



**the cpsi**

Government Component:  
Centre for Public Service Innovation  
REPUBLIC OF SOUTH AFRICA



# Annual Performance Plan

**2023/24**







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## Executive Authority Statement



### Introduction

South Africa, similar to many countries across the globe, has regressed on some of the gains that it had recorded before the Covid-19 Pandemic. These include, amongst others, our advancements as regards the United Nations' (UN) Sustainable Development Goals and, locally, Vision 2030 of the National Development Plan (NDP).

Our NDP, which is in sync with the UN 2030 Sustainable Agenda, is a roadmap that leads South Africa on a growth trajectory towards a desired destination in terms of Vision 2030. The NDP emphasises the importance of galvanising all our energies towards growing an inclusive economy, building capabilities, enhancing the capacity of the state, promoting leadership and forging robust cross-sectorial partnerships to tackle unemployment, poverty and inequality.

As part of our effort to achieve holistic socio-economic reform and entrenchment of democracy in our country, government committed itself to key priorities, based on the UN SDGs and Vision 2030 of our National Development Plan to deliver services comprehensively to citizens. These key priorities include:

- A capable, ethical and developmental state,
- Economic transformation,
- Education; skills and health,
- Consolidating the social wage through reliable and quality basic services,
- Spatial integration, human settlements and local government,
- Social cohesion and safe communities,
- A better Africa and the World.

As our country gradually emerges from the gloomy reality of the Pandemic, what comes to the fore is the inconvenient truth about the profound challenges that we have incurred following the Pandemic.

In its wake, the Pandemic left behind profound and diverse impacts in many critical areas, including an ailing economy. The country's economy is experiencing slowed growth, a disturbing imbalance between job creation and jobs demanded as well as dehumanising, grinding poverty.

The Pandemic also exposed many knots and weaknesses within our service delivery value chain. These include our processes and systems, constrained budgets and resources, and most of all, the capacity of the Public Service to provide services to the citizenry. Further challenges faced by our country arose from the devastating floods that happened in KZN in April 2022, causing untold damage to critical infrastructure that must now be re-build.

In view of the deep-seated inequalities that exist in our society, albeit by demographic, spatial or socio-economic lines, our government faces enormous pressure to innovatively find new ways and methods to improve our ability to deliver services to citizens. We also need to ensure the continued creation of an environment for sustainable economic growth and development on the other. This highlights the importance of innovation in the public sector, as a key enabler of accelerated, targeted service delivery.

Amid all this, the one resounding message is that of putting all hands-on deck to rebuild our country. Our government finds itself in this very precarious situation, where we have no option but to go back to the basics and introduce reforms and build requisite capacity to deliver on our developmental agenda. Now more than ever, we need to build social compacts through robust partnerships across all sectors to find innovative ways to deliver services to our citizens.

With that in mind, over the years, we introduced various strategies, policy initiatives and approaches to ramp up service delivery. As an example, the District Development Model (DDM), is a unique form of social compacting between different spheres of government, state entities, private sector and community groups to fundamentally change our approach to local development and, of course, service delivery.

The DDM is aimed at building the capacity of the State at the local sphere of government closest to the people. This is where concentration is required to achieve the developmental mandate of finding sustainable ways to meet the social, economic and material needs of communities and improve the quality of their lives. More so, this is the place where innovation should be nurtured and thrive.

In conclusion, we need to embrace innovation more while we ruthlessly combat insidious and malicious acts of corruption and malfeasance. These acts make a mockery of our collective efforts to ensure fair and equitable distribution of vital government services to everyone especially the marginalised of our society.

A stylized, handwritten signature in black ink, appearing to read 'N. Kiviet', written over a horizontal line.

**Ms N. Kiviet, MP**

**Minister for the Public Service and Administration**

## Accounting Officer Statement



This Annual Performance Plan (APP) outlines the work of the Centre for Public Service Innovation (CPSI) for the Financial Year 2023-24. This document provides information on what the CPSI should achieve and by when this should be completed, as part of the organisation's 2020-2025 Strategic Plan. The CPSI's 2020-2025 Five-year Strategic Plan outlines the CPSI's strategic direction as it supports the Public Service and Administration Portfolio, in carrying out its mandate to contribute towards the creation of 'a capable, ethical public service'.

As a government component located within the Public Service and Administration Portfolio, the CPSI complements the mandate of the Portfolio by entrenching the culture and practice of innovation in the public service to improve service delivery. The CPSI fulfils its mandate by:

- Advancing needs-driven research and development;
- Unearthing, showcasing, recognising and incentivising innovation;
- Testing and piloting of new innovations while also supporting the replication of innovative solutions; and,
- Partnering with public, private, academic, and civil society sectors on supporting the mandate of the CPSI.

To the CPSI, innovation is not only a valued ingredient for holistic public sector reform. Most critically, it is an effective catalyst and enabler of improved service delivery. Innovation should thus, not only be restricted to the pursuit of new projects as well as processes and systems in use in government institutions. Broadly speaking, innovation can and should permeate through the various reforms to transform and bring change into the public service. The CPSI remains an influential role-player and provider of thought-leadership on innovation and its proven capacity to improve government performance.

As we prepare for the 2023-24 Financial Year, we look back with pride at our achievements thus far. We also draw valuable inspiration and lessons from our successes and failures as we continue to carry out our mandate. These lessons and will be used to further improve our work going forward. In the previous financial year, we committed to contributing to the DDM, and we are happy to report that this commitment has been achieved as indicated below.

Key achievements in this regard include:

- Research and Development (R&D) efforts, through partnering with other government entities such as the National Advisory Council on Innovation (NACI) of the Department of Science and Innovation amongst others for more targeted impact.
- In line with our commitment to empower youth, we intend continuing with building partnerships with youth organisations to promote the participation of youth in the development of service delivery innovations. During the 2022-23 Financial Year we have stepped up on our efforts to mentor various groups of youth through hackathons to guide them in developing solutions for the public sector working in partnership with the youth-based organisation Geekulcha. One of the highlights for this financial year was the hosting of a 4IR Career EXPO (as part of the 2022 June 16 Celebrations) at St John's College in OR Tambo District (a DDM Pilot Site). His Excellency, President Cyril Ramaphosa graced this occasion and committed to continued support for the school's initiatives. It is hoped that this intervention will lead to the development of a new cohort of future public servants who will be equipped with skills that will enable them to become progressive thinkers who are innovators and problem solvers.

- We are also proud of our strides in ensuring that we build in-house capacity to develop innovation solutions. In this regard the CPSI has, for the first time, acquired software development skills by on-boarding system developers.
- One of the key deliverables was the replication of two innovation projects whilst increased the number of replication sites. Support to these replication sites continued to ensure that the projects are sustained.
- Our work to encourage learning and sharing of valuable knowledge and expertise through our innovation knowledge platforms such as the Annual Public Sector innovation Conference which was held under the theme *Building Social Innovation Partnerships for a Capable Developmental State*. In a similar vein, we conducted Design Thinking and Innovation Workshops to further promote the adoption of innovation in the public service. We are proud that one of these workshops was conducted in a DDM Pilot site, Waterberg District.
- The Public Sector Innovation Awards Programme is the bedrock of our drive to unearth, showcase and incentivise innovation by public servants to improve service delivery. The CPSI continues to unearth Public Sector Innovation Trailblazers through the Awards Programme.

We commit to continue the momentum generated in the 2022/23 financial year, including contributing to the DDM in this financial year. We further commit to ensuring that our mandate to inculcate the culture and practice of innovation is sustained. We are also confident that we are on course to achieve the objectives set in our five-year strategic plan.

In conclusion, the CPSI will ensure that there is a move to strategic interventions that will lead to high positive impact.



**Ms LM Sebokedi**  
**Executive Director (acting)**

## Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Centre for Public Service Innovation under the guidance of Minister N Kiviet, MP;
- Takes into account all the relevant policies, legislation, and other mandates for which the Centre for Public Service Innovation is responsible; and
- Accurately reflects the Impact, Outcomes, and Outputs which the Centre for Public Service Innovation will endeavour to achieve over the period 2023/24.

Mr PJ Schoonraad  
Programme Manager: Public Sector Innovation

Signature: 

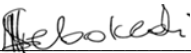
Ms AC Snyman  
Chief Financial Officer

Signature: 

Ms DN Mavikane  
Head Official responsible for Planning

Signature: 

Ms LM Sebokedi  
Accounting Officer

Signature: 

### Endorsed by:

Dr Chana Pilane-Majake, MP  
Deputy Minister for the Public Service and Administration

Signature: 

### Approved by:

Ms N. Kiviet, MP  
Executive Authority

Signature: 



# PART A

Our Mandate



## Part A: Our Mandate

### 1. Constitutional Mandate

The Constitution of the Republic of South Africa does not specifically and explicitly set a mandate related to Public Sector Innovation. However, the CPSI operates under the principles set out in Chapter 10, s195 of the Constitution. In particular, s195 (b)–(e) and (g) have direct relevance for the mandate of the CPSI:

- (b) Efficient, economic, and effective use of resources must be promoted.
- (c) Public administration must be development-oriented.
- (d) Services must be provided impartially, fairly, equitably, and without bias.
- (e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.
- (g) Transparency must be fostered by providing the public with timely, accessible, and accurate information.

Therefore, the CPSI, in accordance with s195:

- Is responsive to the needs of citizens by *being challenge-driven*.
- Champions transparency through *Open Innovation* and supporting open government initiatives.
- Promotes *efficiency and effectiveness* through Innovation; and
- Is development-oriented by *co-developing solutions* to address challenges identified in the NDP and SDGs with innovators across and outside government.

A second Constitutional imperative of importance for the work of the CPSI is that of collaboration. In terms of chapter 3 s41 (h) of the Constitution, all spheres of government and all organs of State within each sphere must co-operate with one another in mutual trust and good faith by:

- Fostering friendly relations.
- Assisting and supporting one another.
- Informing one another and consulting on matters of common interest; and
- Co-ordinating their actions and legislation with one another.

The cross-sector reach of the organisation and the fact that challenges and solutions span all three spheres of government is a testament to the fact that co-operative governance lies at the heart of successful innovations and replication.

### 2. Legislative and Policy Mandates

The responsibility for Public Sector Innovation is vested in the Minister for the Public Service and Administration who, in terms of section 3(1) (i) of the Public Service Act of 1994, as amended, is responsible for establishing norms and standards relating to transformation, reform, *innovation* and any other matter to improve the effectiveness and efficiency of the public service and its service delivery. This role is further expanded on in the Government Notice 34562 of 2 September 2011:

The function of the CPSI is to entrench a culture and practice of innovation in the public service through:

- I. Advancing needs-driven research and development.
- II. Unearthing, demonstrating, sharing, encouraging, and rewarding innovation.
- III. Testing, piloting, and incubating new innovations – and supporting the replication of innovative solutions; and
- IV. Partnering with public, private, academic, and civil-society sectors on supporting the mandate of the CPSI.

### 3. Institutional Policies and Strategies over the Five-year Planning Period

As an implementing institution, the CPSI is guided by the following broader policies and strategies:

- National Development Plan (NDP)
- The Medium-Term Strategic Framework (MTSF)
- 6<sup>th</sup> Administration Priorities
- Minister for the Public Service and Administration's (MPSA) Priorities
- District Development Model
- Sustainable Development Goals
- AU Agenda 2063

### 4. Relevant Court Rulings

Not applicable



# PART B

Our Strategic Focus





## Part B: Our Strategic Focus

### 1. Updated Situational Analysis

#### 1.1. External environment analysis

South Africa is still grappling with the after-effects of the COVID-19 Pandemic. The economic outlook still looks challenged despite efforts to set the economy on a recovery road. The economic growth is still lower than expected and this will have great impact in the future. “According to Stats SA, the GDP of the country shrunk by 0.07% during the second quarter of 2022 and, according to the projections of the National Treasury, the economy is expected to grow on average over the medium term with only 1.6% per annum” (Medium Term Budget Policy Statement: 2022).

Fuel prices have pushed the cost of goods and services to new levels, and this will have a ripple effect in the medium term. Load shedding has also increased the risk of South Africa going into a recession. The rate at which we have witnessed movement from different load shedding stages in one day is unprecedented. It is critical to stabilise the electricity supply to ensure that the economy grows from strength to strength.

Unemployment has led many people to rely on social grants, this further puts a strain on the already constraint fiscus. It has become more and more difficult for financial resources to be availed to drive public sector innovation agenda. Despite these challenges, the prevailing fiscal constraints also provide us with opportunities to find innovative ways to deliver services. The largely untapped youth further present opportunities to bring new creativity and perspectives into the public sector. In addition, the new Preferential Procurement Regulations of 2022 will empower government departments with the authority to determine their own procurement policies (Medium Term Budget Policy Statement: 2022).

The country further experienced environmental challenges which set the country back, further straining the fiscus and diverting resources to repair damaged infrastructure. Climate models for South Africa predict an increase in the frequency of extreme rainfall events for the central part and east coast of South Africa (CSIR, 2019). Thus, there is an onus on authorities to strengthen resilience and develop innovative and agile solutions to mitigate the impact of such events.

One of the key lessons from the Pandemic was the demonstration of how a crisis can enable service delivery innovation. Despite this, departments are still slow in understanding the potential and adoption of Fourth Industrial Revolution (4IR) solutions, for example, understanding the value that drone technology can bring in dealing with disasters and delivery of goods (The Economist: 10 March 2021).

#### 1.2. Internal environment analysis

The commissioned assessment of the form and function of the CPSI clearly confirms the importance of this institution within the broader National System of Innovation. One of the key recommendations from this assessment is that the CPSI needs to strengthen stakeholder management and increase capacity within the solution development space. Furthermore, the CPSI also has notable strength in harnessing social innovators through its Youth Development Programme.

These findings and recommendations are in line with the organisations’ Theory of Change, namely that in the current state of bureaucracy, risk aversion and limited innovation practice in the public sector, there is a need to build a culture of innovation in the public sector where officials are solution focused (ultimate outcome).

CPSI's activities are therefore selected in support of six inter-related interventions delivered through three units, namely:

- a. Research to identify root causes of service delivery challenges and to explore potential solutions, including frontier technologies.
- b. Co-design and co-development of new solutions where appropriate solutions are not available or viable.
- c. Replication and scaling of demonstrated innovation towards mainstreaming.
- d. Institutional support to facilitate the adoption and adaption of innovative solutions as well as building internal innovation capacity and practice.
- e. Knowledge sharing interventions to increase awareness and learning.
- f. Recognition and rewarding of innovators within the public sector.

The CPSI is thus strongly promoting the use of a design thinking approach to solve service delivery challenges. In addition, the CPSI is starting to acquire internal development skills through the employment of System Developers, albeit on a contract basis. This will leapfrog and strengthen development work that is done internally; thus, it is becoming one of its key strengths. New projects are now conceptualised and planned to use a design thinking methodology.

The CPSI is also sustaining its innovation knowledge platforms and products that encourage learning and replication. Recent research (Kraemer-Mbula, 2022) has confirmed the catalytic role played by the Public Sector Innovation Awards Programme.

The organisation achieved its 6<sup>th</sup> (5<sup>th</sup> in row) clean audit for the 2021/22 financial year, indicating enormous strength in terms of corporate governance culture. The gains made during the Pandemic have been sustained as well.

The CPSI annually reviews its strengths, weaknesses, opportunities and threats. Given the size of the organisation and resource limitations, not all opportunities can be explored (e.g. some 4IR technologies) and not all weaknesses addressed. However, these do assist management to strategically engage and plan within the limitations.

One of the major constraints is due to the statutory requirements that impede the sourcing of innovations at development stage. Limited financial resources to enable innovation is one of the key constraints faced by the CPSI. In this regard, the CPSI is limited by budget in terms of the number of projects it can develop or replicate.

A strength of the CPSI is that it currently has a representation of 63 per cent of women (SMS – 60 per cent women, MMS – 56 per cent women), 13.31 per cent of youth and 7.4 per cent (20 per cent of SMS and 10 per cent of MMS) of people with disabilities in the organisation.

It must be noted that, the current capacity is not sufficient to respond to the demand from departments and what is required to scale innovative solutions in the Public Sector. Over the medium-term, the CPSI will increase its capacity, provided that additional budget is made available.

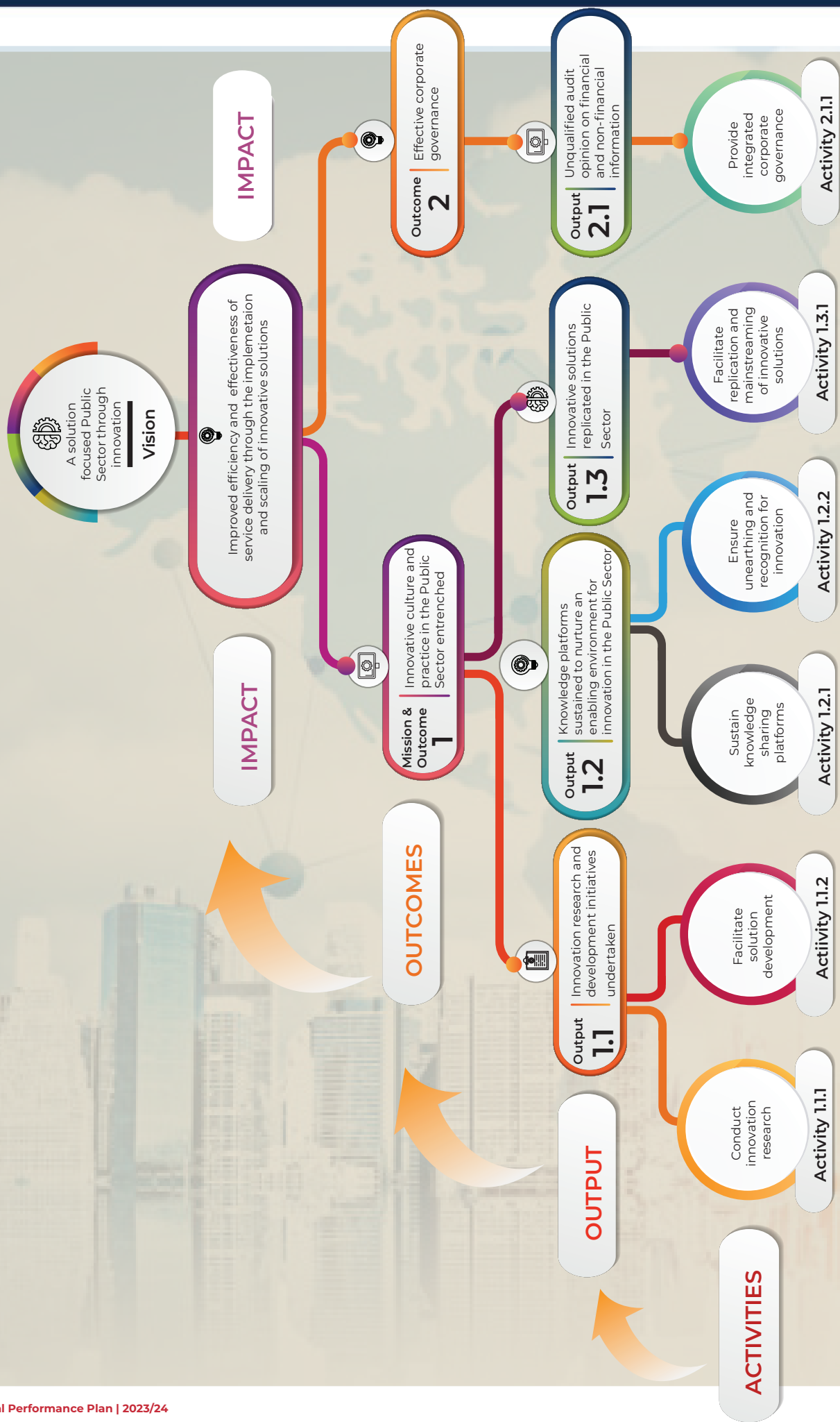
Another weakness is that the organisation is partially dependent on the Department of Public Service and Administration for the provision of some corporate services such as Legal Services and Internal Audit. In this instance, the mitigation put in place is that two interns are placed in Legal Services and Internal Audit respectively. Furthermore, outsourcing is used to bridge some of these gaps, for instance in terms of Risk Management.

The CPSI obtained the B-BBEE certificate and submitted the compliance report to the B-BBEE Commission as required by section 13G(1) of the B-BBEE Act and B-BBEE regulation 12(2).

The table below summarises the outcomes of a more comprehensive SWOT analysis, assessing the internal environment at the CPSI



The following schematic depicts the CPSI value chain based on its Theory of Change and how this is institutionalised in the organisations two programmes, Administration and Public Sector Innovation.





# PART C

Measuring Our Performance



## Part C: Measuring Our Performance

### 1. Institutional Programme Performance Information

#### 1.1. Programme 1: Administration

**Programme Purpose:** Provide strategic leadership, overall management of and support to the organisation.

Within **Administration**, there are three sub-programmes:

- **Executive Support** oversees the overall management of the CPSI and manages and facilitates the provision of internal audit and organisational risk and integrity management services and legal services.
- **Corporate Services** manages and monitors the provision of corporate resource management services, ICT management services, security management services, office support, and auxiliary services.
- **Office of the Chief Financial Officer** ensures compliance with all relevant financial management statutes and regulations, notably the Public Finance Management Act (PFMA), and oversee the effective financial and supply chain management of the organisation and co-ordinate implementation, monitoring and reporting on the organisation's overall performance.

### 1.1.1. Outcomes, outputs, performance indicators and targets

| Outcome                        | Outcome Indicator                    | Outputs  | Output Indicator   | Annual Targets             |   |   |   |   |   |   |   |
|--------------------------------|--------------------------------------|--|--|----------------------------|---|---|---|---|---|---|---|
|                                |                                      |  |  | Audited/Actual Performance |   |   | Estimated Performance   | MTEF Period   |   |   |   |
|                                |                                      |  |  | 2019/20                    | 2020/21   | 2021/22   | 2022/23   | 2023/24   | 2024/25   | 2025/26   |   |
| Effective corporate governance | Number of unqualified audit opinions | Unqualified audit opinion on financial and non-financial information | Type of audit opinion on financial and non-financial information | N/A                        | Unqualified audit opinion on financial and non-financial information for 2019/20 financial year | Unqualified audit opinion on financial and non-financial information for the 2020/21 financial year | Unqualified audit opinion on financial and non-financial information for the 2021/22 financial year | Unqualified audit opinion on financial and non-financial information for the 2022/23 financial year | Unqualified audit opinion on financial and non-financial information for the 2023/24 financial year | Unqualified audit opinion on financial and non-financial information for the 2024/25 financial year | Unqualified audit opinion on financial and non-financial information for the 2025/26 financial year |

### 1.1.2. Indicators, annual and quarterly targets

| Output Indicator   | Annual Target   | Q1 | Q2  | Q3 | Q4 |
|--|---|----|---|----|----|
| Type of audit opinion on financial and non-financial information | Unqualified audit opinion on financial and non-financial information for the 2022/23 financial year | -  | Unqualified audit opinion on financial and non-financial information for 2022/23 financial year | -  | -  |

### 1.1.3. Explanation of planned performance over the medium-term period

Planned performance targets over the medium term contribute to the CPSI's strive for continuous effective corporate governance in line with all legislative requirements.

### 1.1.4. Programme resource considerations

| Programmes                            | 2019/20 Audited Outcome | 2020/21 Audited Outcome | 2021/22 Audited Outcome | 2022/23 Adjusted Appropriation | 2023/24 Revised Baseline | 2024/25 Revised Baseline | 2025/26 Revised Baseline |
|---------------------------------------|-------------------------|-------------------------|-------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
|                                       | R'000                   | R'000                   | R'000                   | R'000                          | R'000                    | R'000                    | R'000                    |
| Executive Support                     | 3,140                   | 2,262                   | 1,631                   | 4,890                          | 4,605                    | 4,839                    | 5,079                    |
| Corporate Services                    | 5,504                   | 6,263                   | 10,089                  | 13,456                         | 11,897                   | 12,179                   | 12,726                   |
| Office of the Chief Financial Officer | 6,135                   | 5,296                   | 5,243                   | 6,830                          | 7,127                    | 7,421                    | 7,754                    |
| <b>Administration</b>                 | <b>14,779</b>           | <b>13,821</b>           | <b>16,963</b>           | <b>25,176</b>                  | <b>23,629</b>            | <b>24,439</b>            | <b>25,559</b>            |
| <b>Economic Classification</b>        |                         |                         |                         |                                |                          |                          |                          |
| Compensation of Employees             | 9,757                   | 7,966                   | 8,520                   | 12,956                         | 12,756                   | 13,351                   | 13,973                   |
| Goods and Services                    | 4,708                   | 5,655                   | 6,610                   | 10,810                         | 10,662                   | 10,982                   | 11,356                   |
| Payment for Financial Assets          |                         | -                       |                         | -                              | -                        | -                        | -                        |
| Transfers and Subsidies               | 43                      | -                       | -                       | 1                              | 1                        | 1                        | -                        |
| Payment for Capital Assets            | 271                     | 200                     | 1,833                   | 1409                           | 210                      | 105                      | 230                      |
| <b>Administration</b>                 | <b>14,779</b>           | <b>13,821</b>           | <b>16,963</b>           | <b>25,176</b>                  | <b>23,629</b>            | <b>24,439</b>            | <b>25,559</b>            |



Compensation of Employee's averages at 56.5 per cent per annum over the medium term from the total budget allocation with an average annual growth of 4.8 per cent over the MTEF. No budget reduction on Compensation of Employees was introduced over the medium term. The National Treasury projects the anticipated Cost of Living Adjustment at 0% in 2023/24, 4.45% in 2024/25 and 0% in 2025/26.

This released some funding to create additional capacity, mainly for the first year and outer year of the MTEF. An assessment of critical posts was done. The organisation requires additional capacity to be able to carry out its mandate fully, as per the approved new structure. The current establishment of the CPSI consists of 30 permanent posts. The CPSI's establishment will increase to 36 posts in 2023/24, 47 posts in 2024/25 and 59 posts in 2025/26 if additional funding is provided.

**Goods and Services:** This economic classification is on average 44.82 per cent of the programme total budget. The largest spending item on this economic classification are as follows:

**Operating Leases:** An average amount of R3.3 million (or 30.40 per cent) will be spent on office accommodation payments over the MTEF period in the Programme: Administration.

**Computer Services:** An average amount of R2.3 million (or 21.14 per cent) will be spent on system development expenses over the MTEF period in the Programme: Administration.

**Audit cost:** An average amount of R1.7 million (or 15 per cent) will be spent on statutory audit costs over the MTEF period in the Programme.

**Transfers and subsidies:** The budget allocation of this economic classification is R1 000 per year over the medium term; this relates to the payment of communication licencing fees.

**Purchasing of capital assets:** An average allocation of R182 000 is allocated to this economic classification (i.e. 0.74 per cent) of the total budget. The allocation is mainly made of the payment for finance leases and replacements of IT equipment.

### 1.1.5. Updated key risks

| OUTCOME                               | KEY RISK   | RISK MITIGATION  |
|---------------------------------------|--|--|
| <b>Effective corporate governance</b> | Inadequate capacity to deliver on the strategic outcomes | <ul style="list-style-type: none"> <li>Soliciting additional funding</li> <li>Secondment/ Outsourcing as and when there is a need</li> <li>Redirect savings from the organisational budget</li> </ul>  |
|                                       | Qualified audit outcome                                  | <ul style="list-style-type: none"> <li>Ongoing training in policies, systems, and processes</li> <li>Continued strengthening and Monitoring of internal controls to ensure their effectiveness</li> <li>Enforcement of consequence management</li> </ul>                 |
|                                       | ICT Systems failure                                      | <ul style="list-style-type: none"> <li>Strengthening cyber security</li> <li>Operating in a hybrid environment</li> <li>Cyber security awareness</li> <li>Procurement of Disaster Recovery Solution</li> <li>Review of ICT Governance policies and procedures</li> </ul> |

## 1.2. Programme 2: Public Sector Innovation

**Programme Purpose:** Drives service delivery innovation in the public sector in line with government priorities.

Within the **Public Sector Innovation Programme**, there are three sub-programmes:

**Research and Development** establishes the knowledge base in support of the programme to inform the selection and development and piloting of potential innovative models and solutions.

**Institutional Support and Replication** facilitates institutional support, demonstration, replication and mainstreaming of innovative solutions for the public sector.

**Enabling Environmental and Stakeholder Management** nurtures and sustains an enabling innovative environment, entrenches a culture and practices of Innovation in the public sector through innovative platforms and products, and develops and maintains partnerships and stakeholder relations to enhance collaboration.

### 1.2.1. Outcomes, outputs, performance indicators, and targets

| Outcome   | Outcome Indicators                                   | Outputs  | Output Indicators   | Annual Targets  |         |         |         |                       |             |         |         |
|---|--|--|---|---|---------|---------|---------|-----------------------|-------------|---------|---------|
|   |  |  |   | Audited/Actual Performance  |         |         |         | Estimated Performance | MTEF Period |         |         |
|   |  |  |   | 2019/20   | 2020/21 | 2021/22 | 2022/23 |                       | 2023/24     | 2024/25 | 2025/26 |
| Innovative culture and practice in the public sector entrenched | Number of innovation initiatives enabled             | Innovation research and development initiatives undertaken   | Number of innovation research and development initiatives undertaken  | Consultation on innovative solutions to be developed held   | 6       | 5       | 4       | 4                     | 4           | 4       |         |
|   |  | Knowledge platforms sustained to nurture an enabling environment for innovation in the public sector | Number of knowledge platforms sustained to nurture an enabling environment for innovation in the public sector                          | Six (6) knowledge platforms hosted to unearth, demonstrate, share, encourage and award Innovation in the public sector, namely: <ul style="list-style-type: none"><li>Annual Public Sector Innovation Conference</li><li>Public Sector Innovation Awards</li><li>Four (4) sector-specific workshops on Leading Innovation in the Public Service</li></ul> | 10      | 10      | 9       | 9                     | 9           | 9       |         |
|   | Innovative solutions replicated in the public sector | Number of innovative solutions replicated in the public sector                                       | Two (2) innovative projects facilitated for replication <ul style="list-style-type: none"><li>Vulamanzi</li><li>e-Recruitment</li></ul> | (1)<br>One innovative solution was replicated namely the Sunward Park e-learning Project, replicated in Katlehong and Reiger Park High Schools  | 2       | 2       | 2       | 2                     | 2           | 2       |         |

### 1.2.2. Indicators, annual and quarterly targets

| Output Indicators  | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|---------------|----|----|----|----|
| Number of innovation research and development initiatives undertaken   | 4             | -  | -  | -  | 4  |
| Number of knowledge platforms sustained to nurture an enabling environment for Innovation in the public sector | 9             | 1  | 3  | 2  | 3  |
| Number of innovative solutions replicated in the public sector   | 2             | -  | -  | -  | 2  |

### 1.2.3. Explanation of planned performance over the medium-term period

Planned performance over the medium term contributes to the mandate of the CPSI of inculcating the culture and practice of innovation in the public sector. The achievement of this mandate also plays a critical role in the achievement of the NDP and the priorities of the 6<sup>th</sup> Administration.

The CPSI's value chain of services requires activities and deliverables that are aligned with an innovation life-cycle. As such, research activities and subsequent development of innovative solutions underpin the work of the CPSI as development partner and demonstrator of innovation. The impact of innovative solutions is most profound when scaled. The CPSI therefore also invests in providing institutional support and facilitating the replication of innovative solutions unearthed through our various platforms and collaborative partnerships.

As a very small government entity, the CPSI is not able to respond to all priority challenges. As such, a significant part of the programme budget is dedicated to unearthing existing innovation and maintaining knowledge sharing platforms in order to build a broader culture of innovation throughout the public sector.



#### 1.2.4. Programme resource considerations

| Programmes                                      | 2019/20 Audited Outcome | 2020/21 Audited Outcome | 2021/22 Audited Outcome | 2022/23 Adjusted Appropriation | 2023/24 Revised Baseline | 2024/25 Revised Baseline | 2025/26 Revised Baseline |
|---|-------------------------|-------------------------|-------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
|   | R'000                   | R'000                   | R'000                   | R'000                          | R'000                    | R'000                    | R'000                    |
| Research and Development                        | 4,244                   | 4,613                   | 4,602                   | 6,571                          | 6,767                    | 7,355                    | 7,665                    |
| Institutional Support and Replication           | 3,439                   | 3,558                   | 4,955                   | 4,806                          | 6,528                    | 6,803                    | 7,054                    |
| Enabling Environment and Stakeholder Management | 7,394                   | 5,539                   | 7,260                   | 8,492                          | 8,970                    | 9,342                    | 9,793                    |
| <b>Public Sector Innovation</b>                 | <b>15,077</b>           | <b>13,710</b>           | <b>16,817</b>           | <b>19,869</b>                  | <b>22,265</b>            | <b>23,500</b>            | <b>24,512</b>            |
| <b>Economic Classification</b>                  |                         |                         |                         |                                |                          |                          |                          |
| Compensation of Employees                       | 10,192                  | 10,192                  | 10,599                  | 12,121                         | 13,656                   | 14,353                   | 14,906                   |
| Goods and Services                              | 4,605                   | 3,484                   | 6,154                   | 7,678                          | 8,475                    | 8,992                    | 9,395                    |
| Payment for Financial Assets                    | 6                       | -                       | 5                       | -                              | -                        | -                        | -                        |
| Transfers and Subsidies                         | 66                      | -                       | -                       | -                              | -                        | -                        | -                        |
| Payment for Capital Assets                      | 208                     | 34                      | 59                      | 70                             | 134                      | 155                      | 211                      |
| <b>Public Sector Innovation</b>                 | <b>15,077</b>           | <b>13,710</b>           | <b>16,817</b>           | <b>19,869</b>                  | <b>22,265</b>            | <b>23,500</b>            | <b>24,512</b>            |

In the 2023/24 financial year, R6,767 million has been allocated to Research and Development Initiatives and R6,528 million to Institutional Support and Replication. These activities are aimed to develop and support the practice of innovation in the public sector. R8,970 million has been allocated to the sub-programme Enabling Environment and Stakeholder Management to sustain and further develop the broader culture of innovation in the Public Sector. The focus on the development of in-house solutions and the need of departments for facilitative services, requires that the programme invest in human capital. 61% of the budget is therefore allocated to compensation of employees.

### **Research and Development:**

The Research and Development sub-programme will continue to annually conduct enabling research initiatives as well as develop new solutions. The on-boarding of additional development capacity will strengthen the ability to support the development of in-house solutions for the Public Sector and as part of the CPSI's own digitisation journey.

In addition, the CPSI will continue to invest in the Youth Digital Skills Programme through hackathons, mentoring and other forms of support. Service delivery solutions developed through this programme will further strengthen the contribution of social innovators in the innovation ecosystem.

Four (4) research and development initiatives will be undertaken in the 2023/24 Financial Year.

Research activities will also include exploring new approaches and methods, both locally and globally, in the field of public sector innovation and endeavour to apply those practices locally. Some of the areas the unit will continue to explore are Digital Transformation, 4IR and Frontier Technologies, Strategic Foresight and Anticipatory Innovation, Design, Transformative Innovation Policy and the Measurement of Public Sector Innovation.

Funding allocated to this function (R&D) amounts to 30.39% of the total Programme 2: Public Service Innovation Budget.

### **Institutional Support and Replication of innovative solutions in the Public Sector:**

Through the Institutional Support and Replication sub-programme, under Programme 2: Public Service Innovation, the CPSI will continue to provide support to departments in their quest to adopt innovation to improve service delivery. This support includes sharing of implemented innovative solutions in the public sector, Design Thinking and Innovation Workshops and mentoring of public sector officials on innovation.

Furthermore, two (2) innovation solutions will be replicated to scale up innovative solutions that improve service delivery. The replication projects are mainly sourced from the Public Sector Innovation Awards Programme. The CPSI will also continue supporting projects replicated in the preceding financial year.

Funding allocated to this function (ISR) amounts to 29.32% of the total Programme: Public Sector Innovation budget.

**Enabling Environment & Stakeholder Management:** The innovation knowledge platforms are part of the CPSI's efforts to encourage and inculcate the culture and practice of Innovation in the Public Sector. These platforms encourage the learning and sharing of innovative approaches, solutions, and models across all spheres of government.

Stakeholder management is critical in building vibrant partnerships that sustain Public Sector Innovation. Through this work, the CPSI strengthens the NSI.

The cost of these platforms and stakeholder management (including compensation of employees) amounts to 40.29 per cent of the total Programme 2: Public Sector Innovation budget.

Nine (9) innovation knowledge platforms and products are planned per year:

- **One (1) Annual Public Sector Innovation Conference:** The conference exposes public servants to a range of innovation concepts and case studies where innovation has been successfully applied.
- **One (1) Annual Public Sector Innovation Awards Programme:** This Programme serves to unearth, recognise, and showcase the wealth of innovation in the Public Sector in the form of projects that improve service delivery. The Public Sector Innovation Awards Programme also provides a rich source of projects for possible replication where similar challenges exist, preventing wastage of government resources.
- **Five (5) Public Sector Innovation Workshops:** In line with our mandate to inculcate the culture and practice of innovation in the Public Sector, the CPSI will conduct five (5) workshops on Design Thinking and Innovation. The aim is to encourage and empower public officials to use design thinking and innovation in their work in order to solve service delivery challenges.
- **Participation in two (2) Regional/International Programmes:** The CPSI will continue to maintain its strong relationship with international organisations such as the OECD and UN, ensuring that the organisation remains up to date on global innovation thinking and practices.

**Compensation of employees** in the Public Sector Innovation Programme averages 61.07 per cent of the total budget allocation over the medium-term, with average annual growth of 3.85 per cent. The organisation requested additional capacity to be able to carry out its mandate fully.

**Goods and services:** This economic classification is on average of 38.22 per cent of the programme total budget. The largest spending item on this economic classification are as follows:

- **Consultants and Advisory Services:** Expenditure on consultancy and advisory services is required to pilot, test, unearth, and replicate innovative solutions that improve service delivery. This accounts for an average of R2.1 million (i.e. 23.14 per cent) of the total Goods and Services budget.
- **Travel and Subsistence:** 15.11 per cent of the goods and services allocation is required for the research, development, institutional support, and replication of innovative solutions. This item will remain high over the medium-term as the organization lacks a provincial presence and depends on travelling to achieve its mandate.

**Contractors:** This item is used primarily to pay for contractors used for audio-visual and facilitation of the Annual Public Sector Innovation Conference, Awards Programme and Design Thinking and Innovation Workshops. The budget allocation for contractors' averages R1.2 million (i.e. 12.95 per cent) per annum over the medium term.

### 1.2.5. Updated key risks

| OUTCOME   | KEY RISK  | RISK MITIGATION  |
|---|---|--|
| An innovative culture and practice in the public sector | Inadequate cooperation from the public sector   | <ul style="list-style-type: none"> <li>• Strengthen marketing and stakeholder management</li> <li>• Bilateral engagements to strengthen cooperation</li> </ul>                     |
|   | Inability to support the implementation of innovative solutions in the Public Service | <ul style="list-style-type: none"> <li>• Soliciting funding for the revised organizational structure</li> <li>• Short term contract appointments to strengthen capacity</li> </ul> |

# PART D

Technical Indicator Descriptions





## Part D: Technical Indicator Descriptions (TIDs)

### Programme 1: Administration

| Indicator Title   | Type of audit opinion on financial and non-financial information   |
|---|--|
| <b>Definition</b>   | <ul style="list-style-type: none"> <li>The outcome indicator measures good governance in the administration of the CPSI through the achievement of an unqualified audit opinion/outcome as a result of compliance with the PFMA, Treasury Regulations, and other applicable prescripts in the use of the department's resources as well as the development and reporting of financial statements and performance information.</li> <li>An unqualified outcome will be achieved through ensuring that the Annual Financial Statements (AFS) and Annual Performance Information of the organisation are accurate and fairly present the financial position and performance of the organisation.</li> </ul> |
| <b>Source of data</b>                                     | <ul style="list-style-type: none"> <li>Auditor-General of South Africa (AGSA) final audit report</li> </ul>  |
| <b>Method of calculation/assessment</b>                   | <ul style="list-style-type: none"> <li>Final audit report</li> </ul>   |
| <b>Means of verification</b>                              | <ul style="list-style-type: none"> <li>Auditor-General of South Africa (AGSA) final audit report</li> </ul>  |
| <b>Assumptions</b>  | <ul style="list-style-type: none"> <li>Operational transversal systems and processes are in place</li> </ul>   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>   |
| <b>Spatial transformation (where applicable)</b>          | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>   |
| <b>Calculation Type</b>                                   | <ul style="list-style-type: none"> <li>Non-cumulative</li> </ul>   |
| <b>Reporting cycle</b>                                    | <ul style="list-style-type: none"> <li>Annually</li> </ul>   |
| <b>Desired performance</b>                                | <ul style="list-style-type: none"> <li>Unqualified audit outcome achieved</li> </ul>   |
| <b>Indicator responsibility</b>                           | <ul style="list-style-type: none"> <li>CFO</li> </ul>  |

### Programme 2: Public Sector Innovation

| Indicator Title       | Number of innovation research and development initiatives undertaken   |
|-----------------------|--|
| <b>Definition</b>     | <p>Investigate service-delivery challenges and potential solutions as well as the development, testing, and piloting of these solutions.</p> <ul style="list-style-type: none"> <li><b>Research</b> refers to the investigation of service delivery challenges and solutions, the development of case studies and Public Sector Innovation tool kits.</li> <li><b>Development</b> refers to the process of creating a prototype, approach, model, service, or product (ICT or non-ICT) for further testing and piloting.</li> <li><b>Testing</b> refers to the process of assessing the functioning of the developed solution and may include issues of quality, performance, reliability, cost, and unintended consequences. Testing may lead to further refinement before piloting.</li> <li><b>Piloting</b> refers to the limited deployment of the solution in a controlled real-life or simulated environment for a limited period to establish the appropriateness and feasibility of implementation.</li> <li><b>Research and development initiatives</b> refer to a suite of investigative and experimentation activities (qualitative and/or quantitative) and subsequent reporting. These activities include, among others, defining and scoping of challenges; search for and assessment of potential solutions; identification or development of methods, toolkits, and approaches; as well as the activities associated with development, testing and piloting.</li> <li><b>Undertaken</b> refers to the implementation of a project up to the point where a decision can be made to continue to a next phase or terminate the initiative. Because there is no guarantee of the efficacy of a solution at the beginning of the research and development initiative or of potential unintended consequences, a stage-gate approach is required where an initiative can be terminated at any of the decision points.</li> </ul> |
| <b>Source of data</b> | <ul style="list-style-type: none"> <li>Project and/or research reports/presentations</li> </ul>  |

| Indicator Title                                    | Number of innovation research and development initiatives undertaken  |
|--|---|
| Method of calculation/assessment                   | <ul style="list-style-type: none"> <li>Quantitative - Simple count</li> </ul>   |
| Means of verification                              | <ul style="list-style-type: none"> <li>The Portfolio of evidence: Proof of research and development initiatives undertaken</li> </ul> |
| Assumptions  | <ul style="list-style-type: none"> <li>Sufficient resources</li> <li>Cooperation by stakeholders</li> </ul>                           |
| Disaggregation of beneficiaries (where applicable) | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>  |
| Spatial transformation (where applicable)          | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>  |
| Calculation Type                                   | <ul style="list-style-type: none"> <li>Non-cumulative</li> </ul>  |
| Reporting cycle                                    | <ul style="list-style-type: none"> <li>Annually</li> </ul>  |
| Desired performance                                | <ul style="list-style-type: none"> <li>Four initiatives undertaken per annum</li> </ul>   |
| Indicator Responsibility                           | <ul style="list-style-type: none"> <li>CD: Research and Development</li> </ul>  |

| Indicator Title                                    | Number of knowledge platforms sustained to nurture an enabling environment for Innovation in the public sector  |
|--|---|
| Definition   | <p>Encourage people from all spheres of government and the private sector to engage in Public Sector Innovation, entrenching a culture of Innovation in the public sector.</p> <ul style="list-style-type: none"> <li><b>Knowledge platforms</b> refer to platforms such as workshops, conferences and/or publications used to create a community of innovators for sharing knowledge, experience, and best practice.</li> <li><b>Sustained</b> means maintained for continued fulfilment of their purpose.</li> <li><b>Nurture</b> refers to the promotion of a culture of innovation in the public sector to enhance service delivery.</li> <li><b>Enabling environment</b> means an environment that is conducive for Innovation to flourish.</li> </ul> |
| Source of data                                     | <ul style="list-style-type: none"> <li>Event programmes, invitation letters, attendance registers</li> <li>Presentations</li> </ul>   |
| Method of calculation/assessment                   | <ul style="list-style-type: none"> <li>Quantitative – Simple count</li> </ul>   |
| Means of verification                              | <ul style="list-style-type: none"> <li>The Portfolio of evidence: Proof of Knowledge Platforms</li> </ul>   |
| Assumptions  | <ul style="list-style-type: none"> <li>Sufficient resources</li> <li>Knowledge platforms will assist public servants to embark on innovation initiatives in their departments/institutions</li> </ul>   |
| Disaggregation of beneficiaries (where applicable) | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>  |
| Spatial transformation (where applicable)          | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>  |
| Calculation Type                                   | <ul style="list-style-type: none"> <li>Cumulative (year-end)</li> </ul>   |
| Reporting cycle                                    | <ul style="list-style-type: none"> <li>Quarterly</li> </ul>   |
| Desired performance                                | <ul style="list-style-type: none"> <li>Nine (9) knowledge platforms sustained to nurture an enabling environment for Innovation in the public sector: Conference, Awards Programme, Regional/International Programmes, and Design Thinking and Innovation Workshops</li> </ul>  |
| Indicator Responsibility                           | <ul style="list-style-type: none"> <li>CD: Enabling Environment and Stakeholder Management</li> </ul>   |

| Indicator Title   | Number of innovative solutions replicated in the public sector   |
|---|--|
| <b>Definition</b>   | <p>The number of innovative solutions replicated to improve service delivery. Solutions are mainly sourced from the Public Sector Innovation Awards. While these solutions have been implemented in another environment, replication of these solutions in a different sector/department/province requires incubation and buy-in from executives and officials.</p> <ul style="list-style-type: none"> <li>• <b>Replication</b> refers to the implementation of innovative solutions in one or more environments. This entails an internal assessment of the replicability, including funding and complexity; identifying potential sectors/departments where it could be replicated; using the originator for engagement with relevant institutions/officials; modifying the solution if required, and facilitating its replication.</li> <li>• <b>Innovative Solutions</b> refer to new or improved products, services, processes or approaches which fulfils the mandate of government and improve service delivery.</li> </ul> |
| <b>Source of data</b>                                     | <ul style="list-style-type: none"> <li>• Internal Replication Assessment Committee minutes, project reports, and attendance registers</li> </ul>   |
| <b>Method of calculation/assessment</b>                   | <ul style="list-style-type: none"> <li>• Quantitative - Simple count</li> </ul>  |
| <b>Means of verification</b>                              | <ul style="list-style-type: none"> <li>• The Portfolio of evidence: Proof of innovative solutions replicated</li> </ul>  |
| <b>Assumptions</b>  | <ul style="list-style-type: none"> <li>• There will be innovative solutions to replicate in the public sector</li> <li>• Sufficient resources</li> <li>• Cooperation by stakeholders</li> </ul>  |
| <b>Disaggregation of beneficiaries (where applicable)</b> | <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>   |
| <b>Spatial transformation (where applicable)</b>          | <ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>   |
| <b>Calculation Type</b>                                   | <ul style="list-style-type: none"> <li>• Non-cumulative</li> </ul>   |
| <b>Reporting cycle</b>                                    | <ul style="list-style-type: none"> <li>• Annually</li> </ul>   |
| <b>Desired performance</b>                                | <ul style="list-style-type: none"> <li>• Two initiatives successfully replicated per annum</li> </ul>  |
| <b>Indicator responsibility</b>                           | <ul style="list-style-type: none"> <li>• CD: Institutional Support and Replication</li> </ul>  |

## Annexure D: District Development Model

| Areas of intervention                             | Medium Term (3 years - MTEF)       |                   |                        |                           |                 |  |
|---|------------------------------------|-------------------|------------------------|---------------------------|-----------------|--|
|   | Project description                | Budget allocation | District Municipality  | Location: GPS coordinates | Project leader  | Social partners                        |
| Innovation capacity building in the Public Sector | Digitisation of citizen engagement | 200k              | Waterberg Municipality |                           | Mr Nape Mothiba | Let's Talk<br>UNDP<br>Ward Councillors |



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**PHYSICAL  
ADDRESS**

Batho Pele House  
546 Edmond Street  
Arcadia, Pretoria  
South Africa

**POSTAL  
ADDRESS**

Postnet Suite 410  
Private Bag X 15  
Menlo Park  
0102

**TELEPHONE  
NUMBER**

+27 12 683 2800

**FAX NUMBER**

+27 12 643 0943

**EMAIL  
ADDRESS**

[info@cpsi.co.za](mailto:info@cpsi.co.za)

**WEBSITE  
ADDRESS**

[www.cpsi.co.za](http://www.cpsi.co.za)