved from the prior year. The improvement was largely driven by the improvement at Brand South Africa”.
- 9.2 The Committee take notes from the AG that “the annual financial statements submitted by the DPME and Stats SA did not contain material misstatements”. The Committee would like to commend the leadership of the department and Brand SA for exercising good financial management discipline throughout the 2022/23 financial year. The status quo of the good financial management discipline has to be maintained over the years.
- 9.3 Improvements in the overall quality of draft Annual Performance Plans submitted by government departments to the Department of Planning Monitoring and Evaluation for review and alignment purposes was noted by the Committee. The Committee notes remarks by the AG that “the Department does not have legislative powers to enforce the implementation of recommendations made in the Strategic Plans and APPs review processes. The Department has to move with speed to address the matter.
- 9.4 The signing of the performance agreements of the Heads of Departments in both national and provincial governments has been noted. Concern about acting Director-Generals/or Heads of Departments not required to complete and submit performance agreements and performance assessments as per the current guidelines would have to be addressed by both Department of Planning, Monitoring and Evaluation and the Department of Public Service and Administration. There is no consequence management for departments with acting DG/HoD without submission of performance reports.

- 9.5 The Committee notes that during 2023/24 the Department will continue to engage with the relevant departments that have outputs, output indicators and annual targets in the Implementation Plan for the Policy Framework for Integrated Planning. This is to ensure that these outputs are implemented through the Annual Performance Plans and/or Annual Operational Plans of institutions. A project plan is currently being finalised to facilitate in-year implementation of the Implementation Plan and to monitor progress. The Committee is concerned with delays in tabling the Integrated Development Framework Bill, which aims to strengthen coherence and harmonisation across the planning eco-system of government.
- 9.6 The Department has revised draft Integrated Planning Framework Bill and renamed it “the National Development Planning Bill” in 2022, which aims to provide a framework for a coherent and synthesised national development planning system involving the three spheres of government. The Committee is concerned that the Bill has not been tabled in Parliament.
- 9.7 The Department is charged with the responsibility of developing, reviewing, monitoring and evaluating the National Development Plan. The Department further assists government in developing the Medium-Term Strategic Frameworks and Mandate Paper to guide departments in focusing on the national priorities. The Committee notes that the Department will continue to work with sectors to embed a result-based approach and improve alignment with the NDP and MTSF through the standardisation of indicators for sectors with concurrent function. The concern is that 2030 is fast approaching, yet there are still goals that have not been achieved.
- 9.8 The Committee expressed concern regarding the monitoring approach of the NDP and MTSF of government. The Department performance targets and budget have to be more focused around performance monitoring of the NDP and MTSF of government by developing indicators in each NDP chapter. The Department has to apprise national and provincial legislatures on how government departments are implementing the National Development Plan as well as Medium-Term Strategic Framework and highlight red flags on performance.
- 9.9 There is a concern about the Department not publishing and tabling monitoring and evaluation reports to the national and provincial legislatures to provoke debates and accountability on the evidence-based monitoring and evaluation reports in relation to the implementation of the NDP. Legislative Committees would be empowered when the Department publicized and tabled its reports in Parliament and Legislatures. This approach would empower Parliament and Provincial Legislatures on the performance of NDP and for the reviewing purposes thereof.
- 9.10 The Committee welcomes the development of digitizing standardized indicators for the ease of efficient reporting and monitoring purposes.
- 9.11 The Committee is concerned that the Department fails to implement the Auditor-General’s recommendations towards the achievement of MTSF targets.
- 9.12 Considering the Auditor-General’s audit outcomes report, the Committee is concerned that the Department is not working with the Department of Public Service and Administration to enhance performance management processes of the DGs and HoDs in the public service.

Brand South Africa

- 9.13 The Committee commends Brand South Africa for achieving clean audits despite all forms of challenges hindering the institution.

- 9.14 The Committee takes note that the Minister in the Presidency has recommended names to the Board of Brand SA pending the Master of High Court. The Committee will keep track of the development as the Board is urgently needed in Brand SA.
- 9.15 Moratorium of posts in Brand SA has a major impact on the performance of the institution due to the envisaged reconfiguration between Brand SA and Tourism South Africa.
- 9.16 Brand SA organizational structure was lastly reviewed in 2014, which remains a concern to the Committee.
- 9.17 The Committee is concerned that there is no impactful correlation between the world's negative perception of South Africa and the campaigns to correct such perceptions.
- 9.18 The Committee notes developments regarding long-term suspension of the Chief Financial Officer (CFO). In May 2023, both Brand SA and suspended CFO agreed to part ways after the Labour Court decided to reinstate the officer. A separation package was approved and paid by the Acting Chief Executive Officer.

10 RECOMMENDATIONS

The Committee recommends the following:

The Department

- 10.1 The Department should speed up the development of the legislation that would empower it to enforce the implementation of recommendations made in the Strategic Plans and Annual Performance Plans. Cabinet should be utilised as an enforcer where departments are unable to align the NDP to the MTSF and APPs to Strategic Plans.
- 10.2 In the absence of the legislation, the Department should develop procedure of submitting Strategic Plans and Annual Performance Plans, which includes giving the departments Quality Assurance Certificates prior to tabling such to Parliament and Provincial legislatures. Quality Assurance Certificates should guarantee that Strategic Plans and APPs are in alignment with government priorities.
- 10.3 The Department together with the Department of Public Service and Administration should review the Policy on Performance Management Development System for the DGs and HoDs in the public service, as per the Auditor-General's recommendation. Both departments should review matters identified in the PMDS policy such as weight given on Key Responsibility Areas and Acting DGs/HoDs to be included in the PMDS for performance measurement, especially when acting for more than six months. Accountability is not shed where the acting person performs in the vacancy, but in the absence of the incumbent because they are on leave or sick leave.
- 10.4 The Department should develop a strategy to persuade all stakeholders across three spheres of government to rally behind the Integrated Development Framework Bill, which aims to strengthen coherence and harmonisation across the planning eco-system of government.
- 10.5 The Department should fast-track the finalisation of the National Development Planning Bill, which will provide legislative powers to hold other departments accountable regarding the coherent planning, monitoring and evaluation. The Seventh Parliament must receive the Bill.
- 10.6 The Department must work with the Auditor-General, National Treasury and Statistics South Africa to develop an effective outcome indicator development framework and capacitate the government planning system.

- 10.7 The Department should collaborate with the National School of Government regarding new planning techniques and tools in order to be on pace with the new developments and trends.
- 10.8 The Department should link the allocated budget with performance indicators to enhance monitoring and evaluation.
- 10.9 The Department should apprise both national and provincial legislatures including organs of state on how government departments are implementing the National Development Plan as well as Medium-Term Strategic Framework and highlight red flags on performance. 2030 is fast approaching for the objectives to be realized.
- 10.10 The Department should publish and table planning instruments, monitoring and evaluation reports to the national and provincial legislatures to provoke debates and accountability on the evidence-based monitoring and evaluation reports in relation to the implementation of the NDP.
- 10.11 The National Treasury should be requested to increase funding of the Department in order to build Research and Development and Modelling capabilities.
- 10.12 The Department should implement the Auditor-General's recommendation that the achievement of MTSF targets have to be closely monitored. In this regard, the Annual Report of the Department should also reflect the assessment it had made regarding other departments' annual performance plans. A dashboard outline of this work is sought by the Committee going forward.

Brand South Africa

- 10.13 The Minister in the Presidency should expedite the finalisation of the proposed merger of Brand SA and Tourism South Africa in order to eliminate the instability caused in the institution, particularly on the staff morale and resultant resignations.
- 10.14 The Minister in the Presidency should ensure stability in the Board of Trustees by appointing the Board timeously since the current board's term of office had ended.
- 10.15 Brand South Africa should review organisational structure once the Board of Trustees are appointed (reappointed) which was lastly reviewed in 2014.
- 10.16 Brand SA should be allowed to fill critical positions on a five-year long-term contract rather than 24 months in order to ensure stability and accelerate performance of the organisation.
- 10.17 Brand South Africa should ensure that its programmes or interventions of branding and marketing provide positive impact in strengthening the country's economy and attracting more investors.
- 10.18 Brand SA should ensure its visibility in Sports, Arts and Culture activities in promoting and marketing the national brand.
- 10.19 The National Treasury should increase funding for Brand South Africa.
- 10.20 Brand SA should develop performance indicators targeting the number of creative sector and business collaboration with a target monetary value.
- 10.21 Brand SA should develop strategy to partner with the Department of International Relations and Cooperation and Embassies.

- 10.22 The Board of Trustees of Brand SA (newly to be appointed) should investigate a separation package of R7.4 million approved and paid by the Acting CEO to the former Chief Financial Officer to determine whether due diligence were followed. The Board of Trustees should report the outcome of the investigation by March 2024.

11 CONCLUSION

The Portfolio Committee commended the Department of Planning, Monitoring and Evaluation for achieving *clean audits* over consecutive years. However, the achievement of clean audits needs to be translated into improving service delivery in the Department and across government through planning, monitoring and evaluation. Accountability within the Department must improve with responsible leadership and management. That the NDP targets are not yet fully achieved is concerning.

In an effort to reconfigure the Brand South Africa, the entity should continue promoting and building South Africa's reputation and to contribute to the country's global competitiveness. Brand South Africa continues to build bridges across the continent, which is a noble gesture.

Report to be considered