

Framework for Strategic Plans and Annual Performance Plans

Portfolio Committee on Public Works

Presenter: George Tembo | Director: Governance and Administration Reform | 6 March 2012



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

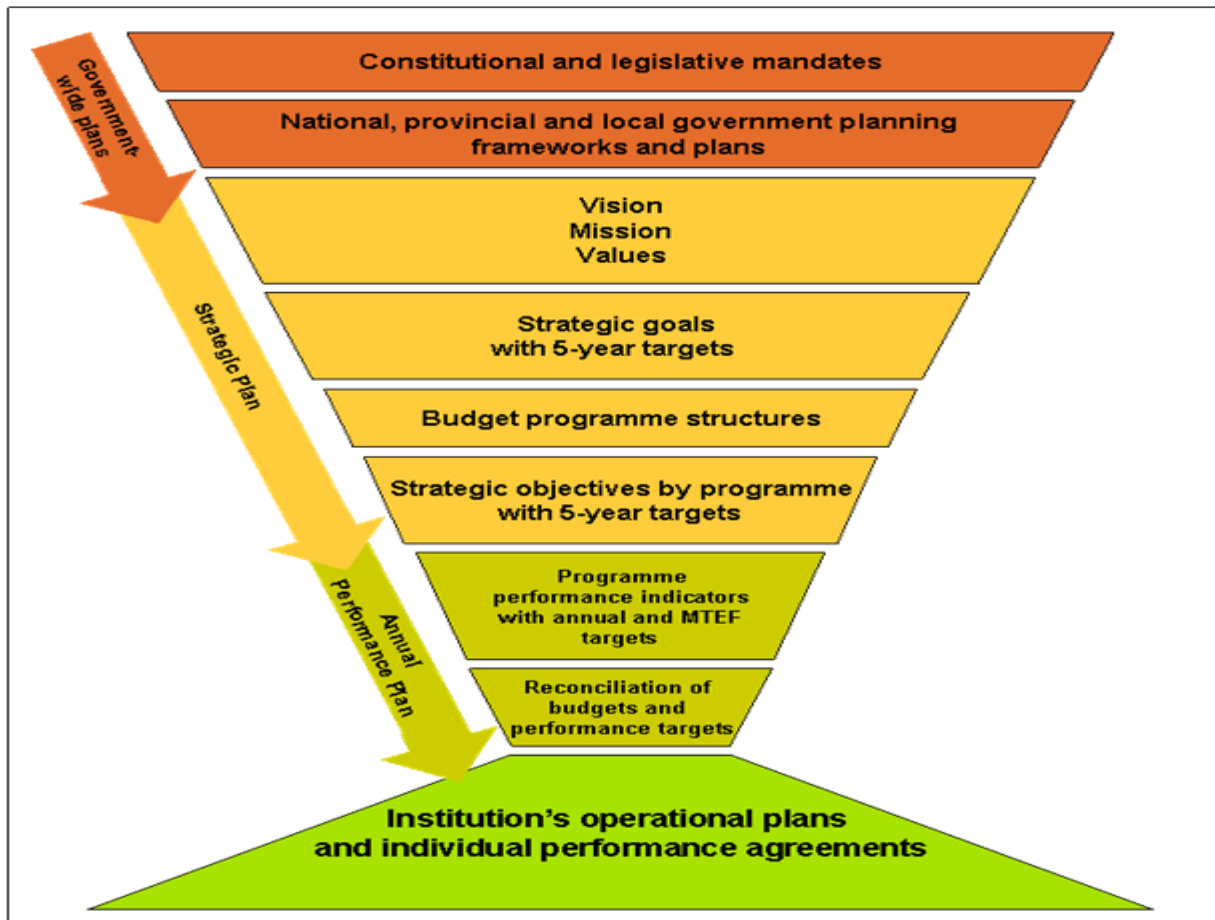
Planning frameworks

- In terms of the Government Wide Monitoring and Evaluation framework, National Treasury is responsible for managing performance information. In view of that, the following frameworks were developed:
 - Framework for Managing Programme Performance Information
 - Issued by National Treasury in May 2007
 - Outlines key concepts in the design and implementation of management systems to define, collect, report and use performance information in the public sector
 - To clarify definitions and standards for performance information in support of regular audits
 - New Framework for Strategic Plans and Annual Performance Plans
 - Issued to national departments in September 2010
 - Guide on what should be in SP and APP - taking other existing policies, plans and the budget into consideration
 - It is *not* a replacement for the FMPPPI
 - Both frameworks should be used when preparing planning documents, especially for performance information

Aim of the new Framework

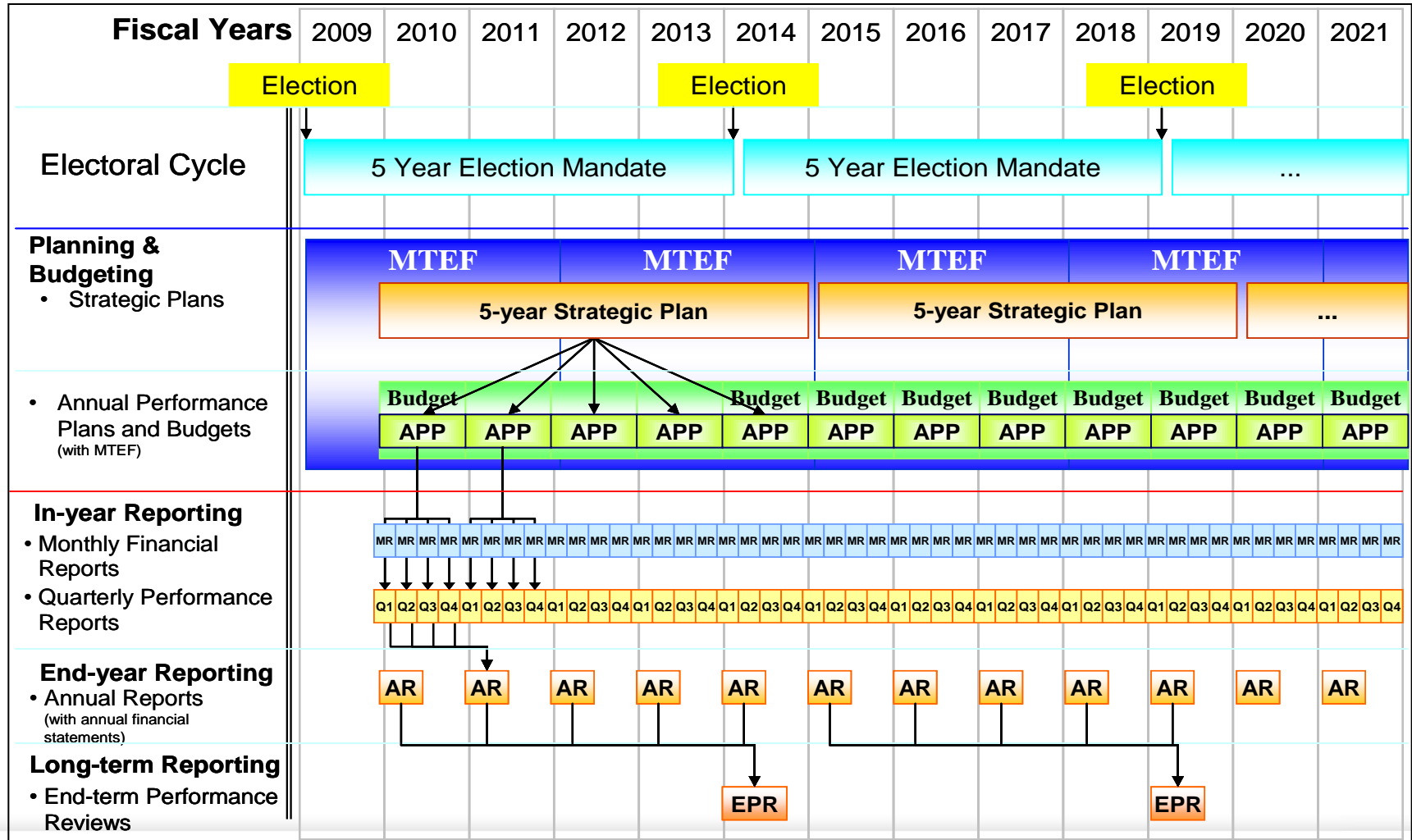
- Guide on what should be in SP and APP - taking other existing policies, plans and the budget into consideration
- Not aimed to guide on how policy and long term planning processes should be done
- Should indicate components of such policies and plans to be implemented over 5-year period
- To improve the quality of accountability documents particularly performance information
- Align planning, budgeting, implementation, monitoring and evaluation, and reporting – in line with the GWM&E
- Framework is not prescriptive - templates can be customised
- Treasury Regulations indicates what is prescribed
- Document was developed in collaboration with the National Planning Commission, DPME and AG

Planning concepts

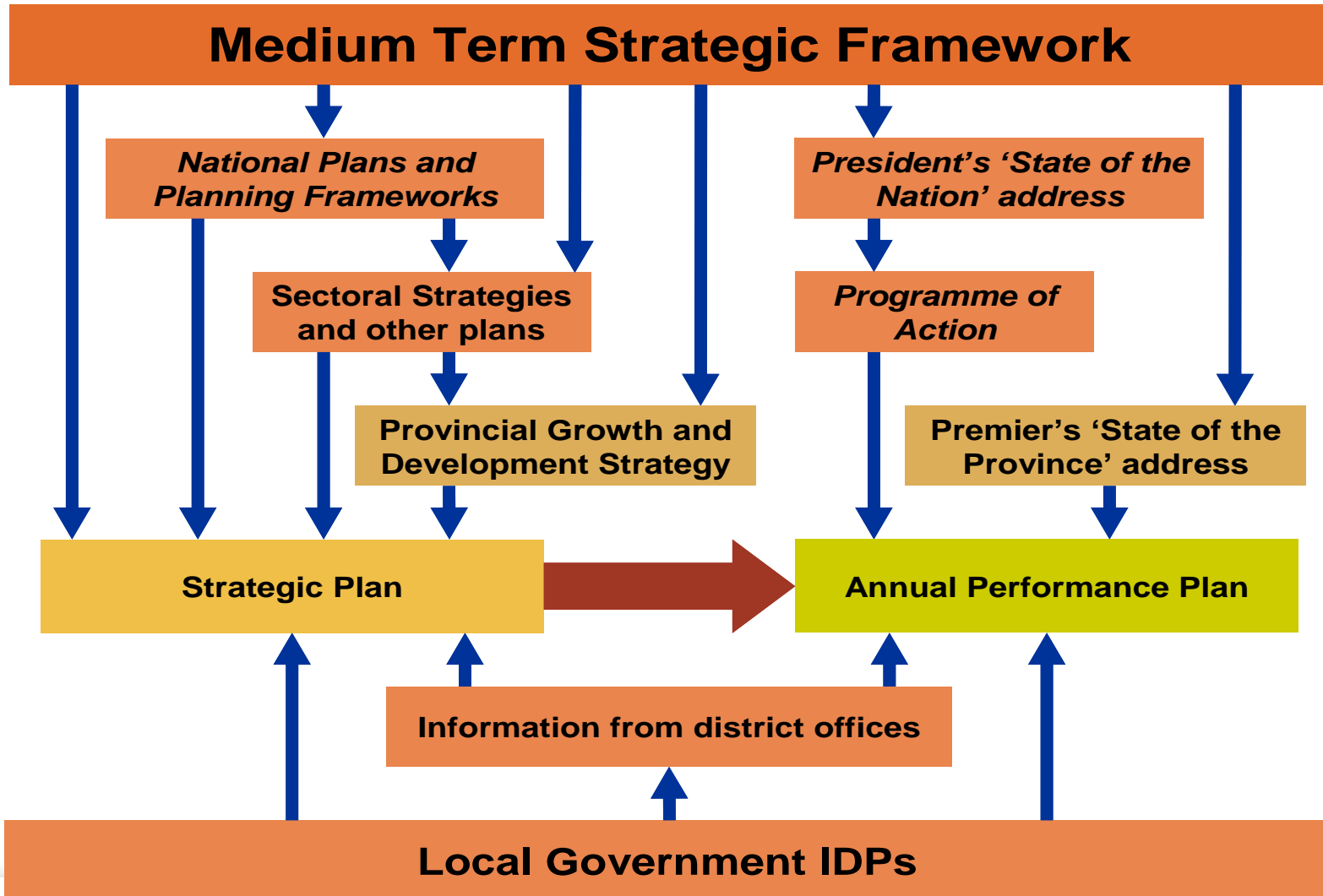


** All levels of planning encompass the outcomes approach*

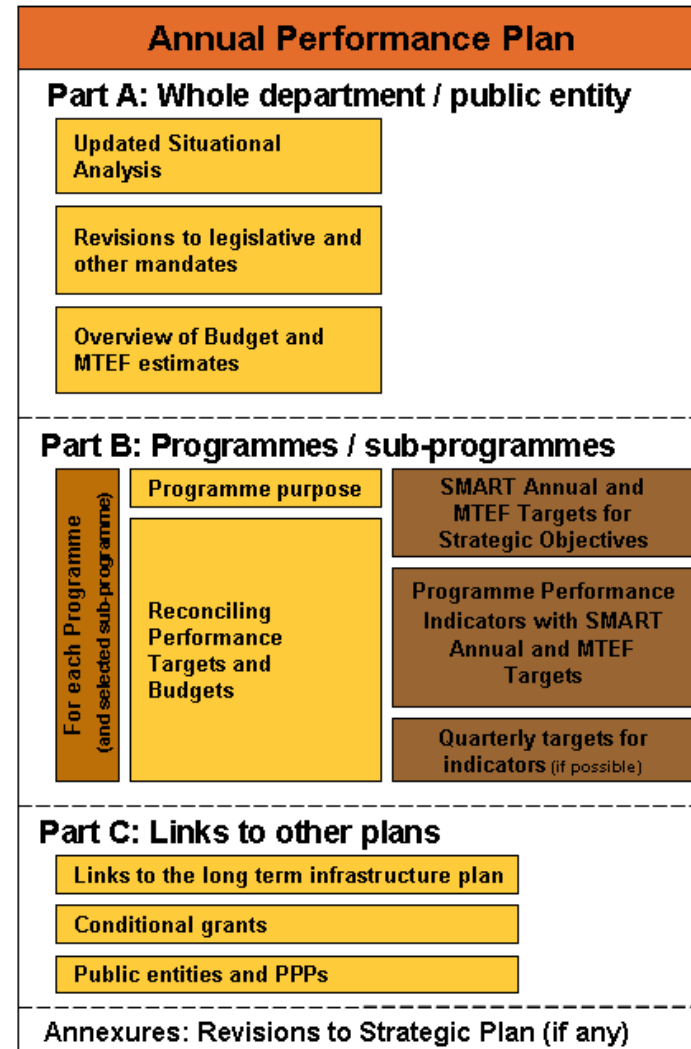
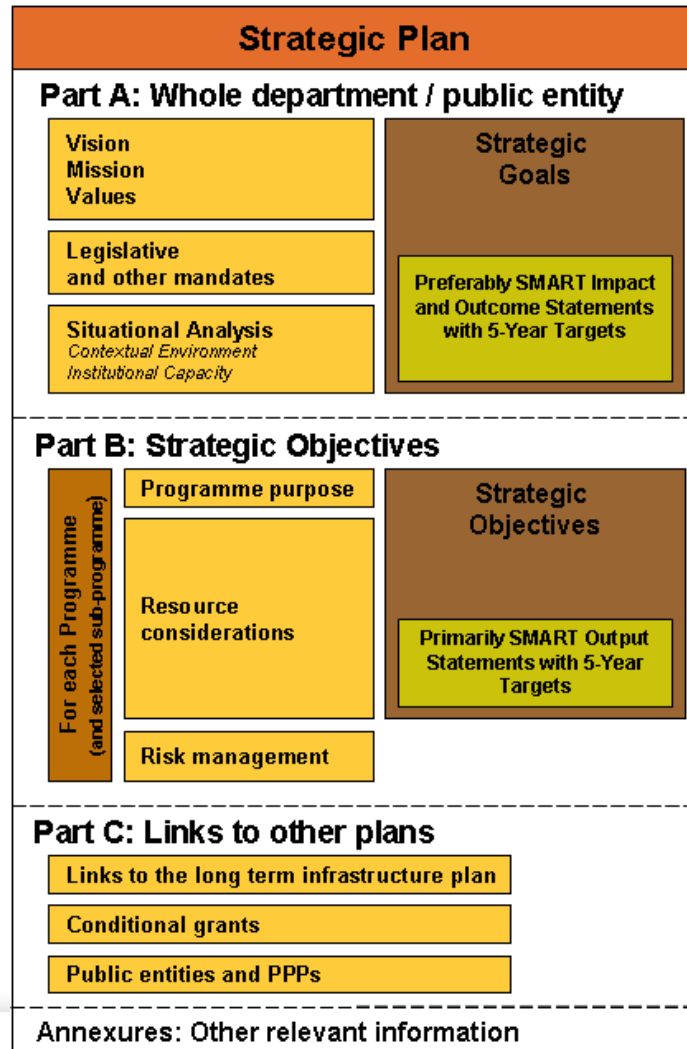
Documents of the planning, budgeting and reporting cycles



Developing SPs and APPs in context



Structure of SPs and APPs



Strategic Plans

- Should be 5-year plans aligned to broader govt strategies – ideally aligned to the electoral cycle
- Should ideally not be changed over the 5-year period unless there are significant policy changes relating to the mandate or the service delivery environment
- Amendments: (1) a new plan can be tabled in the next tabling period or (2) an annexure to the APP
- SP do not replace the need for long-term planning or other more specific plans – should be used to prioritise and plan the progressive implementation of its other plans
- Focus on strategically important issues
- **Part A:** strategic overview, vision, mission, values and the strategic goals over a five-year period.
- **Part B:** strategic objectives, resource implications and the risks
- **Part C:** links to other plans e.g. long-term infrastructure plan, conditional grants, review of public entities, ppp's

Annual Performance Plans

- Aims to link the plans, budgets and the performance of an institution
- Presents programme performance indicators and targets – to achieve goals & objectives over MTEF
- **Part A:** recent developments in the operational environment & link budget – for achieving strategic goals and objectives
- **Part B:** strategic objectives, performance indicators & targets for progs / subprogs.
- **Part C:** budgets for infrastructure projects, changes to conditional grants, public entities and ppp's
- **Quarterly performance reports** will be expected based on the quarterly targets set in the APPs
- APPs will inform Annual Reports

Concepts in the SP and APP:

(1) Strategic goals

- Goals identify areas of institutional performance that are critical to the achievement of the mission
- Should relate to the national priorities for the sector, cluster
- Should be realistic and achievable
- Should *ideally* be written as a statement of intent that is specific, measurable, achievable, relevant and time-bound (SMART)
- Enables assessment of whether impact has been made
- The formulation of strategic outcome oriented goals is a new requirement (to distinguish between *strategic goals* and *strategic objectives*).
- Must be future orientated and indicate where a department/entity ultimately wants to be with its service delivery/performance – high level

Concepts in the SP and APP:

(2) Strategic objectives

- Must clearly state what the institution intends doing (or producing) to achieve its strategic goals.
- Should generally be stated in the form of an output statement, although in exceptional circumstances institutions might specify them in relation to inputs and activities or outcomes.
- Should include: strategic intention(s), specific intervention(s) and progress measures.
- Should be written as a performance statement that is SMART and must set a performance target the institution can achieve by the end of the period of the Strategic Plan.
- Institutions must link programmes and selected sub-programmes to strategic objectives.
- For almost all national depts, strategic objectives are developed at programme level
- Management processes and IT systems to track performance against s strategic objectives.
- Objectives in the SP must span 5 years, performance targets set in relation to those strategic objectives in the APP must cover the present budget year and the MTEF.
- In most sectors, strategic objectives are likely to remain stable over time.
- Must describe things that the institution is directly responsible for doing/ delivering under its respective programmes and sub-programmes.

Concepts in the SP and APP:

(3) Performance indicators

- Core set of programme performance indicators and targets in its Annual Performance Plan to track its on-going performance
- Internal comprehensive list of indicators but list of core in budget documents and the SP.
- For concurrent function departments and those with entities, its important:
 - to be careful in selecting core indicators and report on what the national department is responsible for and have control over i.e. its specific functions.
 - Can reflect outputs of the provinces and entities in its strategic plan but only set targets for own functions, even if its oversight role
 - Avoid data challenges
- Ensure consistency of indicators in all documents i.e. SP, APP, AR and budget docs

Concepts in the SP and APP: (4) Targets

- Applicable in the APP and not SP
- The baseline and targets must be expressed in terms of numbers and if a % is used, then the absolute numbers must be presented as well
- Baseline (current level of performance) & targets for strategic objective and programme performance indicator (curr yr + MTEF).
- Where appropriate, the annual targets for the budget year need to be broken into quarterly targets.

Indicator measurement has four different elements

1

Indicator definition

- Identifies what should be measured, over what time period, and in what units, by who, how frequently, but does not contain a score or a target

2

Baselines

- The first measurement of an indicator
- For comparing later measurements with
- For setting targets against

3

Targets

- The score we would like to achieve
- Must be time-bound, challenging and achievable

4

Actual output

- Actual score for each indicator
- Must be measured regularly, so that trends can be established

Quarterly Performance Reports

In-year reporting on non-financial results

- The purpose of the Quarterly Performance Reports is to report on overall progress made with the implementation of the department's performance plan both on a quarterly and an annual basis.
- Quarterly Performance Reporting can be viewed as an enabling mechanism that allows Accounting Officers to track progress against what has been planned and what is actually achieved with regards to service delivery outputs
- Treasury Regulation 5.3.1 – Quarterly Results must be tabled at the Executive Authority each quarter. Quarterly results leads to the Annual Results reflected in Annual Reports.
- The new Framework for Strategic Plans and Annual Performance Plans includes template for quarterly reporting that departments can use

Timeframes and processes for production of quarterly performance reports

- Provincial departments must submit a copy of their quarterly performance reports to National Treasury within 30 days after end of each quarter
- Quarterly performance report for 4th quarter must report on department's performance against all programme performance indicators – both those for which quarterly targets and annual targets were set
- Owing to weaknesses in many departments' management systems, institutions may in the interim revise their reported numbers for a given quarter in the following quarterly performance report
- National departments will only start submitting quarterly performance reports to National Treasury in 2011/12

Annual Reports

Formal requirement for end-year reporting

(Annual Reports)

- Ultimate accountability document in government
- Aligned with other planning documents
- Provides information to legislatures so they can exercise proper oversight – linked to what was originally planned in annual performance plans
- Records, reports and evaluates the past year's performance
 - **Part A:** Legislative Oversight Role
 - **Part B:** Performance (Non-financial Data)
 - **Part C:** Financial statements – Auditors Report
 - **Part D:** Human Resource Data
- Publish information so that civil society can engage with government meaningfully
- Guideline documents: 'Guidelines for Annual Reporting'

Linking plans and budgets

Linking Strategic Plans and budgets ensures:

- Operational effectiveness
- Strategic Plans inform Annual Performance Plans (APP), which:
 - Aims to link the plans, budgets and the performance of an institution
 - Presents programme performance indicators and targets – to achieve goals & objectives over the MTEF period
 - **Information reported in APP includes:**
 - recent developments in the operational environment & link to the budget – for achieving strategic goals and objectives
 - strategic objectives, performance indicators & targets for programmes / sub-programmes.
 - budgets for infrastructure projects, changes to conditional grants, public entities and PPPs
 - **Quarterly performance reports** are based on the quarterly targets set in the APPs
 - **Annual Reports** are informed by APPs

Budget programme structures

- Key link between objectives (as reflected in Strategic plans) & operational budgets
- Should reflect main areas of responsibility or service delivery

Performance information required (1)

Included in Strategic Plan

- Strategic outcome oriented goals
 - Identifies areas of institutional performance that are critical to achievement of legislative mandates, functions and responsibilities
 - Should focus on impact and outcomes
 - Reflects departmental outcome oriented goals as identified in the Service Delivery Agreement

Strategic outcome oriented goal	Improve the quality of primary health care and district hospital services
Goal statement	Render a full package of community based and facility based services at relevant community health centres and district hospitals within provinces

Performance information required (2)

Included in Strategic Plan

- Strategic objectives
 - Identified to achieve the set goals
 - The strategic objectives that have been identified should be related to and discussed within the context of the approved budget programme structure for depts & key functions/objectives for public entities

Strategic Objective	Increase access to HIV and AIDS programmes for individuals, families and society
Objective statement	To expand access to an appropriate package of treatment, to 100% (45 000) of all people diagnosed with HIV and Aids in the province
Baseline	Number of infected people currently supported in province: 20 000
Justification	This objective will contribute to decreasing the number of new infections, reduce morbidity and mortality amongst HIV affected persons and implementing care and support programmes for people living with HIV and AIDS.
Links	This objective will contribute to improvement of the health status of the citizens of the country by ensuring access to HIV and Aids programmes

Performance information required (3)

Included in Annual Performance Plan

- Annual targets for budget year and over the Medium Term Expenditure Framework (MTEF) period for each strategic objective specified for each programme

Strategic objective		Strategic Plan target	Audited/Actual performance			Estimated performance 20XX-1	Medium-term targets		
			20XX-4	20XX-3	20XX-2		20XX	20YY	20ZZ
1.1	Number of people receiving HIV/AIDS programmes	45 000	12 000	15 000	16 000	20 000	25 000	30 000	35 000

- Core programme performance indicators and any other chosen indicators, and annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 20XX-1	Medium-term targets		
		20XX-4	20XX-3	20XX-2		20XX	20YY	20ZZ
1.1	Number of patients receiving ARVs	3000	5000	6000	10 000	12 000	15 000	20 000
1.2	Number of new clients tested for HIV/AIDS	4000	6000	8000	10 000	13 000	15 000	15 000

Performance information required (4)

Included in Annual Performance Plan

- Quarterly targets for programme performance indicators

Performance indicator		Reporting period	Annual target 20XX	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Total number of patients receiving ARVs	Quarterly	12 000	8000	9000	10 500	12 000
1.2	Number of new clients tested for HIV/AIDS	Quarterly	13 000	3250	3250	3250	3250
1.3	Short name	Biannual					
1.4	Short name	Annual					

Included in Estimates of National Expenditure

- Selected performance indicators

Indicator	Programme/ Activity/ Objective	Past			Current	Projections		
		2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Number of malaria cases diagnosed and treated per year	Strategic Health Programmes	5596	8743	6167	6049	6639	6900	6439

Performance information required

QUARTERLY PERFORMANCE REPORTS: 2010/11

[Annual outputs](#)

Sector: Social Development

Programme / Subprogramme / Performance Measures	Target for 2010/11 as per Annual Performance Plan (APP)	1st Quarter Actual output - validated	2nd Quarter Actual output - validated	3rd Quarter Preliminary output
QUARTERLY OUTPUTS				
Programme 2: Social Welfare Services				
2.2 Substance Abuse Prevention and Rehabilitation				
• Number of youth reached through Ke-Moja awareness campaign	5 000	16 531	8 402	9 591
• Number of services providers trained on substance abuse prevention programmes	700	155	239	74
• Number of substance abuse practitioners (DSD) trained on substance abuse prevention programmes	88	20	24	14
2.3 Care and Services to Older Persons				
• Rand Value of funds transferred to community based care and support centres for older persons	6 400 000	68 867	2 660 356	2 242 494
• Number of service providers trained on the transformation charter for older persons	-	-	43	194
• Number of registered and funded community based care and support centres	16	-	10	5
• Number of facilities implementing intergenerational programmes	10	5	2	2
2.4 Crime Prevention and Support				
• Rand value of funds transferred to NPOs delivering diversion	3 250 000	2 895 537	2 466 600	-
• Number of children benefiting from crime prevention programmes	1 600	115	534	468
2.5 Services to Persons with Disabilities				
• Number of people with disabilities accessing social development	15 000	2 429	4 351	3 976
• Number of DSD officials including senior managers trained on disability mainstreaming	700	112	126	23
• Number of NPO officials trained on disability mainstreaming	133	-	338	585

Annual Report

Annual Report : 2010/11

Province: 1

Department: Social Development

Sub-Programme 2.6: Child Care and Protection Services	Service Delivery Indicators	Actual Performance Against Target		
		Target	Actual	Variance
	Number of children abused	7000	6500	500
	Number of children newly placed in foster care	1536	1490	46
	Number of national adoptions	80	80	-
Reasons for major variances				
Number of children abused: The target was not met because it was set based on the previous year's actual output				

Thank you

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