



SECOND CONSOLIDATED PUBLIC SERVICE MONITORING AND EVALUATION REPORT

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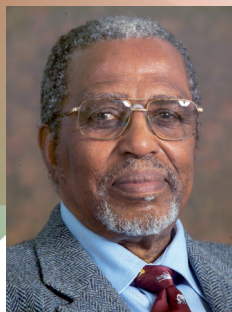
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FOREWORD BY PROFESSOR SS SANGWENI: CHAIRPERSON OF THE PSC

Dear reader

It gives me great pleasure to present to you the Public Service Commission's (PSC) Second Consolidated Monitoring and Evaluation Report. This report is an outcome of an analysis of data obtained for the period 2002 to 2003 in the application of the PSC's Public Service Monitoring and Evaluation System (M&E System) to a selected number of departments across the Public Service at the national and provincial spheres.

The M&E System of the PSC uses the nine constitutional values and principles enshrined in Chapter 10 of the Constitution, governing public administration as a basis for assessing the extent to which sound public administration is practiced within individual departments. In the application of the Assessment Framework, information is gathered that can be used to identify areas which require attention, ultimately contributing to improved public service performance in accordance with the nine Constitutional values and principles. The PSC's M&E system is also useful to the PSC itself in the sense that it is a valuable source of information on trends and developments in the public service in accordance with the Constitutional prescripts for developmentalism. Much of this information is also used in the PSC's annual "State of the Public Service Report." This report provides a strategic overview of the public service and the challenges facing it. The report succinctly captures research done in the Commission over the preceding year and makes policymakers, legislators, managers, academics and others aware of developments in the public service.

As part of the implementation plan for the 2004 M & E cycle, six national and eight provincial departments in the Limpopo, KZN, Gauteng, North West and Mpumalanga provinces were covered. Research was undertaken and individual departmental reports compiled and forwarded to the departments for comment and input. Once the research at a departmental level was completed, the individual departmental reports were analyzed and the results collated and captured in this consolidated report.

The Second Consolidated Monitoring and Evaluation Report once again explains the rationale for the M&E System, provides a detailed overview of departmental performance under the nine Constitutional values and principles and proposes strategies for improvements.

We hope that you will find reading the Report useful.

A stylized handwritten signature in black ink, appearing to read 'Sangweni'.

Professor S S Sangweni
Chairperson: Public Service Commission

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Executive Summary

Period under review 1 April 2002 to 31 March 2003.

Structure of the report The report consists of two parts, namely the executive report and the main report and is briefly structured as follows:

The executive summary report addresses the following topics:

- The mandate of the Public Service Commission (PSC).
- The Public Service Monitoring and Evaluation System.
- Summary of findings.
- Recommendations.

The main report is structured as follows:

- An introduction which provides a brief description of the Public Service Commission's Monitoring and Evaluation system and the research done to date in this regard.
- The next section explains the system in more detail, looking at its intended outcome and explaining how performance indicators were chosen for each principle.
- The remainder of the report is structured around the nine Constitutional values and principles governing public administration listed in section 195 of the Constitution. Each section states the performance indicator for the principle under consideration and goes on to describe how departments perform generally in terms of the standards that should be met in order to be seen to be operating according to the Constitutional principle.
- The report concludes by briefly discussing the challenges to the public service highlighted through this research and discusses how its findings and recommendations can be best used.

The mandate of the Public Service Commission The PSC is in terms of section 196 (4) (a) and (b) of the Constitution (Act 108 of 1996) empowered to, amongst others –

“(a) promote the values and principles set out in section 195 throughout the public service;

(b) investigate, monitor and evaluate the organisation and administration, and personnel practices, of the public service.”

In terms of the Public Service Commission Act – section 9, Act 46 of 1997, the Commission is empowered to inspect departmental and other organisational components in the public service, and have access to such official documents or may obtain such information from heads of departments or organisational components as may be necessary for the performance of the functions of the Commission under the Constitution.

The Public Service Monitoring and Evaluation System

The PSC in 2000 has put a long term Public Service Monitoring and Evaluation System (M & E) in place to assess departments' compliance with the nine constitutional values and principles governing public administration set section 195 (1) of the Constitution. The project started with a scoping exercise followed by a pilot study in the Northern Cape Provincial Administration in 2001.

As a result of the pilot study the M & E assessment framework was streamlined in 2002. Since then to 2004, thirteen national departments and fifteen provincial departments in three provinces were assessed.

Summary of findings

A summary of the scores per principle for the period 2002 to 2003 is captured in the table below followed by a brief discussion on each principle:

Department	Principles										Tot	Average
	1	2	3	4	5	6	7	8a	8b	9		
National Departments												
Arts & Culture	2.0	2.0	1.0	3.0	3.5	3.0	2.0	1.0	1.5	1.5	20.5	2.28
Foreign Affairs	3.0	3.5	0.0	0.0	0.0	2.5	3.5	1.0	1.5	2.0	17.0	1.89
Health	3.5	2.0	0.0	4.0	4.0	3.0	3.0	3.0	0.5	4.0	27.0	3.00
Minerals & Energy	1.0	3.0	3.0	4.0	2.0	2.0	4.5	2.0	1.5	3.5	26.5	2.94
National Treasury	2.5	2.0	0.0	2.0	5.0	4.0	3.5	2.0	1.0	0.5	22.5	2.50
Provincial & Local Gov	2.0	4.0	5.0	4.0	3.0	2.0	4.5	3.0	1.5	4.0	33.0	3.67
Provincial Departments												
Gauteng												
Health	4.0	4.0	2.0	0.0	4.0	4.0	4.5	1.0	1.0	0.0	24.5	2.72
KwaZulu-Natal												
Provincial Treasury	1.0	0.0	0.0	1.0	4.0	3.0	1.0	0.5	0.0	1.0	11.5	1.28
Limpopo												
Finance & Economic Development	2.0	3.5	0.0	2.5	2.0	2.0	3.0	1.0	1.0	2.0	19.0	2.11
Local Government & Housing	3.0	3.0	4.0	2.0	2.0	2.0	3.0	2.0	1.5	1.0	23.5	2.61
Mpumalanga												
Finance & Economic Affairs	2.0	0.5	1.0	2.5	1.0	4.0	1.0	2.0	1.0	1.0	16.0	1.78
Health & Social Services	3.5	3.5	0.5	0.5	2.0	3.0	3.0	1.0	0.5	1.5	19.0	2.11
North West												
Finance	2.5	2.5	0.0	0.0	5.0	1.0	4.0	1.5	1.0	1.0	18.5	2.05
Health	0.5	3.0	0.0	0.0	0.0	2.0	4.0	1.5	2.0	1.5	14.0	1.56
Total	32.5	36.8	16.5	25.5	37.5	37.5	44.8	22.0	15.0	24.5	293.0	32.56
Average	2.3	2.6	1.2	1.8	2.7	2.7	3.2	1.6	1.1	1.8	20.9	2.33

Professional ethics

While a basic infrastructure for promoting a high standard of professional ethics has been created, this is not as yet fully effective. Sustained attention in implementing the prescribed requirements is needed for ethics to become fully integrated into public service culture.

Efficiency, economy and effectiveness

There have been significant improvements in the public service's efforts to operate efficiently, economically and effectively, but there is still much to be done. A greater concern with value for money is needed and departments should take more care in planning their programmes and in aligning objectives to strategic priorities.

It also seems that key management concepts such as the difference between outputs and outcomes and the relationship between activities and objectives are not well understood. Training in this area is still required, particularly in provinces.

Development orientation

While many departments implement poverty reduction projects, these are often not effective and are not managed or implemented in accordance with best development management practice. There is a clear need to integrate these projects better with local processes. As noted in the recent Ten Year Review, a national development strategy into which these projects can fit is needed.

Technical shortcomings such as the absence of management information systems and procedural guidelines on poverty reduction programmes are generally felt more acutely in provincial departments.

Impartiality and fairness

All departments are finding it difficult to implement the requirements of the Promotion of Administrative Justice Act. This suggests that in many cases the risk exists that services may not be delivered justly. Significant work is needed to make underlying business processes explicit and to ensure that the reasons for decisions are properly communicated to all affected parties, internally and externally.

Public participation in policy-making

Transforming the apartheid state into a responsive and participatory government is a long-term process that has only been partially successful. Public participation is uneven and inconsistent. Further guidance to departments on this area is required.

Accountability

There have been significant efforts made by departments to become accountable. These will show good results in the future but at this stage there are many instances in which efforts have been shallow and formalistic and need to be better rooted in departments' own specific challenges and realities.

Transparency

Public service departments' annual reports have improved significantly but there are still difficulties experienced in providing detailed meaningful accounts or progress in achieving objectives. A tendency to report on activities rather than impact needs to be addressed. Reports should strive to become simpler and more accessible.

Good human resource management and career development practices

Human resource practices appear to be improving with national departments leading the way with better recruitment policies and practices. Skills development is often not approached with rigour and integrity and is in many cases ad hoc and sporadic. Provinces particularly, need to improve in this area.

Representativity

Departments have performed impressively in meeting their racial targets, but are still struggling to achieve gender targets. Disabled people continue to be seriously under-represented and dedicated attention is needed in this area. Diversity management is not widely practiced, suggesting that appointees from designated groups often do not get the support they require to perform effectively.

Recommendations

The main recommendations for each of the nine Constitutional values and principles are captured below.

Professional ethics

- Departments need to develop links to the National Anti-Corruption Strategy and its various components.
- Departments should ensure that the necessary ethics/misconduct-related policies, processes and procedures are clearly captured in manuals and guidelines and, that these are effectively implemented.

Efficiency, economy and effectiveness

- Departments should define their performance indicators so that they are clearly understood and measurable.
- Departments should provide the necessary support and training to officials in the development of objectives and measurable performance indicators.

Development orientation

- Although most departments implement poverty reduction projects, they should direct their attention to the outcomes and intended impact of such projects to ensure results and effectiveness.
- Departments need to ensure that poverty reduction projects are well managed and implemented in accordance with best development management practice.
- Greater efforts must be made to integrate these projects better with local processes.
- Departments need to put in place management information systems and procedural guidelines on poverty reduction programmes to ensure proper implementation and evaluation of the impact of the projects on the community.

Impartiality and fairness

- Given the low level of compliance with the Promotion of Administrative Justice Act (PAJA) in both national and provincial departments, the Department of Justice and Constitutional Development should have a more focussed effort to closely monitor compliance with the Act.
- Departmental heads must address the implementation of the PAJA by including it in performance agreements and assessments.

Public participation in policy-making

- It is recommended that the Department of Public Service and Administration on account of its functional responsibility develop formal written policies, procedures and manuals on public participation in policy-making and programme development.

Accountability

- Internal audit functions in provincial departments must be strengthened.
- Fraud prevention plans must be tightened to reflect the needs of the departments.
- Financial capacity building programmes must be accelerated.

Transparency

- Departments need to attend more closely to the formulation of objectives and targets to ensure that they are measurable in terms of quantity, quality and time dimensions.

*Good human
resource
management
and career
development
practices*

- Provinces must work toward ensuring that the necessary human resource policies and procedures are fully in place.
- Mapping out of recruitment processes is urgently required in many instances as the time to fill vacant posts is quite excessive.
- A strategy to enhance information management systems and reporting is generally required.

Representivity

- Departments must embark on a rigorous skills needs analysis to ensure that their skills development plans address the skills needed to execute their mandate.
- All departments must reflect carefully on the targets set by Cabinet and make the necessary adjustments where gaps still exist.
- Departments must make a concerted effort to attract disabled people as well as appointing women to senior management positions. This is an area that requires honest deliberation at the political and official levels.

Chapter

1

Introduction

This is the Second Consolidated Monitoring and Evaluation Report produced from information gathered through the Public Service Commission's Public Service Monitoring and Evaluation System. The System provides information for use in the consolidation of the transformation of the Public Service in accordance with Constitutional prescripts. The system also shows complexity and diversity in the public service and illustrates performance in important areas by specific departments. Trends and patterns are noted and suggestions with widespread applicability are made.

Constitutional Mandate of the Public Service Commission

The Public Service Commission (PSC) is the only institution vested with the Constitutional mandate for good governance in the Constitution. To this end it is empowered to investigate, monitor and evaluate the organisation, administration and personnel practices of the public service and to advise national and provincial organs of state, as well as promote a high standard of professional ethics.

The PSC undertakes research and investigations and presents its findings and recommendations to Parliament, Provincial Legislatures, the President and Cabinet and Provincial Premiers and Provincial Executive Committees.

The Public Service Monitoring and Evaluation System

The PSC undertakes a wide range of research projects and investigations, either upon request or of own accord in response to an internally identified need. Since 2000 the OPSC has been working to put in place a long-term research project focusing on the performance of individual public service departments. This project is called the “Public Service Monitoring and Evaluation System” and will henceforth be referred to as the M & E system.

Phase One of the process started with a scoping exercise that analysed the type of system that should be put in place and what should be researched. Based on the outcome of the scoping exercise, a successful pilot study (Phase Two) was undertaken in the Northern Cape in 2001.

Phase Three, following the Northern Cape pilot, entailed the simplification and streamlining of the M & E research framework. This was used to undertake research in seven national departments and seven provincial departments in three provinces during 2002 and 2003.

During 2004 a new set of departments was researched focussing on the following national departments:

- Provincial and Local Government
- National Treasury
- Foreign Affairs
- Minerals and Energy
- Health
- Arts and Culture

The following provincial departments were researched:

- Gauteng Department of Health
- Mpumalanga Department of Health
- Mpumalanga Department of Finance and Economic Affairs
- Limpopo Department of Local Government and Housing
- Limpopo Department of Finance and Economic Development
- North West Department of Health
- North West Department of Finance
- KwaZulu Natal Provincial Treasury

The PSC wishes to thank the Departments that agreed to participate in the project for their support and cooperation.

The research undertaken in this project looks at the extent to which Departments comply with the nine principles for public administration prescribed in Chapter 10, Section 195 (1) of the South African Constitution. The research involves analysing departmental performance against a performance indicator or two for each principle. Each of the principles and indicators is taken against legislation and regulations applicable to it.

The following table shows the performance indicator used for each constitutional principle as well as the applicable policies and regulations:

Constitutional Principle	Performance Indicator	Applicable Policies and Regulations
1. Professional ethics	Cases of misconduct are dealt with effectively and promptly	<ul style="list-style-type: none"> Public Service Coordinating Bargaining Council Resolution 2 of 1999. Public Service Coordinating Bargaining Council Resolution 1 of 2003. Disciplinary Codes and Procedures. Code of Conduct for the Public Service
2. Efficient economic and effective use of resources must be promoted	<ul style="list-style-type: none"> Expenditure is according to budget Program objectives are achieved 	<ul style="list-style-type: none"> Public Finance Management Act, Act 1 of 1999. Treasury Regulations. Part 3: Planning and Budgeting Public Service Regulations. Part III/B. Strategic Planning Treasury Guidelines on preparing budget submissions, 2002. Treasury Guide for the Preparation of Annual reports of departments for the financial year ended 31 March. National Planning Framework
3. Public administration must be development oriented	The Department effectively initiates and/or implements development projects that aim to reduce poverty	<ul style="list-style-type: none"> Section 195 (c) of the Constitution.
4. Services must be provided impartially, fairly, equitably and without bias	The Promotion of Administrative Justice Act is being effectively implemented	<ul style="list-style-type: none"> Promotion of Administrative Justice Act, 2000. Regulations on Fair Administrative Procedures, 2002
5. Peoples needs must be responded to and the public must be encouraged to participate in policy making	Public participation in policy making is actively facilitated	<ul style="list-style-type: none"> White Paper for Transforming Public Service Delivery (Batho Pele).
6. Public administration must be accountable	<ul style="list-style-type: none"> Adequate internal financial control is exerted over all departmental financial transactions. Fraud prevention plans, based on thorough risk assessments, are in place and are implemented 	<ul style="list-style-type: none"> Public Finance Management Act, Act 1 of 1999. White Paper for Transforming Public Service Delivery (Batho Pele). Public Service Act, Public Service Regulations

Constitutional Principle	Performance Indicator	Applicable Policies and Regulations
7. Transparency must be fostered by providing the public with timely, accessible and accurate information	Transparency must be fostered by providing the public with timely, accessible and accurate information	<ul style="list-style-type: none"> Public Finance Management Act, Act 1 of 1999. White Paper for Transforming Public Service Delivery (Batho Pele). National Treasury's guide for the Preparation of Annual Reports. The Department of Public Administration's guide for an Oversight report on Human Resources.
8. Good Human resource management and career development practices, to maximise human potential, must be cultivated	A. Vacant posts are filled in a timely and effective manner B. The Department complies with the provisions of the Skills Development Act	<ul style="list-style-type: none"> Public Service Regulations, 2001 as amended Public Service Act
9. Public administration must be broadly representative of SA people, with employment and personnel management practices based on ability objectivity fairness and the need to redress the imbalances of the past to achieve broad representation	<ul style="list-style-type: none"> Departments are representative of South African people Diversity management measures are implemented 	<ul style="list-style-type: none"> Part VI Public Service Regulations, 2001 as amended. Employment Equity Act, Act 55 of 1998. White Paper on the Transformation on Public Service – 15/11/1995. White Paper on Affirmative Action in the Public Service, 2001

Following is an indication of how each department scored on each of these principles.

Department	Principles										Tot	Average
	1	2	3	4	5	6	7	8a	8b	9		
National Departments												
Arts & Culture	2.0	2.0	1.0	3.0	3.5	3.0	2.0	1.0	1.5	1.5	20.5	2.28
Foreign Affairs	3.0	3.5	0.0	0.0	0.0	2.5	3.5	1.0	1.5	2.0	17.0	1.89
Health	3.5	2.0	0.0	4.0	4.0	3.0	3.0	3.0	0.5	4.0	27.0	3.00
Minerals & Energy	1.0	3.0	3.0	4.0	2.0	2.0	4.5	2.0	1.5	3.5	26.5	2.94
National Treasury	2.5	2.0	0.0	2.0	5.0	4.0	3.5	2.0	1.0	0.5	22.5	2.50
Provincial & Local Gov	2.0	4.0	5.0	4.0	3.0	2.0	4.5	3.0	1.5	4.0	33.0	3.67
Provincial Departments												
Gauteng												
Health	4.0	4.0	2.0	0.0	4.0	4.0	4.5	1.0	1.0	0.0	24.5	2.72
KwaZulu-Natal												
Provincial Treasury	1.0	0.0	0.0	1.0	4.0	3.0	1.0	0.5	0.0	1.0	11.5	1.28
Limpopo												
Finance & Economic Development	2.0	3.5	0.0	2.5	2.0	2.0	3.0	1.0	1.0	2.0	19.0	2.11
Local Government & Housing	3.0	3.0	4.0	2.0	2.0	2.0	3.0	2.0	1.5	1.0	23.5	2.61
Mpumalanga												
Finance & Economic Affairs	2.0	0.5	1.0	2.5	1.0	4.0	1.0	2.0	1.0	1.0	16.0	1.78
Health & Social Services	3.5	3.5	0.5	0.5	2.0	3.0	3.0	1.0	0.5	1.5	19.0	2.11
North West												
Finance	2.5	2.5	0.0	0.0	5.0	1.0	4.0	1.5	1.0	1.0	18.5	2.05
Health	0.5	3.0	0.0	0.0	0.0	2.0	4.0	1.5	2.0	1.5	14.0	1.56
Total	32.5	36.8	16.5	25.5	37.5	37.5	44.8	22.0	15.0	24.5	293.0	32.56
Average	2.3	2.6	1.2	1.8	2.7	2.7	3.2	1.6	1.1	1.8	20.9	2.33

Chapter

2

Purpose of the Public Service M & E System

The PSC's Public Service Monitoring and Evaluation System is intended to contribute to improved government and service delivery in South Africa. Problems are identified, priority areas are communicated, good practice is noted and departments are given an opportunity to reflect on their own performance. This report is based on research undertaken during 2004 in six national and eight provincial government departments using a standard assessment framework. The research investigated performance by departments in each of the nine Constitutional principles prescribed for public service and administration in South Africa using carefully selected, illustrative performance indicators.

Intended outcomes of the M&E System

The PSC is committed to contributing to the ongoing improvement of good governance and service delivery by government to all South African citizens. Service delivery improvement is a complex, challenging process with many components. A very important element is creating a thorough, shared understanding of the current context and performance levels so that changes can be made where necessary and ensuring that excellence is widely replicated.

The research undertaken in this system is one of the ways in which the PSC contributes to good governance and service delivery improvement. To achieve that the system:

- Identifies and addresses problem areas that need the department's attention.
- Encourages learning by identifying and promoting good practises.
- Communicates to departments the priority areas in public administration in order for departments to align their own priorities, resources and energy accordingly.
- Reflects on departments performance and their achievements are affirmed and promoted.

Choosing performance indicators

Key to the M & E system of the PSC is the performance indicators. These are used to measure how a department is performing in terms of a particular principle.

During the pilot project in the Northern Cape several indicators were used for each principle but this was found to make the process too long and detailed. It was then agreed that a single performance indicator (and if necessary, no more than two indicators) would be used for each principle. Indicators were chosen that were measurable, easily analysed from documentation and which offered broad insights into departmental practices. It should be noted that some indicators, for example that on poverty reduction, are not relevant to every Department – especially those on national level.

Indicators were selected on the basis that:

- The area illustrated by the indicator is critically important and issues in its management need to be noted (i.e. researching the area sends a clear signal to departments about the most important areas of public service management and administration); and,
- In most instances, performance indicated through the research is illustrative of overall performance in terms of the principle (i.e. extrapolation can be done from that indicator to indicate performance in complying with the principle as a whole).

Chapter

3

Professional ethics

While a basic infrastructure for promoting a high standard of professional ethics has been created, this is still somewhat rudimentary and not yet fully effective. Sustained attention in implementing the prescribed requirements is needed for ethics to become fully integrated into public service culture.

Performance indicator: management of cases of misconduct

The first of the nine Constitutional principles for public service and administration states that “a high standard of professional ethics must be promoted and maintained”.

The manner in which cases of ethical misconduct are handled is illuminating. Departments that allow these cases to drag on for long periods of time, which have low incidences of pursuing cases and which are lenient on wrongdoers can be assumed to be doing little to address the problem. The manner in which these cases are addressed is also a matter that is covered by regulations, and records should be easily accessible, making it an easily researched performance indicator.

The Public Service M & E System checks that:

1. A procedure is in place for reporting, recording and managing misconduct cases.
2. Cases are responded to promptly and finalised.
3. The department has adequate capacity to handle misconduct cases.
4. Awareness is covered in capacity building processes and training material

Overview of performance

Each department was scored on the abovementioned four standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department			Principles			Total out of 5	Average
	*1	*2	*3	*4	*5		
National Departments							
Arts & Culture	1,00	0,00	0,00	1,00	0,00	2,00	0,40
Foreign Affairs	1,00	1,00	0,00	1,00	0,00	3,00	0,60
Health	1,00	1,00	0,50	1,00	0,00	3,50	0,70
Minerals & Energy	1,00	1,00	0,00	0,00	1,00	3,00	0,60
National Treasury	0,00	0,00	0,50	1,00	1,00	2,50	0,50
Provincial & Local Gov	1,00	1,00	0,00	0,00	0,00	2,00	0,40
Provincial Departments							
Gauteng							
Health	100	1,0	0,0	1,00	1,0	4,00	0,80
KwaZulu-Natal							
Provincial Treasury	0,00	0,00	0,00	0,00	1,00	1,00	0,20
Limpopo							
Finance & Economic Development	0,00	0,50	0,00	1,00	0,50	2,00	0,40
Local Government & Housing	0,50	0,50	0,00	1,00	1,00	3,00	0,60
Mpumalanga							
Finance & Economic Affairs	0,00	0,50	0,50	1,00	0,00	2,00	0,40
Health & Social Services	0,50	1,00	1,00	1,00	0,00	3,50	0,70
North West							
Finance	0,00	1,00	0,50	0,00	1,00	2,50	0,50
Health	0,00	0,50	0,00	0,00	0,00	0,50	0,10
Total	7,00	9,00	3,00	9,00	6,50	34,50	2,46
Average	0,51	0,64	0,21	0,64	0,46	2,46	

*** LEGEND**

1. A system is in place for the handling of cases of misconduct.
2. Management reporting done on cases of misconduct.
3. Cases are responded to promptly and finalised.
4. The department has adequate capacity to handle misconduct cases.
5. Awareness is covered in capacity building processes and training material

Consistent with the findings from the first consolidated report, National Departments generally appear to manage their cases of misconduct fairly well.

However, while PSCBC Resolution 2¹ is appropriately used as a national framework, this needs to be supplemented by internal procedures that are rarely in place. Procedures are often un-stated and form part of managers' tacit knowledge, in the sense that they do have a broad general knowledge of the procedures to be followed if and when they might be encountered with a case of misconduct. If they are not that well informed about the procedures, they then usually engage with their human resource component to assist in this regard.

The national Department of Health performed well, with a well-stated procedural document and a high level of awareness amongst managers of its contents.

Amongst provincial departments, Gauteng Department of Health performed particularly well, while North West (NW) Health did not perform that well. The latter department along with the NW Department of Finance and the KwaZulu-Natal (KZN) Department of Health have not managed to expedite outstanding cases. This may be due to the lack of sufficient personnel needed to address these matters.

Generally, cases continue to take too long to be handled and efforts should continue to be made to shorten turnaround times.

The involvement of other institutions such as the Gauteng Shared Services Centre in investigations, appointment of presiding officers, conducting of hearings and making recommendations generally makes the disciplinary processes longer and more complicated. This is mainly due to unclear demarcation of responsibilities between the Gauteng Shared Services Centre and Institutional managers on the exact procedures to be followed.

Departments, such as the Mpumalanga Department of Finance and Economic Affairs, also need to check on their delegations to ensure that these are fully in place with the requisite responsibilities captured in key documents such as performance agreements and procedural guidelines.

Reporting to managers does generally take place but in some instances the relevant managers do not respond to these reports as they should.

¹ Resolution 2 of 1999 as amended by Resolution 1 of 2003, amongst others, aims to support constructive labour relations, ensure that managers and employees share a common understanding of misconduct and discipline and to provide both employees and employer with a quick and easy reference for the application of discipline.

Strategies for improvement

In terms of training, while many managers are familiar with the requirements for handling cases of misconduct, a disturbing proportion of them are not aware of what is required, suggesting a need for increased training.

Where labour relations responsibilities have been delegated, departments should ensure that the necessary delegations are in place.

Improved liaison and coordination amongst all the entities involved within departments in managing instances of misconduct is required so that processes can be shortened and cases addressed more quickly.

Increased and dedicated training and awareness on the requirements of PSCBC Resolution 2 as amended is required to enable officials to promptly deal with cases of misconduct.

The points noted in the previous report remain valid and pertinent:

- Links to the National Anti-Corruption Strategy and its various components needs to be developed by departments.
- More could be done to capture ethics-related policies, processes and procedures in manuals and guidelines.
- Record keeping in certain departments needs urgent improvement.
- Of most concern is the excessive time cases take to be handled. This sends out the wrong signal to staff who could be forgiven for concluding that ethical misconduct is not a priority concern for their managers.

Chapter

4

Efficiency, economy and effectiveness

There have been significant improvements in the public service's efforts to operate efficiently, economically and effectively, but there is still much to be done. A greater concern with value for money is needed and departments should take more care in planning their programmes and in aligning objectives to strategic priorities.

Performance indicator: achievement of objectives

The second Constitutional principle states, “efficient economic and effective use of resources must be promoted”. In striving to redress the legacy of the past, the provision of cost-effective services of a high quality must be central to everything the Public Service does. Furthermore, efficiency, economy and effectiveness are thus internationally recognized as being of critical importance in public service delivery.

The three concepts of efficiency, economy and effectiveness are interlinked and complex concepts that should guide what government does and how it goes about achieving its objectives. Efficiency is a relative concept that relates to productivity - it is best understood as the ratio of inputs used to achieve the desired outputs. Economy relates to the lowest cost employment of the mix of alternative inputs, while effectiveness involves achieving the desired outcomes using the least inputs.

The Public Service M & E System looks at whether:

1. Expenditure is as budgeted, and
2. Programmes are implemented as planned (and whether changes to plans are reasonable and justifiable).

Overview of performance

Each department was scored on the abovementioned two main standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standards					Total out of 5	Average
	Expenditure		Achievement of objectives				
	*1	*2	*3 - 80%	*4 - 60%	*5 - 40%		
National Departments							
Arts & Culture	0,00	1,00	0,00	0,00	1,00	2,00	0,40
Foreign Affairs	0,00	1,00	0,00	2,50	0,00	3,50	0,70
Health	1,00	0,00	0,00	0,00	1,00	2,00	0,40
Minerals & Energy	1,00	0,00	0,00	2,00	0,00	3,00	0,60
National Treasury	0,00	1,00	0,00	0,00	1,00	2,00	0,40
Provincial & Local Gov	1,00	0,00	3,00	0,00	0,00	4,00	0,80
Provincial Departments							
Gauteng							
Health	0,00	1,00	3,00	0,00	0,0	4,00	0,80
KwaZulu-Natal							
Provincial Treasury	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Limpopo							
Finance & Economic Development	0,00	1,00	0,00	2,50	0,00	3,50	0,70
Local Government & Housing	0,00	1,00	0,00	2,00	0,00	3,00	0,60
Mpumalanga							
Finance & Economic Affairs	0,50	0,00	0,00	0,00	0,00	0,50	0,10
Health & Social Services	1,00	0,50	0,00	2,00	0,00	3,50	0,70
North West							
Finance	1,00	0,75	0,00	0,00	1,00	2,75	0,55
Health	1,00	1,00	0,00	0,00	1,00	3,00	0,60
Total	6,50	8,25	6,00	11,00	5,00	36,75	2,63
Average	0.46	0.59	0.43	0.79	0.36	2.63	

* LEGEND

1. Expenditure stated in the Annual Report is within 2% of the planned budget set in the Estimates of Expenditure.
2. More than half of each programme's performance indicators are measurable and clear and illustrate the programme intentions.
3. Eight (80%) of the ten most important strategic objectives have been met.
4. Six (60%) of the ten most important strategic objectives have been met.
5. Four (40%) of the ten most important strategic objectives have been met.

Public service performance as indicated in the departments' review continues to be characterised by under spending. However, compared to the previous round of assessment the extent of the problem has been reduced significantly. Departments continue to set ambitious targets, with too many objectives and often fail to achieve their intended outcomes. More focus and greater emphasis on the achievement of programme results is needed. National departments generally continue to perform better than their provincial counterparts. The work of public service entities needs to be better defined and their indicators need to be better formulated.

Arts and Culture under-spent by approximately 6%, which is more than the generally accepted level of 2%. The Department met 40% of their objectives, which indicates a problem with the manner in which their objectives are stated in that many are not quantifiable.

Health under-spent by around 3% and also did not state their objectives in a clearly measurable fashion. Their annual report does not correlate to the objectives defined in their budget making it difficult to evaluate performance.

Minerals and Energy under-spent by 1% and achieved 31 of their 46 listed objectives. There is room to improve the way they state their objectives.

The Department of Provincial and Local Government under-spent by 0,3% and achieved 24 of their 38 listed objectives, which indicate that the Department exercises proper internal control over their expenditure has and ensure that the objectives set out to do are achieved.

National Treasury under-spent by 3, 9% and achieved 60 of their 115 objectives with performance indicators and targets not particularly well formulated. Much of the under-expenditure related to difficulties in securing the required human resources.

Foreign Affairs under-spent by 5,7% but indications are that this was mostly a result of factors beyond the department's control due to long term projects such as the Kinshasa and Berlin projects not been finalised. Many of their strategic objectives require longer periods to be achieved and cannot be judged in a single year. They achieved 24 out of 31 objectives.

Limpopo Finance and Economic Development had a variance of more than 2% but achieved 85% of its strategic objectives which is regarded as a commendable level.

Limpopo Local Government and Housing exceeded the 2% variance benchmark although they achieved most of their strategic objectives.

Mpumalanga Health and Social Services under-spent by just over 3% and achieved 7 of their 10 most important objectives.

Mpumalanga Department of Finance and Economic Affairs under-spent by 26% with the bulk of the under-expenditure (-85%) falling under Programme 6: Provincial Grants. These savings relate to Conditional Grants for the Premier Special Project not being utilized by the relevant department(s) of which funds have been allocated. According to information provided in the Provincial Budget Statements, the Strategic Plan and the Department's Annual Report, the Department was able to achieve 27 (38,5%) of the 70 objectives for the reporting period. The reason being the poor formulation of performance indicators and targets set for most of the sub-programmes. The extent to which the Department succeeded in achieving its objectives could therefore not always be determined.

North West's Department of Finance under-spent by 12, 2% with the bulk of the under-expenditure (7, 2%) falling under personnel. This was mainly due to delays in appointing staff in critical positions as a result of additional procedures followed in appointments owing to Resolution 7 requirements. It was only possible to determine without a doubt that the Department had succeeded in achieving 49 (50%) of its 98 objectives for the financial year 2002 to 2003. This low performance is mainly due to the performance indicators not always set in measurable terms, which hampered the assessment of the achievement of objectives.

North West Health's expenditure was within the 2% variance and they achieved 32 of the 77 objectives defined for the reporting period. Unfortunately the reasons for non-performance were not provided. Reporting in this department appears to be improving in that the Department since the 2004/2005 financial year started with quarterly performance reports against the Department's nine strategic goals as well as progress against budget programmes and sub-programmes.

KZN Treasury on average under-spent by 72%. This is as a result of either over- or under-spending in all the Provincial Treasury's programmes, which varies between a 100% over-spending of Programme 6: Special Functions Authorised and a 100% under-spending of Programme 5: Financial Management. Programme 5 was established in line with National Treasury's guideline as a reserve fund for contingency planning. However, none of the funds were spent throughout the year. The Auditor General (A-G) seems to have been satisfied with the various explanations that the Provincial Treasury gave for this state of affairs. Since the performance indicators were not always set in measurable terms it hampered the assessment of the achievement of strategic objectives. As a result it was only possible to determine without a doubt that the Provincial Treasury succeeded to achieve three (4.6%) of the 65 objectives. In 28 (43%) of the objectives reported on it was not possible to determine the achievement, whilst 29 (44, 6%) of the strategic objectives were not reported on in the annual report.

In many instances departments are still not succeeding in articulating their work properly. For example, indicators are often neither measurable nor easily understood, and in some cases achievements reported in annual reports do not clearly relate to priorities stated in expenditure plans and budgets.

Strategies for improvement

Most departments need to define their indicators in a more useful measurable and understandable way.

Departments' reporting and Annual Reports need significant improvement in aligning the contents thereof with the requirements set by National Treasury, the Estimates of either National or Provincial Expenditure and strategic plans.

Few departments relate their annual reports to their budgets and most need a comprehensive management information system that helps to capture progress in achieving their previously defined objectives.

It also seems that key management concepts such as the difference between outputs and outcomes and the relationship between activities and objectives are not well understood. Training in this area is still required, particularly in provinces.

The performance evaluation framework for the public service, which is in place, is yet to provide optimum results and it is still in the process of being implemented.

The public service is starting to overcome its difficulties in spending its funds but still needs to focus on getting as much of a return as possible for its expenditure.

Chapter

5

Development Orientation

While many departments implement poverty reduction projects, these are often not effective and are not managed or implemented in accordance with best development management practice. There is a clear need to integrate these projects better with local processes. As noted in the recent Ten Year Review, a national development strategy into which these projects can fit is needed.

Performance indicator: development orientation

Constitutional principle number three states that: “public administration must be development oriented”. The wording of the principle is open to interpretation. The performance indicator used by the PSC is the extent to which departments and other public service organizations undertake programmes and projects that aim to address poverty and its causes.

The PSC’s M & E System assesses whether:

1. Programmes targeting poverty are in place and are successful.
2. Beneficiaries participate in project design.
3. Good project management standards are maintained.
4. Organisational learning takes place.
5. Poverty reduction projects and programmes are integrated into local development plans.

Overview of performance

Each department was scored on the abovementioned five standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standard					Total out of 5	Average
	*1	*2	*3	*4	*5		
National Departments							
Arts & Culture	1,00	0,00	0,00	0,00	0,00	1,00	0,20
Foreign Affairs	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Health	1,00	0,00	0,00	0,00	0,00	1,00	0,20
Minerals & Energy	1,00	0,00	0,00	1,00	1,00	3,00	0,60
National Treasury	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Provincial & Local Gov	1,00	1,00	1,00	1,00	1,00	5,00	1,00
Provincial Departments							
Gauteng							
Health	2,00	0,00	0,00	0,00	0,00	2,00	0,40
KwaZulu-Natal							
Provincial Treasury	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Limpopo							
Finance & Economic Development	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Local Government & Housing	1,00	0,00	1,00	1,00	1,00	4,00	0,80
Mpumalanga							
Finance & Economic Affairs	1,00	0,00	0,00	0,00	0,00	1,00	0,20
Health & Social Services	0,50	0,00	0,00	0,00	0,00	0,50	0,10
North West							
Finance	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	8,50	1,00	2,00	3,00	3,00	17,50	1,75
Average	0.85	0.10	0.20	0.30	0.30	1.75	

*** LEGEND**

1. Half the projects achieved success in at least half their objectives.
2. At least half the projects are of an acceptable standard in terms of beneficiary participation.
3. At least half the projects plans are of an acceptable project management standard.
4. At least half the local development plans are accommodated.
5. A system is in place for systematically institutionalising lessons learned.

Many poverty-reduction programmes are yet to produce tangible results. This is mainly due to projects not been clearly defined and insufficient beneficiary participation, which result in either poor implementation or projects not coming of the ground. It appears that poverty reduction projects are not regarded as a priority, in light of the insignificant proportion of budget allocation in this regard, or not planned and/or implemented at all. The latter is particularly true for departments in which the core business is not obviously related to poverty.

It was also found that technical shortcomings such as the absence of management information systems and procedural guidelines on poverty reduction programmes are generally felt more acutely in provincial departments.

Arts and Culture has a poverty reduction project called “Investing in Culture” that is outsourced to service providers. Despite its well-framed intentions it was not well implemented and as a result changes have subsequently been made to its implementation approach, leading to better, standardized management guidelines.

The National Department of Health is mainly a policy-making institution and its efforts to target the poor are thus largely through the creation of enabling policies, implementation frameworks and partnerships with other stakeholders. The Department does, however, channel funds to the provincial health departments for poverty reduction projects. The system utilized to expend these funds is cumbersome and not really workable, as only 34, 8% of the funds allocated by the Budget were spent.

Minerals and Energy identified 10 poverty reduction projects that, in general, were successful. An acceptable standard of beneficiary participation and project management was achieved. Lessons from the projects are learnt and shared.

The Department of Provincial and Local Government (DPLG) performs well in this area and has achieved significant progress in almost all its poverty reduction projects that have been assessed. There appears to be a high level of beneficiary participation and project manuals and guidelines are in place, while local development plans are taken into account in the design and formulation of projects. Best practices are recognized and rewarded.

Although the Department of Foreign Affairs is not directly involved in any development programmes aimed at poverty reduction, it is one of the organs of state actively and purposefully participating in the creation and shaping of an environment conducive to poverty reduction and the facilitation of sustainable development on a national, regional and international scale.

Gauteng Health operated a number of poverty reduction projects including a major feeding scheme but these initiatives need better management.

KZN Treasury is not a direct provider or implementer of poverty reduction programmes. It is a co-ordinating body with the specific mission of providing the KwaZulu-Natal Provincial Government with efficient and effective public-finance management support.

North West Health was not rated on this principle as adequate information was not provided.

Mpumalanga Health completed just 4 of 24 projects addressing poverty due to a shortage of human resources and a lack of logistical resources at provincial and district levels.

Mpumalanga Department of Finance and Economic Affairs identified 10 poverty reduction projects that could be described as partially successful. However, a lack of clear procedures for active participation by the beneficiaries in some of the projects was identified as a gap. It was also not clear whether local development plans were taken into account when the projects were designed and implemented.

Limpopo Local Government and Housing identified 10 poverty reduction projects of which at least half the projects achieving a minimum of half their objectives although more could be done to enhance beneficiary participation. Most project plans are of an acceptable standard and are aligned to local development plans. A project coordinating committee that meets twice each year is a site for the sharing of learning.

Strategies for improvement

Reducing poverty in South Africa is a priority and all departments need to think creatively and innovatively about ways in how it can be incorporated into their work. This should be a strictly enforced requirement in all public service departments.

Streamlining and improving systems and procedures for projects which target the poor is required in all departments. The absence of a single, national social development strategy continues to be felt by departments, who find it difficult to integrate development into their programmes, particularly in cases where the link to their core business is not obvious.

On a practical and procedural level, project management manuals and information systems need to be more widely available and should be used more rigorously. Institutional learning does not appear to have started receiving the attention it deserves, so practice across government remains inconsistent.

Responsibility for this element needs further discussion, due to its complexity.

Chapter

6

Impartiality and Fairness

All departments are finding it difficult to implement the requirements of the Promotion of Administrative Justice Act. This suggests that in many cases the risk exists that services may not be delivered justly. Significant work is needed to make underlying business processes explicit and to ensure that the reasons for decisions are properly communicated to all affected parties, internally and externally.

Performance indicator: implementation of the Promotion of Administrative Justice Act

Constitutional principle four governing the public service states that “services must be provided impartially, fairly, equitably, and without bias”.

The issue of fairness and impartiality in service delivery is a critical matter for the South African public service. The apartheid administration facilitated and enabled fundamentally unfair and biased service provision and created a legacy of inequality.

Government has addressed this need for fairness in service delivery in a number of ways. One such initiative was the promulgation of the Promotion of Administrative Justice Act (PAJA), 2000, passed as Act 3 of 2000. This PAJA ensures procedurally fair administrative actions, gives people the right to request reasons for actions and also gives them the right to have such actions reviewed in court.

It is an extremely challenging piece of legislation which requires that procedures followed to take administrative actions be clearly stated and that affected people be given notice of their rights to review or appeal decisions as well as be provided with the reasons why decisions were made.

Because of the challenge posed by the PAJA and the importance of the issues it addresses, the PSC looks at departments’ compliance with the PAJA as the performance indicator for impartiality, fairness and a lack of bias.

The PSC’s research looks at whether:

1. Prior notice of the nature and purpose of any administrative action is provided to any members of the public who will be affected by the action.
2. Opportunities are provided to make representation to people affected by administrative actions.
3. Clear statements are provided on any administrative decisions that get made.
4. Departmental policy for responding to requests for the provision of reasons for administrative decisions is in place.
5. Requests for reasons for decisions are properly and reasonably processed.
6. The reasons provided for decisions are fair and reasonable.

Overview of performance

Each department was scored on the abovementioned six standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standards						Total	Average
	*1	*2	*3	*4	*5	*6		
National Departments								
Arts & Culture	0,00	0,00	1,00	1,00	1,00	0,00	3,00	0,60
Foreign Affairs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Health	0,00	0,00	1,00	1,00	1,00	1,00	4,00	0,80
Minerals & Energy	0,00	0,00	1,00	1,00	1,00	1,00	4,00	0,80
National Treasury	0,00	0,00	1,00	0,00	1,00	0,00	2,00	0,40
Provincial & Local Gov	0,00	0,00	1,00	1,00	1,00	1,00	4,00	0,80
Provincial Departments								
Gauteng								
Health	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
KwaZulu-Natal								
Provincial Treasury	0,00	0,00	0,50	0,00	0,00	0,00	0,50	0,10
Limpopo								
Finance & Economic Development	0,00	0,00	0,50	1,00	0,50	0,50	2,50	0,50
Local Government & Housing	0,00	0,00	1,00	0,00	1,00	0,00	2,00	0,40
Mpumalanga								
Finance & Economic Affairs	0,50	0,00	0,00	0,00	1,00	1,00	2,50	0,50
Health & Social Services	0,50	0,00	0,00	0,00	0,00	0,00	0,50	0,10
North West								
Finance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Health	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	1,00	0,00	7,00	5,00	7,50	4,50	25,00	1,78
Average	0,07	0,00	0,50	0,36	0,54	0,32	1,78	

* LEGEND

1. Responsibility to manage the implementation of the PAJA is allocated to a particular manager.
2. The person responsible is able to show a clear implementation plan.
3. Notice is usually given in at least half the cases prior to administrative actions.
4. Opportunities are provided in at least one third of the cases reviewed to make representations before action is taken.
5. Administrative decisions are clearly communicated and the reasons therefore are provided in at least one third of the cases reviewed.
6. Requests for reasons for decisions are properly answered in at least one third of the cases reviewed

In general, performance by national departments in complying with the requirements of the PAJA is of great concern. In most instances there is a low level of awareness of the PAJA and few efforts to ensure compliance have been made. Few Departments have provided training to their staff on the PAJA and almost none have amended business processes specifically in order to comply with it.

All national departments still need to compile implementation plans with a schedule for mapping all their administrative procedures with a view to testing them to the PAJA requirements.

While opportunities for making representations are often provided, this is usually only after the decision has been made, which is not in accordance with the Promotion of Administrative Justice Act's requirements.

Administrative decisions are usually communicated to affected parties in writing, and though reasons are often given, these are rarely of an acceptable standard.

The National Department of health complies with the requirements of the PAJA, although this appears to be coincidental. A considered effort needs to be made to map out decision-making processes to ensure full compliance with the PAJA. This point holds true for Minerals and Energy and the Department of Provincial and Local Government.

Unfortunately, compliance by provincial departments is generally as unsatisfactory as that of national departments: there is low awareness of the Act, no training is provided on it and most important, notice of and reasons for decisions are often not provided as a matter of routine.

While there are instances in which some efforts have been made (such as the provision of training) these are generally still in the initial phases and need concerted and dedicated attention.

Strategies for improvement

There is a widespread need for training and increased awareness of the PAJA and its requirements.

Departments generally need assistance in one of the key activities required by the PAJA: that of identifying the processes by which decisions are reached.

More effort needs to be made to monitor compliance with the Promotion of Administrative Justice Act, and as the originator of the legislation this should probably be the responsibility of the Department of Justice and Constitutional Development. Efforts should also be made to require that departmental heads address the issue, possibly by including it in their performance agreements and assessments.

Given the low level of compliance in both national and provincial departments, a national campaign is recommended to promote compliance with the PAJA by administrations and to encourage citizens to use the PAJA more effectively and assert their rights more vigorously.

Chapter

7

Public participation in Policy-Making

Transforming the apartheid state into a responsive and participatory government is a long-term process that has only been partially successful. Public participation is uneven and inconsistent. Further guidance to departments on this area is required.

Performance indicator: extent of public participation in the development of policies

The fifth Constitutional principle states that “people’s needs must be responded to and the public must be encouraged to participate in policy making”.

The PSC’s M & E research assesses whether:

1. A policy on public participation is formally stated.
2. A system for soliciting public inputs on key matters is in use and effectively implemented.
3. All policy inputs received from the public are acknowledged and formally considered.

Overview of performance

Each department was scored on the abovementioned three standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standards			Total out of 5	Average
	*1	*2	*3		
National Departments					
Arts & Culture	0,50	1,00	2,00	3,50	0,70
Foreign Affairs	0,00	0,00	0,00	0,00	0,00
Health	1,00	2,00	2,00	5,00	1,00
Minerals & Energy	0,00	1,00	1,00	2,00	0,40
National Treasury	1,00	2,00	2,00	5,00	1,00
Provincial & Local Gov	0,00	2,00	1,00	3,00	0,60
Provincial Departments					
Gauteng					
Health	1,00	1,50	1,50	4,00	0,80
KwaZulu-Natal					
Provincial Treasury	1,00	1,00	2,00	4,00	0,80
Limpopo					
Finance & Economic Development	0,00	1,00	1,00	2,00	0,40
Local Government & Housing	0,00	1,00	1,00	2,00	0,40
Mpumalanga					
Finance & Economic Affairs	0,00	0,00	1,00	1,00	0,20
Health & Social Services	0,00	0,00	0,50	0,50	0,10
North West					
Finance	1,00	2,00	2,00	5,00	1,00
Health	0,00	0,00	0,00	0,00	0,00
Total	5,50	14,50	17,00	37,00	2,64
Average	0.39	1.04	1.21	2.64	

* LEGEND

1. A policy on public participation is in place.
2. A system for soliciting public inputs on key matters is in use.
3. All policy inputs received from the public are acknowledged and formally considered.

Very few departments have clear, formal policies addressing public participation, even in those institutions that generally make efforts to involve stakeholders in their policy formulation processes. Systems for managing public participation tend to be informal and ad hoc although genuine efforts appear to be made to incorporate public inputs where these are sought. There are some isolated pockets of excellence in which innovative and systematic efforts are made to consult service users.

Arts and Culture has no official policy for including public participation in policy making but there does appear to be a practice of consulting the public on new programmes. Although there is no formal structured system for soliciting and managing public participation, public opinion is invited on an ad hoc basis. Where they are obtained, public comments are acknowledged and fully considered.

The National Department of Health is more systematic in its approach to considering public inputs and has devised many ways in which stakeholders are encouraged to contribute to and participate in policy making. There is a system in place that was used in more than half the instances of policy development considered.

Although no standard policy is in place, Department of Provincial and Local Government uses extensive consultation processes to consult its client base on draft legislation and the development of new and existing policy. A system for procuring and managing public contributions is used. Owing to the volume of contributions, they are not all acknowledged although they are usually all considered. They have also made efforts to encourage local authorities to increase public participation in their own policy making.

Minerals and Energy also does not have a policy governing public participation but does have a record of making efforts to include public opinion in their policy development work.

National Treasury performs well in this area and has a solid system in place for procuring and considering inputs from stakeholders representing various public interest groups.

Foreign Affairs does not have a defined policy or procedure for involving the public in policy making but in practice appears to consult various affected and interested parties as required.

Limpopo Finance and Economic Development and Limpopo Local Government and Housing are in a similar position, with a practice of consulting affected groups but without a clearly defined policy for doing so.

Mpumalanga Department of Finance and Economic Affairs appears to be in a similar position to the Limpopo Departments.

North West Health submitted a policy on communication, but the contents thereof does not address public participation in policy-making. Neither does the Department have a policy for consulting the public nor a practice of doing so.

North West Finance and KZN Provincial Treasury both also lack a policy on public participation but in practice have a record of consulting interested and affected groups.

Gauteng Health has a policy on public participation in place and also conducts Citizen Satisfaction Surveys to get feedback on public opinion regarding the quality of service delivery.

Strategies for improvement

Performance in this area seems to have improved in practice even though formal, written policies still need to be adopted.

The possibility of prescribing minimum requirements for public participation should be considered.

Chapter 8

Accountability

There have been significant efforts made by departments to become accountable. These will show good results in the future but at this stage there are many instances in which efforts have been shallow and formalistic and need to be better rooted in departments' own specific challenges and realities.

Performance indicator: Auditor General's reports and the quality of fraud prevention plans

The sixth Constitutional principle states that: “public administration must be accountable”. To analyse adherence to this principle, the M & E System looks at two performance indicators: whether adequate internal control is exerted over all departmental financial transactions and whether fraud prevention plans, based on thorough risk assessments, are in place and are implemented.

This involves looking in detail at whether:

1. The Auditor-General's (A-G) assessments of financial controls conclude that they are adequate and effective.
2. Fraud prevention plans are in place and are comprehensive and appropriate, and are implemented.
3. Key staff for ensuring implementation of fraud prevention plans, especially investigation of fraud, are in place and operational.
4. Fraud prevention plans are based on a thorough risk assessment.

Overview of performance

Each department was scored on the abovementioned four standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standards				Total out of 5	Average
	*1	*2	*3	*4		
National Departments						
Arts & Culture	1,00	1,00	1,00	0,00	3,00	0,60
Foreign Affairs	1,00	0,50	0,50	0,50	2,50	0,50
Health	1,00	1,00	0,50	0,50	3,00	0,60
Minerals & Energy	1,00	0,00	0,00	1,00	2,00	0,40
National Treasury	1,00	1,00	1,00	1,00	4,00	0,80
Provincial & Local Gov	1,00	0,00	0,00	1,00	2,00	0,40
Provincial Departments						
Gauteng						
Health	1,50	1,00	0,50	1,00	4,00	0,80
KwaZulu-Natal						
Provincial Treasury	1,00	1,00	0,00	1,00	3,00	0,60
Limpopo						
Finance & Economic Development	1,00	0,00	0,00	1,00	2,00	0,40
Local Government & Housing	1,00	0,00	1,00	0,00	2,00	0,40
Mpumalanga						
Finance & Economic Affairs	1,00	1,00	1,00	1,00	4,00	0,80
Health & Social Services	0,00	0,50	0,50	1,00	2,00	0,40
North West						
Finance	0,00	0,00	0,00	1,00	1,00	0,20
Health	0,00	1,00	0,00	1,00	2,00	0,40
Total	11,50	8,00	6,00	11,00	36,50	2,61
Average	0.82	0.57	0.43	0.79	2.61	

*** LEGEND**

1. The Auditor-General's (A-G) assessments of financial controls conclude that they are adequate and effective.
2. Fraud prevention plans are in place and are comprehensive and appropriate, and are implemented.
3. Key staff for ensuring implementation of fraud prevention plans, especially investigation of fraud, are in place and operational.
4. Fraud prevention plans are based on a thorough risk assessment.

Most national and provincial departments received unqualified audit opinions but weaknesses in internal controls were identified in many instances. Provincial departments continue to perform worse than national departments and in many instances have not finalised important policy documents (such as fraud prevention plans) or make use of generic documents. In many provincial departments increased capacity and training is required.

In Arts and Culture, the A-G drew attention to some weaknesses in transfer payments and the asset inventory list in relation to the creation of the new department. A comprehensive fraud prevention plan with a hotline was developed for the old Department of Arts Culture Science and Technology and will have to be adapted for the new Department of Arts and Culture.

The A-G indicated that in the National Department of Health, certain internal controls regarding transfer payments, donor funding, custody and safeguarding of assets and the South African National Aids Trust needed to be improved, although a fraud prevention plan, policy and hotline are all in place.

The Department of Provincial and Local Government has a number of high-risk control weaknesses and for the period under review, a comprehensive fraud prevention plan was not implemented with an unsatisfactory draft being used. Insufficient staff members were previously allocated to this function, although additional human resources have since been allocated. The office of the Chief Financial Officer is being restructured and other weaknesses have been noted and are urgently being addressed.

The A-G noted weaknesses in controls at Minerals and Energy, while a comprehensive draft Fraud Prevention Plan is being developed but implementation is still to take place. There are insufficient staff members in place to fully implement the plan. The creation of a fraud investigation unit is being considered.

Of those researched, National Treasury performed well in this area, despite getting a qualified audit report as a result of issues in medical aid contributions. All other control measures were found to be adequate. The National Treasury has a fraud prevention plan and policy in place that is based on an independently undertaken risk assessment. It has a dedicated risk management unit responsible for developing a risk management framework and ensuring that it is maintained.

Weaknesses in Foreign Affairs control systems were identified. A fraud prevention plan, policy and strategy are in place but the absence of a fraud investigation unit was noted. A limited risk assessment was undertaken while a department wide fraud prevention strategy is in place.

Limpopo Local Government and Housing did not do that well in this area, with serious weaknesses in their internal controls. A fraud prevention plan has not been developed and although a risk assessment was undertaken, this did not deal adequately with practical issues.

Weaknesses were also identified in the internal controls practiced by the Limpopo Department of Finance and Economic Development. While a fraud prevention plan is not in place, it has a rudimentary system for investigating cases of fraud. A risk assessment has been undertaken.

North West Department of Finance did not do that well in this area, and received a qualified audit report for 2002/3. This was a result of non-compliance with laws and regulations and significant weaknesses in internal control measures within the IT component. These weaknesses are apparently being addressed. The fraud prevention plan is general and non-specific and does not address risks previously identified during three separate risk assessments. During the period under review it had insufficient capacity although since then some of the required training has been provided.

North West Department of Health received a qualified audit report for the same reasons as the NW Department of Finance, namely non-compliance with laws and regulations and significant weaknesses in internal control measures. It does have a fraud prevention plan and policy based on a thorough risk assessment of the department that was facilitated by the provincial internal audit unit. Capacity shortages are also a problem in this department.

Mpumalanga Department of Health received a qualified audit opinion with a number of internal control weaknesses noted. The fraud prevention plan is still a draft although a risk assessment was undertaken.

The Mpumalanga Department of Finance and Economic Affairs also received a qualified audit opinion with a number of internal control weaknesses identified. The fraud prevention plan is based on a solid risk assessment undertaken by an external party. It is, however, still a draft plan.

KZN Treasury received an unqualified audit report with a number of emphases of matter being noted. A fraud prevention plan is in place but it needs further development. Capacity appears to be insufficient. A risk assessment was undertaken.

Gauteng Department of Health performed well in this area, having received an unqualified audit opinion. Internally, the department appears to be proactive and has responded in good time to risk areas before they have become pressing. A fraud prevention plan is in place while fraud prevention strategies are well implemented. These are based on a thorough risk assessment.

Strategies for improvement

Internal Audit functions need strengthening while in some instances proper fraud databases are needed.

Risk control measures in some instances need improving while in some instances additional staff members are needed to improve fraud prevention processes.

Existing financial capacity programmes should be accelerated and the possibility of requiring some level of accreditation for public service financial managers should perhaps be considered.

Chapter

9

Transparency

Public service departments' annual reports have improved significantly but there are still difficulties experienced in providing detailed meaningful accounts or progress in achieving objectives. A tendency to report on activities rather than impact needs to be addressed. Reports should strive to become simpler and more accessible.

Performance indicator: quality of annual reports

The seventh Constitutional principle states that “transparency must be fostered by providing the public with timely, accessible and accurate information”. The M & E system assesses whether the departmental annual report meets the required standard and thereby facilitates transparency.

This requires an analysis of:

1. Compliance to Treasury-prescribed standards with regard to the content of the annual report, which includes those requirements contained in the Public Service Regulations.
2. The basic requirement that the annual report must be about performance against predetermined objectives (section 40(3)(a) of the Public Finance Management Act).
3. The quality of the report’s reporting criteria such as comparing performance against targets or other benchmarks, understandability of the report, relevance of the information, verifiability of the information and explanation of performance indicators.

Overview of performance

Each department was scored on the abovementioned three standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standards			Total out of 5	Average
	*1	*2	*3		
National Departments					
Arts & Culture	1,00	0,00	1,00	2,00	0,40
Foreign Affairs	0,50	2,00	1,00	3,50	0,70
Health	1,00	1,00	1,00	3,00	0,60
Minerals & Energy	1,00	2,50	1,00	4,50	0,90
National Treasury	0,00	2,75	1,00	3,75	0,75
Provincial & Local Gov	1,00	2,50	1,00	4,50	0,90
Provincial Departments					
Gauteng					
Health	1,00	2,50	1,00	4,50	0,90
KwaZulu-Natal					
Provincial Treasury	0,00	0,00	1,00	1,00	0,20
Limpopo					
Finance & Economic Development	0,00	2,00	1,00	3,00	0,60
Local Government & Housing	0,00	2,00	1,00	3,00	0,60
Mpumalanga					
Finance & Economic Affairs	0,00	0,00	1,00	1,00	0,20
Health & Social Services	1,00	1,00	1,00	3,00	0,60
North West					
Finance	0,00	3,00	1,00	4,00	0,80
Health	0,00	3,00	1,00	4,00	0,80
Total	6,50	24,25	14,00	44,75	3,20
Average	0.46	1.73	1.00	3.20	

* LEGEND

1. The annual report covers the areas prescribed by Treasury.
2. The annual report clearly reports on progress against predetermined objectives.
3. The annual report is well written in simple accessible language and is attractively and clearly presented.

Departments' annual reports are a key public document by which transparency is enhanced in that Departments need to report on their actual achievements against predetermined objectives. Annual reports are also widely distributed and serve as a valuable reference source for government and citizens alike.

Although the quality of annual reports has improved in recent years with a general trend towards better compliance with the requirements of National Treasury's guideline on Annual Reports, there are still areas of weakness. Examples of these in both national and provincial departments are:

- a tendency to still focus in their reporting on activities undertaken and not on the achievement of strategic objectives; and
- estimates of expenditure, which should form the basis for the departments' annual reports, are often not referred to at all.

Although the Annual Reports of the Departments of Arts and Culture, Health and Foreign Affairs were attractive and readable, the content thereof did not correlate clearly with their strategic plans whilst adequate detail on the results they achieved was not provided. In some instances it was found that they reported on activities undertaken rather than on the achievement of strategic objectives.

The Departments of Provincial and Local Government, Minerals and Energy and the National Treasury all complied with the prescribed guidelines for Annual Reports and performed well in this area. Their reports were thorough and covered their predetermined objectives.

The Annual Reports for the Limpopo Departments of Finance and Economic Development and Local Government and Housing do not cover all the areas prescribed by National Treasury but do offer useful insight into the achievement of programme results. They are both well written in simple accessible language and are attractively and clearly presented.

The North West Department of Health reports on performance in achieving its objectives and in more than two thirds of the programmes listed, progress was reported against clearly defined objectives.

North West Department of Finance performed fairly well in this area even though it did not cover all the prescribed areas in its Annual Report. It did provide information on progress in achieving its objectives.

The Annual Report for the Mpumalanga Department of Health has definite room for improvement: while it covered most of the prescribed areas and reports on progress in achieving objectives, targets are not set and those that are set are not measurable.

There is also scope for improvement with the Mpumalanga Department of Finance and Economic Affairs' Annual Report. There are some areas that are not covered in the report. Areas not covered relate to human resources, information on HIV/Aids and the utilisation of consultants.

KZN Provincial Treasury did not comply with the reporting requirements and did not cover all the necessary areas. Furthermore, the poor formulation of strategic objectives made it difficult to report on progress in their achievement.

Gauteng Department of Health performed well in this area, complying closely with the requirements.

Strategies for improvement

The distinct improvement in annual reports is a positive trend that must be encouraged. Departments that do not meet the prescribed standard should be advised and assisted to do so. Assistance should be provided particularly with the formulation of objectives and targets to ensure that they are measurable in terms of quantity, quality and time dimensions.

Involvement by senior managers in the preparation of annual reports is the key to ensuring that they are of a high standard and meet the requirements. This should be encouraged and promoted.

Consideration should be given to streamlining and simplifying the reporting requirements, especially with regard to human resource information.

Now that basic compliance is being addressed, more attention should be paid to the language and style of annual reports, which should strive to be accessible and simple. Expert assistance should perhaps be drawn in to assist with this.

Chapter

*10***Good human resource
management practices**

Human resource practices appear to be improving with national departments leading the way with better recruitment policies and practices. Skills development is often not approached with rigour and integrity and is in many cases ad hoc and sporadic. Provinces particularly, need to improve in this area.

Performance indicator: filling of vacant posts and Compliance with the Skills Development Act

The eighth Constitutional principle states that “good human resource management and career development practices, to maximize human potential, must be cultivated”. Two indicators are used to analyse compliance with this principle: whether vacant posts are filled in a timely manner and implementation of the Skills Development Act.

A. For the first indicator, the system assesses whether:

1. A recruitment policy complying with good practice standards and spelling out a detailed procedure is in place.
2. Vacant posts are filled within a certain period.
3. There is a low vacancy rate unless recruitment has been frozen.
4. Regular management reporting on recruitment is done.

B. For the second indicator, the research focuses on whether:

1. A skills development plan, based on a thorough skills needs analysis, is in place.
2. Activities planned for are implemented.
3. The results achieved through skills development are monitored and recorded.

Overview of performance

Each department was scored on the abovementioned standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standard					Total out of 5	Average
	Recruitment		Skills Development				
	*1	*2	*3	*4	*5		
National Departments							
Arts & Culture	0,00	0,00	1,00	1,00	0,50	2,50	0,50
Foreign Affairs	1,00	0,00	0,00	1,00	0,50	2,50	0,50
Health	1,00	1,00	1,00	0,50	0,00	3,50	0,70
Minerals & Energy	0,00	1,00	1,00	1,00	0,50	3,50	0,70
National Treasury	1,00	0,00	1,00	1,00	0,00	3,00	0,60
Provincial & Local Gov	1,00	1,00	1,00	1,00	0,50	4,50	0,90
Provincial Departments							
Gauteng							
Health	1,00	0,00	1,00	0,00	0,00	2,00	0,40
KwaZulu-Natal							
Provincial Treasury	0,50	0,00	0,00	0,00	0,00	0,50	0,10
Limpopo							
Finance & Economic Development	1,00	0,00	0,00	0,50	0,50	2,00	0,40
Local Government & Housing	1,00	0,00	1,00	1,00	0,50	3,50	0,70
Mpumalanga							
Finance & Economic Affairs	1,00	0,00	1,00	1,00	0,00	3,00	0,60
Health & Social Services	1,00	0,00	0,00	0,00	0,50	1,50	0,30
North West							
Finance	1,00	0,00	0,50	1,00	0,00	2,50	0,50
Health	1,00	0,00	0,00	1,00	1,00	3,00	0,60
Total	11,50	3,00	8,50	10,00	4,50	37,50	2,67
Average	0.82	0.21	0.61	0.71	0.32	2.67	

*** LEGEND**

A. RECRUITMENT

1. A recruitment policy complying with good practice standards and spelling out a detailed procedure is in place.
2. Vacant posts are filled within an acceptable period.
3. Regular management reporting on recruitment is done.

B. SKILLS DEVELOPMENT

4. A skills development plan, based on a thorough skills needs analysis, is in place.
5. Skills development activities planned for are implemented and their impact on service delivery is assessed.

The Department of Arts and Culture has a draft policy on recruitment and selection that still needs to go through an internal consultation process. Its vacancy rate is high but it should also be noted that this is partly a consequence of its recent restructuring. Reporting on its vacancy situation is done monthly to the HR manager. There is a workplace skills development plan in place that was implemented as planned. However, the impact of training on service delivery was not assessed.

The national Department of Health has all the necessary policies on recruitment, selection and retention in place and the filling of posts is undertaken within an acceptable period. The workplace skills plan is still in a draft form and is only developed at a macro level. A comprehensive plan still needs to be developed.

The Department of Minerals and Energy has a draft document in place that must still be negotiated with labour unions. Regular management reporting on recruitment is done in the department while delays in filling posts are attributed to Resolution 7. A comprehensive workplace skills plan is in place and is based on a thorough skills needs analysis. Activities included in the plan were implemented in 2003/4.

The Department of Provincial and Local Government has a very detailed recruitment policy in place, regular reporting on recruitment is done, and a comprehensive workplace skills plan, based on a thorough needs analysis, is in place. Twelve of the fourteen skills development activities were implemented during the reporting period and impact studies on the skills development were also undertaken.

National Treasury has a concise draft policy on recruitment, selection and placement in place. The time taken to fill posts could be improved, with the process taking an average of around four and a half months. Regular management reporting on recruitment is done. A skills development plan is in place although reporting against it could be improved.

While the Department of Foreign Affairs has a policy in place it needs to improve its reporting in this area. It takes almost a year to fill posts, far longer than the acceptable length of time. A comprehensive skills development policy is in place and is based on a comprehensive needs analysis. Most skills development activities were implemented as planned although the impact on service delivery as a result of the skills development was not always assessed.

While the Limpopo Department of Finance and Economic Development has a recruitment policy and procedure in place, it takes an overly excessive period to fill vacant posts (several years in some instances). A workplace skills development plan is in place but it needs to be improved by moving beyond a group analysis to addressing individual training needs. Some activities were implemented as planned but the impact on service delivery as a result of the skills development was not assessed.

Limpopo Department of Local Government and Housing has a policy in place and it takes the department around five months to fill a position. A skills development plan is in place but it is not tailored to individual needs and focuses on occupational classes. Most activities listed in the plan were implemented but the impact on service delivery as a result of the skills development was not assessed.

The North West Department of Finance has recruitment and retention policies in place but authority still vests with the Head of the Department, making related processes lengthy and clumsy. Reporting on recruitment is done and while a skills development plan is in place it is not adequately detailed.

The North West Department of Health has a recruitment policy in place. The time taken to fill posts is excessive. A skills development plan is in place and was implemented but the impact was not assessed.

The Gauteng Department of Health has a comprehensive recruitment and selection policy in place and regular reporting on performance in this area is done. The time taken to fill vacant posts and skills development performance could not be assessed due to a lack of information.

Mpumalanga Department of Health's recruitment policy was still under development during the period under review. It takes up to five months to fill vacant posts, which is excessive. Reporting could not be assessed. A workplace skills plan was developed but without a skills audit and no specific training and development plans for previously disadvantaged groups. It also appears to be inadequately detailed. No training impact study was undertaken.

Mpumalanga Department of Finance and Economic Affairs has a draft policy and detailed procedures on Recruitment and Selection that is currently being negotiated with the unions. It takes up to five months to fill vacant posts, which can be considered excessive. A workplace skills plan, based on a skills needs analysis was approved but not yet implemented when this research was conducted in the Department.

KwaZulu Natal Provincial Treasury has a recruitment policy in place that covers most areas in this regard, but it however, still needs further development in certain areas, such as innovative recruitment. The time taken to fill vacant posts averages 27 weeks and no management reporting is done. It has no skills development plan and no skills audit has been undertaken.

Draft policies need to be properly adopted and additional areas such as assessment requirements and retention guidelines should generally be better incorporated.

There is a need to assess the impact of skills development on service delivery.

Strategies for improvement

Policy and procedure issues need to be addressed, particularly in provinces, while efforts should be made to reduce recruitment turnaround times.

The implementation of skills development strategies generally need improvement and appear to be in need of a systematic, widespread assessment and general upgrade.

Chapter

11

Representivity

Departments have performed impressively in meeting their racial targets, but are still struggling to achieve gender targets. Disabled people continue to be seriously under-represented and dedicated attention is needed in this area. Diversity management is not widely practiced, suggesting that appointees from designated groups often do not get the support they require to perform effectively.

Performance indicator: implementation of an employment equity programme

The ninth Constitutional principle states that “public administration must be broadly representative of SA people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation”.

The PSC focuses on the representivity component of this principle and assesses whether departments are representative of the South African people and diversity management measures are implemented.

This entails looking at whether:

1. Employment equity policies and plans are in place and reported upon.
2. Representivity targets are met.
3. Diversity management measures are implemented.

Overview of performance

Each department was scored on the abovementioned standards. The result is summarised in the table below followed by a more detailed discussion on the findings.

Department	Standards							Total out of 5	Average
	*1	*2	*3	*4	*5	*6	*7		
National Departments									
Arts & Culture	0,00	0,00	0,00	1,00	0,00	0,00	0,50	1,50	0,30
Foreign Affairs	0,50	1,00	0,00	0,00	0,50	0,00	0,00	2,00	0,40
Health	1,00	0,00	2,00	0,00	0,00	1,00	0,00	4,00	0,80
Minerals & Energy	1,00	1,00	0,00	0,00	0,50	1,00	0,00	3,50	0,70
National Treasury	0,00	0,00	0,00	0,00	0,00	0,00	0,50	0,50	0,10
Provincial & Local Gov	1,00	1,00	0,00	1,00	0,00	1,00	0,00	4,00	0,80
Provincial Departments									
Gauteng									
Health	0,00	0,00	0,00	0,00	0,00	0,00		0,00	0,00
KwaZulu-Natal									
Provincial Treasury	0,50	0,00	0,00	0,00	0,00	0,00	0,50	1,00	0,10
Limpopo									
Finance & Economic Development	1,00	0,00	0,00	0,00	0,50	0,00	0,50	2,00	0,40
Local Government & Housing	1,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00	0,40
Mpumalanga									
Finance & Economic Affairs	0,50	0,00	0,00	0,00	0,00	0,00	0,50	1,00	0,10
Health & Social Services	0,50	0,00	0,00	0,00	0,50	0,00	0,50	1,50	0,30
North West									
Finance	1,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00	0,20
Health	1,00	0,00	0,00	0,00	0,00	0,00	0,50	1,50	0,30
Total	9,00	3,00	2,00	2,00	2,00	3,00	3,50	24,50	1,75
Average	0.64	0.22	0.14	0.14	0.14	0.22	0.25	1.75	

*** LEGEND**

1. An employment equity plan has been formally adopted.
2. Implementation of the plan is reported upon.
3. In 80%+ of the cases the targets have been met.
4. In 60% to 80% of the cases the targets have been met.
5. In 10% to 60% of the cases the targets have been met.
6. Comprehensive diversity measures are implemented.
7. Some diversity measures are implemented.

Although the Department of Arts and Culture has submitted an Equity Plan to the Department of Labour, during the period under review it had not been finalized and agreement on targets had not been reached. The reports submitted to the Department of Labour identified a number of barriers to employment equity but these barriers are not being systematically addressed. Because Departmental targets have not been agreed upon, progress cannot be assessed but national targets have been partly met. Training in diversity management was not provided to managers in diversity management and further work is needed in the area.

The National Department of Health has formally adopted and submitted an Equity Plan. Although regular reporting against the plan is not undertaken, racial and gender targets have mostly been met. Diversity measures are implemented in the Department while a tool to assist affirmed employees is due to be implemented.

The Department of Minerals and Energy has an Equity Policy and Plan in place against which it reports regularly. It has set numeric targets but despite progress these have not yet been achieved. The Department implemented comprehensive diversity measures, including the provision of support to new appointees such as mentors, guidelines and manuals.

The Department of Provincial and Local Government has an Equity Plan in place. Regular reporting is undertaken. Numeric targets have been set and while progress has been made these have not yet been achieved. A number of comprehensive diversity measures have been implemented.

The Department of Foreign Affairs has developed a plan but it is not clear that this has been formally adopted. The Department provides frequent reports on progress and progress has been made in achieving some of the numeric targets, especially with regard to women in senior management positions. Diversity measures are still to be developed.

National Treasury has not yet formally adopted an Equity Plan. The required annual report on National Treasury's progress regarding employment equity is submitted to the Department of Labour. Numeric targets have not been set and nationally defined targets have not been met. Diversity management measures have not been implemented.

Limpopo Department of Finance and Economic Development has formally adopted an Equity Policy and Plan and has established an Employment Equity Forum that oversees implementation of the Plan. Reports are submitted to the Department of Labour but it is not clear that they are also submitted internally. The Department is not performing well in meeting its equity targets, especially with regard to gender. A policy on diversity management is being developed.

Limpopo Department of Local Government and Housing has an Equity Plan in place and reports regularly to the Department of Labour and the Office of Premier, but it is not clear that these reports are received. Progress in achieving targets could not be conclusively determined.

The North West Department of Health has a draft Equity Plan in place with little evidence of internal reporting on progress. Although it has made some progress, it still has far to go to achieve employment equity. Sustained efforts are being made to address diversity management issues.

North West Department of Finance has an Equity Plan in place on which it consulted widely. Insufficient reporting on progress is done and it has not yet achieved its numeric targets. Diversity management has not been adequately addressed.

Mpumalanga Department of Health did not have an Equity Plan in place during the period under review, although one is being developed. While reports are submitted to the Department of Labour, these are not considered internally. Progress in achieving numeric targets could not be assessed.

The Mpumalanga Department of Finance and Economic Affairs final draft Human Resource Plan, which includes the Equity Policy and Plan, was in the process of being formally adopted at the time when this research was undertaken. Although the Department indicated that it reported as required to the Department of Labour, internal reporting in this area could be improved. The Department has not made good progress in achieving numeric representivity targets.

The Gauteng Department of Health has a draft Equity Plan in place that still needs to be finalized. Progress in achieving numeric targets could not be assessed.

KwaZulu-Natal Provincial Treasury has a draft Employment Equity policy and internal reporting on the matter is not done. While numeric targets have been set, these have not been achieved. While some diversity management measures have been implemented this area requires further attention.

Strategies for improvement

Draft policies need to be finalized and formally adopted while internal reporting needs to be better done and responded to.

Attracting and retaining disabled people remains a challenge for public service departments, suggesting that this area needs dedicated attention.

Public service departments should prioritise recruiting and retaining women into senior managerial levels.

The whole area of diversity management is relatively underdeveloped and needs further attention.

Chapter

12

Conclusions

The research undertaken, shows that the public service is a complex and diverse network of institutions facing a range of daunting challenges. National departments generally perform better than provincial ones, in terms of the Constitutional values of public administration. Support to provinces remains a priority.

General conclusions

It is essential that the findings and recommendations from the research are accepted and valued by the departments being monitored. This remains a major area of concern: government departments are complicated institutions and it is difficult to access the right decision makers to get research findings considered and accepted and the related recommendations implemented.

The experience of the project so far is varied with the second round of research generating a similar set of responses to the first: some departmental leaders have proved to be hostile to being monitored and responded somewhat defensively to the reports generated by the process, particularly where they have been of a critical nature. Others have been supportive and helpful and have received research findings with interest and enthusiasm. Where senior managers have been supportive the process has been more successful and effective.

The quality of research is also directly affected by the access provided to PSC researchers: reports are of a better quality where access was made easy, while reports are less accurate and comprehensive in instances where it was difficult to gain access.

National departments

The South African Government has over the past ten years recognised the challenges arising from having to transform the state into a developmental one while simultaneously trying to deliver services in a way that will redress the legacy of past social imbalances. One of the tenets underpinning our democracy as a Constitutional requirement is that sound public administration is a pre-condition for good governance and effective service delivery. Research that encourages and promotes sound public administration, should also seek to assist departments in attending to weak areas of public administration.

The M&E System of the PSC shows once again that the public service is a complex and diverse network of institutions facing huge developmental and governance challenges.

Similar to the finding of the first round of research, national departments appear to be performing better than their provincial counterparts, with closer compliance to prescribed standards and procedures. From the batch of national departments researched the following conclusions can be made.

- Consistent with the findings of the previous round of research, national departments appear to be handling their cases of misconduct generally better than provincial departments. However, across the board, departments should put greater effort in finalising misconduct cases quicker than is currently the practice.
- Although problems with expenditure have been reduced significantly, under-expenditure, slightly above the acceptable level of 2%, continues to plague some national departments. There are also challenges in articulating performance indicators that are clear and measurable.
- Most national departments researched had poverty reduction programmes with significant progress in some of the projects noted. Other departments such as the National Treasury and Foreign Affairs do not directly implement poverty relief projects.

- In general, compliance with the Promotion of Administrative Justice Act is of great concern. In most instances there are low levels of awareness of the Act few efforts to ensure compliance with the Act. This suggests a widespread need for training and increased awareness of the Act and its requirements.
- All departments have sought to ensure public participation in policy making and in departmental programmes and projects at some level. Departments have been creative in devising many ways in which stakeholders are encouraged to contribute and participate in policy making with the national Departments of Health and Provincial and Local Government having many examples to show. The problem identified, though, is that most national departments do not have written policies, procedures or manuals that provide the necessary guidance on ensuring effective public participation. It is suggested that this is an area that needs attention.
- Concerted efforts to become more accountable have been made at the national level. However, in some instances, greater attention needs to be paid to the weaknesses in internal controls identified by the Auditor-General.
- Although there is very close compliance to the Treasury-prescribed standards with regard to the content of the annual report, there are weaknesses in reporting about performance against predetermined objectives in some departments.
- National departments are once again taking the lead in ensuring that recruitment policies and procedures are mostly in place. The time taken to fill vacant posts is also mostly at acceptable levels with regular reporting to management undertaken in many instances.
- In the majority of departments, skills development plans, based on thorough needs analysis were in place and implemented. The impact of the training provided on service delivery is an area that requires more attention.
- Representivity is an area in which national departments have performed impressively with respect to race and gender, with the majority of departments having Employment Equity Plans. Departments have made good progress in meeting targets but are struggling to achieve gender and disability targets.

Provincial challenges

Provincial departments face a different set of service delivery challenges than that of national departments: by virtue of being closer to service delivery points, there is greater pressure on this sphere of government for effective implementation of programmes and projects. By implication, this gives rise to the need for a skills-set that is much more related to strong programme, project, human and financial management. It is in these areas that sustained support and strengthening will be required.

Provincial departments tend to be large with huge budgets and the research confirms that they are often in need of support and development in both their management and delivery of core services. Challenges facing provincial departments include the following:

- Greater efforts must be made to make the handling of misconduct cases more efficient. The time taken to handle cases of misconduct needs to be reviewed so that matters can be expedited. Training strategies on misconduct for managers and other levels of staff must be considered and implemented. A check on delegations must be made to ensure that these are fully in place with the requisite responsibilities captured in key documents such as performance agreements and procedural guidelines.
- Of the provincial departments researched, under-expenditure was a significant feature with most of them with one department under-spending by 26%. This is an area obviously needing urgent attention.
- With the exception of the provincial Treasuries and North West Department of Health, all provincial departments were implementing poverty reduction projects with mixed success. Greater attention needs to be focused on ensuring that project management standards are in place and maintained; that procedural guidelines and manuals are developed and training provided thereon; that ways of ensuring greater beneficiary participation are constantly sought in project design and implementation; and, that information management systems are developed.
- Compliance with the Promotion of Administrative Justice Act is just as unsatisfactory as that of national departments and strategies to address this shortcoming will need to be developed.
- A similar conclusion can be made for provincial departments as that of national departments regarding public participation in policy making. Notwithstanding the conclusion, it can once again be stated that performance in this area seems to have improved in practice even though formal, written policies still need to be adopted.
- Fraud prevention plans, risk assessments and capacity to investigate fraud are areas that need further strengthening in many of the provincial departments researched.
- There is a distinct improvement in the quality of annual reports thereby allowing for greater transparency in assessing a department's performance. Having said this, though, provincial departments in particular, need to pay particular attention to the formulation of departmental objectives and targets to ensure that they are measurable in terms of quantity, quality and time dimensions. This is a serious weakness.
- Provincial departments are noticeably behind national departments in ensuring good human resource management practices in the areas of recruitment and skills development. The time taken to fill vacancies requires vast improvement.
- Provincial departments will need to ensure that their draft Employment Equity policies and plans are formally adopted and implemented. Diversity management requires attention.

Recommendations

The sections below capture the main recommendations for each of the nine Constitutional values and principles.

- It remains important for departments to develop links to the National Anti-Corruption Strategy and its various components. In addition, to further strengthen operations in this area, departments should ensure that the necessary ethics/misconduct-related policies, processes and procedures are clearly captured in manuals and guidelines and, that these are effectively implemented.
- Part of the solution to reducing under-expenditure is for departments that are experiencing this problem, to begin to articulate their work properly. Departments should define their indicators so that they are clearly understood and measurable. Where officials need support and training in undertaking these tasks, these should be provided.
- Sustained poverty reduction is the ultimate goal of the State. Vast resources are being directed at bridging the gap between the first and second economies. However, whilst most departments implement poverty reduction projects, attention must be directed at the outcomes and intended impact of such projects. This is important to ensure results and effectiveness, well managed and implemented in accordance with best development management practice. Also, greater efforts must be made to integrate these projects better with local processes.
- Given the low level of compliance with the Promotion of Administrative Justice Act in both national and provincial departments, focused efforts to ensure greater compliance are urgently required. The Department of Justice and Constitutional Development should closely monitor compliance with the Act and that departmental heads address this issue by, amongst others, including it in performance agreements and assessments.
- An initiative to develop formal written policies, procedures and manuals on public participation in policy and programmes is recommended. Given its functional responsibility, it may be appropriate for the Department of Public Service and Administration to take the lead in such a process.
- Efforts to build provincial accountability structures and systems must be intensified and tackled in a systematic and sustained fashion. Internal audit functions require strengthening; fraud prevention plans must be tightened to reflect the needs of the departments; and, financial capacity building programmes must be accelerated.
- The quality of annual reports has improved across the public service. However, the need to formulate objectives and targets to ensure that they are measurable in terms of quantity, quality and time remains a challenge for some departments and is an area that requires attention.

- Provinces must work toward ensuring that the necessary human resource policies and procedures are fully in place. Mapping out of recruitment processes is urgently required in many instances as the time to fill vacant posts is quite excessive. This exercise will assist in identifying the blockages in the recruitment process and also the corrective action required. A strategy to enhance information management systems and reporting is generally required.
- Most provincial departments require support in the area of skills development. In many instances while skills development plans were in place, these were not based on a thorough skills needs analysis which brings into question the legitimacy and integrity of the plans.
- All departments need to reflect carefully on the targets set by Cabinet and make the necessary adjustments where gaps still exist. Departments have found it particularly difficult to attract disabled people as well as appoint women to senior management positions. This is an area that requires honest deliberation at the political and official levels.

**Using
research
findings in a
constructive
and positive
way**

Citizen satisfaction surveys undertaken by the PSC have found that citizens want state institutions that are efficient in the use of public resources and effective in delivering public goods. The primary objective of the PSC's M&E System is to make a contribution to improved government and service delivery in South Africa. In the way that it is designed and applied, problems are identified, priority areas are communicated, good practice is noted and departments are given an opportunity to reflect on their own performance and take corrective action where required.

For the system to be effective and to have the necessary impact it is incumbent upon departments to use the research findings and recommendations, or to adopt alternative strategies.

It is also important to revisit the departments already included in the research so that an indication can be obtained on whether the departments did in fact use the research findings. Part of the strategy of implementation does include conducting another round of research with the same departments as baseline information will have already been obtained. In this way, patterns and trends will be identified over time.