

**Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation**

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**REPORT ON BUDGET VOTE 10: DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

**1. BACKGROUND**

The Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of Public Service and Administration, National School of Government, Centre for Public Service Innovation and Public Service Commission which were tabled by the Minister in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

**2. INTRODUCTION**

The Public Finance Management Act, section 27 clearly stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, section 10 (1) (c) clearly stipulate that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and report.

In line with its constitutional oversight mandate over the executive, the Portfolio Committee considered presentations on the Strategic Plans, Annual Performance Plans and budget allocations of the Department of Public Service and Administration (DPSA) for Budget Vote 10 which comprises of the following institutions: National School of Government (NSG), Public Service Commission (PSC), and Centre for Public Service Innovation (CPSI). The Public Sector Educational Training Authority (PSETA) is still receiving its budget through budget vote of the department. However in terms of the reporting the entity report to the Department of Higher Education. The Department is a conduit of the budget.

**2. OVERVIEW OF THE DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION**

The Department of Public Service and Administration is expected to implement and coordinate interventions aimed at achieving an efficient, effective and development oriented public service which is an essential element of a capable and developmental state as envisioned in the National Development Plan (NDP) 2030. The Constitution of the Republic of South Africa envisages a Public Service that is professional, accountable and development-oriented.

The NDP identifies specific steps that need to be taken to promote the values and principles of public administration enshrined in the Constitution. Furthermore the NDP highlights the need for well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivery consistently high-quality services, while prioritising the nation's development objectives.

Unevenness in capacity that leads to uneven performance in the Public Service is also acknowledged in the NDP. This is caused by a complex set of factors, including tensions in the political-administrative interface, instability of administrative leadership, skills deficits, insufficient attention to the role of the State in reproducing the skills it needs, the erosion of accountability and authority, poor organisational design and low staff morale. Steps are needed to strengthen skills, enhance morale, clarify lines of accountability and build an ethos of public service. These steps are guided by the need for long-term policy stability as well as awareness of potentially adverse effects of over-regulation.

The main objective of the Department is to put in place the mechanism and structure that can support departments in developing their capacity and professional ethos. The Public Administration Management Act (PAMA) has been signed into law and as result the objective of establishing a uniform system of public administration will ensure that common norms and standards are achieved at all government levels. This effectively places DPSA at the centre of ensuring that all operating platforms and units to drive a compliant ethical public service guided by standards and norms.

### **3. LEGISLATIVE MANDATE**

The Department is mandated by Section 195(l) of the Constitution which sets out basic values and principles that the Public Service should adhere to and the Public Service Act (PSA) of 1994, as amended. In terms of the PSA, the Minister for the Public Service and Administration is responsible for establishing norms and standards relating to:

- ❖ The functions of the public service;
- ❖ Organisational structures and establishment of departments and other organisational and governance arrangements in the public service;
- ❖ Labour relations, conditions of service and other employment practices for employees;
- ❖ The Health and wellness of employees;
- ❖ Information management;
- ❖ Electronic government in the public service;
- ❖ Integrity, ethics, conduct and anti-corruption; and
- ❖ Transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.

### **4. STRATEGIC GOALS OF THE DEPARTMENT**

The key strategic priorities of the Vote are explained below:

#### **4.1 Building an efficient and effective Public Service**

The Department envisages to eliminate areas of duplication, weaknesses and wastage within the public service through appropriate interventions which will include: ensuring that the organisational structures of departments are rationalised and aligned to their mandates, improving the effective management of discipline and improving the implementation of resolutions signed with labour through the Public Service Coordinating Bargaining Chamber (PSCBC) collective agreements. Interventions that promote and support the health, wellness and positive morale of public servants are implemented and meaningful platforms are created and institutionalised to enable citizens to partake in and influence government's policies with regard to how public services are delivered to them.

#### **4.2 Building a capable, equitable and professional Public Service**

This strategy is in line with the National Development Plan (NDP) in that a capable state, which is well run and effectively coordinated among different government institutions, will operate with the integrity and effectiveness this strategy envisages. The Department plans to introduce measures to professionalise the public service, which will include, amongst others, compulsory training programmes and the review and enhancement of appointment procedures for senior managers. The issue that the Department needs to revisit is the affirmation of people with disabilities.

The public service has made tremendous inroads concerning the affirmation of women in senior management. However, the public service has not reached 50% gender representivity. As of now, the gender representivity stands at 40.4% regarding women in senior management. This is against the staff complement of 1.3 million employees distributed as 57.6% female and 42.4% male. Female employees are 15.2% as many and 9.6% less represented at senior management compared to male employees.

#### **4.3 Introducing appropriate legislative frameworks for the Public Service and Administration**

The Department plans to set up an enabling environment for effective public administration to be strengthened by reviewing existing legislation and introducing new legislative frameworks for public service and administration. To this effect, the Public Administration Management Bill was introduced to Parliament for processing, which had been finally assented to by the President in the form of the Public Administration Management Act 11 of 2014. Among other things, the Act has introduced the transformation of PALAMA into a National School of Government.

#### **4.4 Inculcating an ethical ethos and achieving a clean Public Service and Administration**

The Department is committed to promoting a corruption-free public administration through the implementation of practical interventions to prevent, detect and combat corruption. The Department envisage to promote and reinforce the ethical behaviour of public servants through improving compliance to public administration prescripts and regulations. To this effect, the Public Administration Management Bill was introduced to Parliament for processing, which had been finally assented to by the President in the form of the Public Administration Management Act 11 of 2014.

Among other things, the Act has introduced measures to prevent public servants from doing business with the State, for which any civil servant found to be in breach will face a charge of misconduct with either a fine imposed or termination of service being instituted.

#### **4.5 Improved public administration in Africa and internationally**

The Department plans to contribute towards improved public service and administration in Africa and internationally through entering into mutually beneficial partnerships, dialogue and domestication of best practices. To this effect, the Ministry signed and ratified the Africa Public Service Charter on behalf of State and Government early in 2014. Values guiding the Service Charter are transparency and accountability, and good human resources management.

### **5. STRATEGIC PRIORITIES 2015/2020**

The priorities for the Department of Public Service and Administration over the medium term period are informed by the National Development Plan objectives which are therefore translated into the Medium Term Strategic Framework (MTSF) 2015-2020. The Department highlighted the following priorities to the Portfolio Committee:

- **A stable political-administrative interface**

Promote stability of leadership in the top levels of bureaucracy which is central to building a capable and developmental state by introducing clear delegations, effectively managing the political-administrative interface, improving public confidence in the process and quality of appointments.

- **A public service that is career of choice**

Promote the public service as a career of choice by adopting a more long term approach to developing the skills and professional ethos that underpin a development oriented public service, recruiting young professional into the public service, ensuring that the work environment is conducive for learning to take place on the job and by adhering to the Constitutional principles that guide personnel practices.

- **Efficient and effective management and operations systems**

Improve management and operations systems to challenges frontline staff face in delivering quality services to citizens by clarifying responsibilities, introducing efficient and effective work processes, including IT systems that are tailored to specific areas of service delivery and by delegating greater authority to resolve day to day problems.

- **Increased responsiveness of public servants and accountability to citizens**

Improve accountability as set out in the Batho Pele Principles and the Public Service Charter by strengthening accountability to citizens, particularly at the point of delivery, increasing the responsiveness of public servants to the views and concern raised by citizens and other service user

and by developing the capacity to monitor the quality of service provision and effecting the required improvements.

- **Improved mechanisms to promote ethical behaviour in the public**

Improve confidence in the integrity of the public service through strengthening the fight against corruption by effecting amendments to the relevant codes of legislation in order to limit the scope for conflicts of interest, preventing public servants from doing business with the state and by building the capacity of departments to investigate issues relating to ethics, integrity and discipline cases where there is a possible or actual conflict of interest.

## 6. BUDGET ANALYSIS

The overall budget allocation for the Department of Public Service and Administration's is **R930.9 million** for 2015/16, compared to R875.2 for 2014/15 financial year which is an increase of 6.38 per cent in nominal terms. However, in real terms the total budget allocation for the Department increased by 1.50 per cent between 2014/15 and 2015/16. The Department aligned its mandate to broader objectives of the National Development Plan The budget vote of the Department of Public Service and Administration is divided into six funded programmes that seek to achieve its mandate.

**Table 1: Programmes and budget allocation**

| Programme   | Budget    |              |              |              | Nominal Rand change | Real Rand change | Nominal % change | Real % change |             |
|---|-----------|--------------|--------------|--------------|---------------------|------------------|------------------|---------------|-------------|
|   | R million | 2014/15      | 2015/16      | 2016/17      | 2017/18             | 2014/15-2015/16  | 2014/15-2015/16  |               |             |
| <b>Administration</b>                                 |           | 222.6        | 219.7        | 230.5        | 245.7               | - 2.9            | - 13.0           | -1.30         | -5.82       |
| <b>Policy Development, Research and Analysis</b>      |           | 33.2         | 37.5         | 40.8         | 43.1                | 4.3              | 2.6              | 12.95         | 7.78        |
| <b>Labour Relations and Human Resource Management</b> |           | 82.8         | 68.6         | 68.6         | 69.3                | - 14.2           | - 17.3           | -17.15        | -20.94      |
| <b>Government Chief Information Officer</b>           |           | 25.3         | 21.5         | 23.9         | 25.1                | - 3.8            | - 4.8            | -15.02        | -18.91      |
| <b>Service Delivery Support</b>                       |           | 241.8        | 314.6        | 330.5        | 350.7               | 72.8             | 58.4             | 30.11 t       | 24.15       |
| <b>Governance of Public Administration</b>            |           | 269.4        | 269.0        | 284.1        | 306.4               | - 0.4            | - 12.7           | -0.15         | -4.72       |
| <b>TOTAL</b>  |           | <b>875.2</b> | <b>930.9</b> | <b>978.4</b> | <b>1040.3</b>       | <b>55.8</b>      | <b>13.2</b>      | <b>6.38</b>   | <b>1.50</b> |

Source: National Treasury (2015)

## **7. PROGRAMME PERFORMANCE**

### **7.1 Programme 1: Administration**

The purpose of the Administration Programme (Programme 1) is to provide strategic leadership, management and support services to the Department, and coordinate the Department's international relations. The purpose of the programme is to provide policy, coordinated strategic and overall administrative support services to enable the Ministry and the Department to deliver on mandates. The budget for Programme 1 decreased from R222.6 million in 2014/15 to **R219.7 million** in 2015/16. This represents a -5.82 per cent increase in real terms in the budget allocation between 2014/15 and 2015/16. Over the medium term, the budget allocation for Programme 1 increases to R230.5 million in 2016/17 and R245.7 million in 2017/18.

The decline in the 2015/16 budget was a result of finalised ministerial communication projects which were aimed at branding and promoting the Department's work over the medium term. The programme takes 23.6 per cent of the overall budget. In addition the department will in this financial year finalise revisions of the Public Service Regulations and development of the first draft of Public Administration Management Regulations for consultation.

### **7.2. Programme 2: Policy Development, Research and Analysis**

The main purpose of this programme is to manage and oversee the formulation, development and review of policies, policy reform and transformation programmes. It also manages research on and analysis of public service capacity, performance and reform by conducting productivity, accessibility and continuity studies tracking trends in best practice in public administration discourse in order to enhance access to public services through feasibility and continuity studies.

In 2014/15 the budget allocation for Programme 2 was R33.2 million and in 2015/16 the allocation is **R37.5 million**. In real terms the budget allocation of Programme 2 increases by 7.78 per cent between 2014/15 and 2015/16. Allocation to this programme takes 4.02 per cent of the overall budget. The bulk of the Programme's budget (R6.1 million) is allocated to the management. Policy Development, Research and Analysis sub-programme, which is responsible for the administrative support and management of the programme.

The budget allocation for the Transformation Policies and Programmes sub-programme has increased from R4.8 million in 2014/15 to R6.0 million in 2015/16. This is the second largest allocation to a sub-programme of Policy Development, Research and Analysis. Spending in this programme is expected to increase over the medium term to R6.8 million. The Department will analyse implications for the implementation of provisions of Public Administration Management Act and make recommendations to the Minister. Moreover the department will finalise the research report and

feasibility study on the appropriate governance model for the coordination of the Thusong Service Centre programme and further undertake consultations with relevant departments. The Department will complete the Accessibility Study of Thusong centres with Thusong Cluster Departments in eight provinces in this current financial year.

The draft Productivity Management and Measurement Framework has being piloted in the Education and Health sectors. The Department has committed itself to monitor the implementation of the Policy on the Provisioning of Reasonable Accommodation and Assistive Devices in the public service.

### **7.3 Programme 3: Labour Relations and Human Resource Management**

The purpose of this programme is to develop, implement and monitor human resources policies and functions by managing labour relations negotiations, employee relations, discipline and work environment management. Furthermore the programme is aimed in designing remuneration and job grading policy frameworks as well as support the implementation of human resource development and planning strategies, systems and practices.

The budget allocated for the programme is **R68.6 million** for the 2015/16 financial year which accounts for 5.54 per cent of the total budget. Between 2014/15 and 2015/16, the budget allocation for Programme 3 decreased by -20.94 per cent in real terms. The Department has committed to monitor and report on the vacancy rate and time to fill posts in accordance with the Public Service Act appointments. The Department will produce monitoring report on the vacancy rate to the Ministry of Public Service and Administration bi-annually. In this financial year, the department will develop and consult on a proposed Model for the Graduate Scheme which is in line with the objective of National Development Plan. The NDP clearly stipulate that South Africa needs a strategy for recruiting dedicated young people, developing their skills and building an ethos of public service.

In view of the above, the Department will support departments to appoint youths into learnership, internship and artisan programmes per annual and report on the number of their appointed. The Department is committing itself to monitor and report on the average days taken to resolve disciplinary cases for national and provincial departments. The department is anticipated to monitor and report on the development and establishment of the Government Employees Housing Scheme (GEHS). In addition the Department is committed to conclude the negotiations and reach agreement on salaries and conditions of service.

### **7.4 Programme 4: Government Chief Information Officer**

The purpose of this programme is to promote and manage the use of ICT as a strategic tool in the design and delivery of citizen-centred services within government by coordinating and consolidating Public Service Information Communication Technology policies, strategies, costs, risk assessments, as well as ICT Governance matters. The programme is introduced in order to develop, implement and monitor information communication technology (ICT) policies and norms and standards.

The budget allocated for the programme is **R21.5 million** for the 2015/16 financial year which accounts for 2.30 per cent of the total budget. The allocation for programme 4 decreased in 2015/16 by 15.02 per cent in nominal terms but in real terms it decreased by 18.91 per cent between 2014/15 and 2015/16. The budget will be spent on developing e-Enablement value propositions and security guidelines for 3 prioritised services in this financial year. The Department will convene Public Service Chief Information Officer's meetings to reflect and mitigate mechanisms to improve and sustain e-Enablement and technology obsolescence. Moreover the Department will develop draft policy guidelines to leverage government's Information and Communication Technology buying muscle and consulting on the guidelines for inputs.

### **7.5 Programme 5: Service Delivery Support**

The purpose of this programme is to manage and facilitate the improvement of service delivery in government by supporting and monitoring Operations Management and Service Delivery Planning. The programme has five sub-programme which is Operations Management, Service Delivery Support Programmes and Service Centres (Thusong), Complaints and Change Management (Batho Pele), Public Participation and Social Dialogue; and Community Development and Citizen Relations.

The budget allocation for the programme is **R314.6 million** which has increased from R241.86 million representing a nominal increase of R72.8 million or 30.11 per cent. In real terms, the budget allocation of Programme 5 increased by 24.15 per cent between 2014/15 and 2015/16. Programme 5 at 33.79 per cent share, represents the first largest share allocation of the total budget vote in 2015/16. It is commendable for government to allocate this much to service delivery support in order for the Department to give technical support and advice to national, provincial and local government institutions who had had service delivery challenges. This will serve as a preventative and remedial measure to service delivery challenges and protests.

One of the main priorities of the Department is provide technical support through workshop by prioritising departments in mapping of Business processes and development of Standard Operating procedures. The Department committed itself to recognise hard working public servants by hosting the National Batho Pele Excellent Awards. In addition the department is determined to provide support to departments on the submission rates, quality and progress on the implementation of the Service Delivery Improvement Plans in service delivery departments. Moreover, the Batho Pele toolkits will be revised and information guideline documents to be submitted for approval by the Minister of Public Service and Administration.

The Department is anticipating to conduct workshops to provide support to departments to communicate and monitor the Batho Pele Standards. The outcomes of the Batho Pele workshops to be used for monitoring purpose to implement the required improvements to service delivery. The Department will continue with the consultative forums on guidelines of the African Peer Review Mechanism's Second generation country review of South Africa.



## **7.6 Programme 6: Governance and Public Administration**

The purpose of this programme seeks to manage and oversee the development of policies, strategies and programmes on Public Service ethics, integrity and leadership. Furthermore the programme envisages to ensure intergovernmental relations and macro organization of the state which include organizational design, strategic planning framework as well as monitor government intervention programmes and Human Resource Information System. The programme has five sub-programme which are: Human Resource Management Information Systems, Public Service Leadership Management, Organisational Design and Macro Organising, Ethics and Integrity Management and International Relations and Government Intervention.

The budget allocated for the programme is **R269.0 million** in 2015/16 financial year. In comparing the budget allocated for the programme in 2014/15 financial year with 2015/16 financial year, there is a decrease of R4 million. In real terms the budget allocation decreased by -4.72 per cent between 2014/15 and 2015/16. Programme 6 accounts for the second largest allocation share, which is 28.89 per cent of the total budget vote in 2015/16. The largest transfer out of the allocated R269.0 million, which goes to the Public Service Commission (PSC) is R222.1 million. The second largest allocation is transferred to the Ethics and Integrity Management sub-programme which is R13.0 million.

The Department will in this financial year issue a directive on standardized delegation principles and templates to the departments. Further conduct workshops for selected provincial and national departments to support the implementation of the directive. A guideline for operational delegations to be developed in this current financial year in the public service. Subsequent to that the department will finalise the mentoring and peer support framework for senior managers. The Department will monitor implementation of the competency assessments practice for the senior managers. In addition the Department will monitor and produce report on the retention of HoDs in this financial year.

Chapter 3 of the Public Service Regulations will be revised which provides for the electronic submission of disclosure of financial interest. As part of giving effect to PAM Act, the department will conduct workshops on the implementation of the Revised Determination on Other Remunerative Work by departments to prohibit public servants from doing business with the State.

## **8 BUDGET TRANSFER TO DEPARTMENTAL ENTITIES AND PUBLIC SERVICE COMMISSION**

### **8.1 NATIONAL SCHOOL OF GOVERNMENT**

#### **8.1.1 POLICY PRIORITIES 2015/16**

The NSG's mandate is to enhance the capacity of all public servants at all levels to perform effectively and efficiently, develop and use assessment mechanisms to build confidence in the recruitment processes of the public service and develop training programmes that are specific to the needs of the public service with a view to addressing the skills shortages.

### 8.1.2 Budget analysis

The NSG's overall budget allocation for 2014/15 was R138.5 million, compared to **R139.5** million for 2015/16, which is a decrease of 0.72 per cent in nominal terms. However, in real terms the total budget allocation for the NSG decreased by -3.89 per cent between 2014/15 and 2015/16. The budget of the National School of Government is divided into two main divisions.

| Programme  | Budget       |              |              |              | Nominal Rand change | Real Rand change | Nominal % change | Real % change |
|--|--------------|--------------|--------------|--------------|---------------------|------------------|------------------|---------------|
|  | 2014/15      | 2015/16      | 2016/17      | 2017/18      |                     |                  |                  |               |
| R million  |              |              |              |              | 2014/15-2015/16     |                  | 2014/15-2015/16  |               |
| Administration                                     | 82.9         | 84.3         | 88.6         | 96.0         | 1.4                 | -2.5             | 1.69             | -2.97         |
| Public Sector Organisational and Staff Development | 55.6         | 55.2         | 57.8         | 60.5         | -0.4                | -2.9             | -0.72            | -5.27         |
| <b>TOTAL</b>                                       | <b>138.5</b> | <b>139.5</b> | <b>146.4</b> | <b>156.5</b> | <b>1.0</b>          | <b>-5.4</b>      | <b>0.72</b>      | <b>-3.89</b>  |

Source: National Treasury (2015)

### 8.1.3 PROGRAMMES

#### (a) Programme 1: Administration

The purpose of the Administration Programme (Programme 1) is to facilitate overall management of the School and to provide for the policy formulation and the management responsibilities of the Minister, the Principal, Deputy-Directors-general and other members of the NSG management. The budget for Programme 1 increased from R82.9 million in 2014/15 to **R84.3 million** in 2015/16. This represents a -2.97 per cent decrease in real terms in the budget allocation between 2014/15 and 2015/16. Over the medium term, the budget allocation for Programme 1 increases to R88.6 million in 2016/17 and R96.0 million in 2017/18. The programme takes 60.43 per cent of the overall budget.

#### (b) Programme 2: Public Sector Organisational and Staff Development

The Public Sector Organisational and Staff Development Programme (Programme 2) is responsible for facilitating transfer payments to the Training Trading Account for management development and training of public sector employees.

In 2014/15 the budget allocation for Programme 2 was R55.6 million and in 2015/16 the allocation is **R55.2 million**. In real terms the budget allocation of Programme 2 decreases by -5.27 per cent between 2014/15 and 2015/16 and in nominal terms the decrease is 0.72 per cent over the same period. Allocation to this programme takes 39.57 per cent of the overall budget.

The National Development Plan made greater emphasis on the importance of professionalising the public service. The NSG therefore plays a critical role in ensuring professionalization of the public service through providing the compulsory induction to all public servants and building capacity through learning and development interventions. The School awards formal certificates after completion of training as a way of encouraging and promoting a culture of learning in the public sector. The reports produced by the Public Service Commission and the Department of Planning, Monitoring and Evaluation are used in identifying training needs in the public sector. The School offers relevant training courses to address identified courses for the public sector.

## **8.2 CENTRE FOR PUBLIC SERVICE INNOVATION**

### **8.2.1 Policy Priorities for**

In terms of the Public Service Act of 1994 (as amended), the Centre for Public Service Innovation (CPSI) role is to unlock, entrench and nurture the culture of innovation within the public sector for improved performance and productivity. Therefore the Act position the CPSI to guide the process of unearthing and exploiting innovative, more efficient and effective solutions needed to ensure successful delivery on government priorities. The CPSI was established as a Section 21 Company.

### **8.2.2 Budget Allocation**

The budget allocation for the CPSI is **R29 003** million for 2015/16 financial year as compared to the previous year with R25 304. The budget would increase over medium term period. The Portfolio Committee noted that the National Treasury granted approval in terms of section 43 of the PFMA and Treasury Regulations section 6.3.1 (b), for the Department of Public Service and Administration to create a new transfer payment to the CPSI with effect from 1 April 2015. Due to that effect the CPSI will become an independently accountable entity receiving a transfer payment from through the DPISA at the same time adhering to the requirements set out in the PFMA.

### **8.2.3 PROGRAMMES**

#### **(a) Programme 1: Administration**

The programme provides strategic leadership, overall management of and support to the organisation. There are three sub-programmes under programme 1 which are Strategic Management, Corporate Resource Management and Office of the Chief Financial Officer. The budget allocated for programme 1 is **R14 012 million**. There was an increase of R2 371 million from 2014/15 allocated

amount to the current financial year. An additional amount of R15 462 million over the medium term was allocated for the establishment of a corporate services unit for the CPSI.

### **(b) Programme 2: Public Sector Innovation**

The programme drives service delivery innovation in public sector in line with government priorities. There are three sub-programmes under programme 2 which are Research and Development, Solution Support and Incubation, and Enabling Environment. The budget allocated for the programme is **R14 991 million** in the 2015/16 financial year as compared to R13 663 million of 2014/15 financial year. More funding of R7 897 million has been allocated under sub-programme Enabling Environment. The programme shows steady growth rate of 6.4% over the medium term. However the main cost drivers of this programme remains compensations of employees at an average rate of 60.1% of the total allocation of this programme.

## **8.3 PUBLIC SERVICE COMMISSION**

### **8.3.1 POLICY PRIORITIES FOR 2015/2020**

The PSC's mandate is to:

- Enhance labour relations in the public service through the timeous investigation of all properly referred grievances as and when cases are reported.
- Promote best practice in public service leadership and human resource management through quality research reports on an ongoing basis.
- Investigate and improve public administration practices by conducting audits and investigations into public administration practices and by making recommendations to departments on how to promote good governance and to issue directions regarding compliance with the Public Service Act (1994) annually.

#### **The key strategic priorities of the PSC are explored below**

##### **(i) Building an efficient, economic, effective and development-oriented public service**

The PSC's strategy is to build a people-centred, capable and ethical public service to ensure the optimal use of resources in order to deliver a service to the people of South Africa. This is possible only through the adherence to the Batho Pele principles.

##### **(ii) Ensuring an efficient, economic, effective and development-oriented public service**

The PSC ensures that the public service employs capable and professional employees that can improve the quality of service given to public service clients.

##### **(iii) Ensuring a strengthened institutional capacity**

The PSC envisaged to inculcate an independent, impartial and knowledge-based institution that would promote a development-oriented public service.

**(iv) Implementing labour relations and public administration practices that cultivate effectiveness and efficiency**

The PSC envisaged to build an institution that is impartial and responsive to grievances and complaints lodged in respect of the public service.

**8.3.2 Budget Analysis**

The PSC's overall budget allocation for 2014/15 was R226.1 million, compared to **R222.1 million** for 2015/16, which is a decrease of -1.77 per cent in nominal terms. However, in real terms the total budget allocation for the PSC decreased by -6.27 per cent between 2014/15 and 2015/16 financial years.

| Programme                           | Budget       |              |              |              | Nominal Rand change | Real Rand change | Nominal % change | Real % change |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------------|------------------|------------------|---------------|
|                                     | R million    | 2014/15      | 2015/16      | 2016/17      | 2017/18             | 2014/15-2015/16  | 2014/15-2015/16  |               |
| Administration                      | 104.2        | 100.2        | 107.3        | 120.4        | - 4.0               | - 8.6            | -3.84            | - 8.24        |
| Leadership and Management Practices | 37.1         | 38.6         | 40.4         | 42.3         | 1.5                 | - 0.3            | 4.04             | - 0.72        |
| Monitoring and Evaluation           | 36.8         | 37.0         | 38.6         | 40.4         | 0.2                 | - 1.5            | 0.54             | - 4.06        |
| Integrity and Anti-Corruption       | 48.0         | 46.3         | 48.0         | 50.3         | - 1.7               | - 3.8            | - 3.54           | -7.96         |
| <b>TOTAL</b>                        | <b>226.1</b> | <b>222.1</b> | <b>234.3</b> | <b>253.4</b> | <b>- 4.0</b>        | <b>- 14.2</b>    | <b>- 1.77</b>    | <b>- 6.27</b> |

Source: National Treasury (2015)

**8.3.3 Programmes**

**(a) Programme 1: Administration**

The purpose of the Administration Programme (Programme 1) is to provide overall management of the Commission and centralised support services. The budget for Programme 1 decreased from R104.2 million in 2014/15 to **R100.2 million** in 2015/16. This represents a -4.0 per cent decrease in real terms in the budget allocation between 2014/15 and 2015/16. Over the medium term, the budget allocation for Programme 1 increases to R107.3 million in 2016/17 and R120.4 million in 2017/18. The programme takes 45.11 per cent of the overall budget.

**(b) Programme 2: Leadership and Management Practices Programme**

The Leadership and Management Practices Programme (Programme 2) is responsible for promoting sound public service leadership, human resource management, labour relations and labour practices.

In 2014/15 the budget allocation for Programme 2 was R37.1 million and in 2015/16 the allocation is R38.6 million. In real terms the budget allocation of Programme 2 decreases by -0.72 per cent between 2014/15 and 2015/16 and in nominal terms the increase is 4.4 per cent over the same period. Allocation to this programme takes 17.38 per cent of the overall budget.

### **(c) Programme 3: Monitoring and Evaluation**

Programme 3: Monitoring and Evaluation establishes a high standard of service delivery, monitoring and good governance in the public service. Programme 3 accounts for 16.65 per cent share (R37.0 million) of the total budget vote in 2015/16. Between 2014/15 and 2015/16, the budget allocation for Programme 3 decreased by -4.06 per cent in real terms and increased by 0.54 per cent in nominal terms.

### **(d) Programme 4: Integrity and Anti-Corruption**

The Integrity and Anti-Corruption Programme (Programme 4) undertakes public administration investigations, promotes high standard of professional ethical conduct among public servants and contributes towards prevention and combating of corruption. The budget allocation for Programme 4 accounts for 20.84 per cent share or R46.3 million of the total budget vote in 2015/16. In 2015/16, the allocation for Programme 4 decreased by -3.54 per cent in nominal terms, but in real terms, it decreased by -7.96 per cent between 2014/15 and 2015/16.

## **9 FINDINGS**

The Committee identified the following matters in relation to the Budget Vote 10:

### **9.1 Department of Public Service and Administration**

9.1.1 The Portfolio Committee commended the Department of Public Service and Administration on the progress made in implementing and coordinating interventions aimed at achieving an efficient, effective and development oriented public service. The Public Administration Management Act is one of the major milestones achieved by the Department.

- 9.1.2 The Portfolio Committee further caution the Department about the use of the consultants which are taking scarce resources and indicated that there must be a ceiling of money on consultants. In curbing the usage of consultants, the Portfolio Committee emphasised the importance of appointing competent officials who are committed to serve the public service.
- 9.1.3 The Portfolio Committee expressed that the enactment of the Public Administration Management Act gives provision for any government departments to apply clause 6 of the Act on secondments to second a skilled personnel to another department if there is lack of skills. This would serve as a way of minimising cost on consultants.
- 9.1.4 The Portfolio Committee was concerned about the prevalent of people who are appointed in the public service without formal qualifications. The public service is confronted with challenges of screening and vetting officials before entering the system in order to expose the unscrupulous officials who don't have formal qualifications.
- 9.1.5 The Portfolio Committee was pleased with new sound policies introduced by the Department in building a capable and developmental state. The Department was encouraged to continue to create innovate policies to improve quality of the services in the public service.
- 9.1.6 The Portfolio Committee enquired about the provision of the bursaries in the department for poor matriculates aspiring to study courses of importance to the public service. The Committee highlighted that the bursary must benefit the youth who are keen to further their studies. The Department need to establish bursary scheme to assist other government departments who have such social responsibility.
- 9.1.7 The Portfolio Committee commended government in allocating sufficient funding to Service Delivery Support Programme in order for the Department to give technical support and advice to national, provincial and local government institutions who had had service delivery challenges. This will serve as a preventative and remedial measure to service delivery challenges and protests.
- 9.1.8 The Portfolio Committee was concerned about officials being suspended for more than three months without any resolution that cost the public service a lot of money. However, the Committee was impressed with the new measures introduced in tackling disciplinary cases to a more efficient way in resolving them timeously.
- 9.1.9 The Portfolio Committee welcomed the policy framework of prohibiting the public servants from doing business with government. Timeframes on the implementation of the Act are crucial to ensure that the government is committed to good governance.
- 9.1.10 The Portfolio Committee emphasised the role of the Department to intensify support for the frontline public servants by living up to the slogan "*We Belong, We Value and We Care*".

## **9.2 National School of Government**

- 9.2.1 The Portfolio Committee was pleased with National School of Government in implementing the recommendations made during the Budgetary Review Recommendation Report.

- 9.2.2 The Portfolio Committee enquired about the unfilled vacancies in the School that might affect the functioning of the institution. The School was determined to advertise all the vacant post before end of May 2015.
- 9.2.3 The Portfolio Committee was concerned about the School having projections of trainees' attendance yet they don't have control of departments subjecting officials for Compulsory Induction programme. The School need to produce students who able to assist government in delivery quality services.
- 9.2.4 The Portfolio Committee was interested to understand the new model of recovering training debt within 60 days as compared to previously 90 days. The School need to assess value for money on training imparted to students.
- 9.2.5 The Portfolio Committee highlighted the importance of the School playing critical role in professionalising the public service as envisioned in the National development Plan. Induction training should encompasses customer care as it is alleged that officials don't treat members of the public with dignity. The School need to make its courses relevant in assisting government to address current challenges confronted by the citizens. The School mentioned that "Wamkelekile" induction programme was phased out and new programme will be introduced.
- 9.2.6 The Portfolio Committee encourage the School to work with the Public Service Commission to conduct evaluation on number of officials who have undergone training through the NSG.

### **9.3 Centre for Public Service Innovation**

- 9.3.1 The Portfolio Committee was concerned that the CPSI is spending more resources on the awards rather than unearthing more innovations which assist in fast tracking priorities of government. However the Committee understood that the awards are meant to embrace those who are unearthing innovations, recognising of good performing public servants and promoting a culture of innovation in the public sector. The Committee is resolute that the CPSI should execute its mandate of innovations to a maximum potential to support chapter 3 of the National Development Plan which state that "innovations should focus on improved public services and on goods and services aimed at low-income sector".
- 9.3.2 The Portfolio Committee will in future conduct oversight visit to the CPSI Innovation Hub Centres to better understand the impact of its services towards improving the quality of service delivery and contributing to government priority programmes. The Committee was of the view that the Centre must play critical role in departments confronted with service delivery challenges and propose innovation to assist them to resolve their problems.
- 9.3.3 The Portfolio Committee emphasised the importance of receiving quarterly reports to be able to monitor centre programmes.

### **9.4 Public Service Commission**



- 9.4.1 The Portfolio Committee was impressed with past performance of the Public Service Commission in assisting government and Parliament to identify and address service delivery challenges. Most of the work produced by the Commission assist Parliament Committees in exercising their oversight function effectively.
- 9.4.2 The Portfolio Committee was concerned about consultant's fees which were too high. The PSC were requested to reduce its budget directed to consultants.
- 9.4.3 The Portfolio Committee was of the view that officials who avoids disciplinary process in various departments and resurfaces into another department should be prohibited to be re-employed in the public services if government is not going to be in violation with the law.
- 9.4.4 The Portfolio Committee encourage the PSC to fully exercise its Constitutional mandate particular section 196 (4)(b) which stipulate that the PSC must investigate, monitor and evaluate the organisation and administration and the personnel practices of the public service. The good work done by PSC must be published and distributed to all service delivery centres for public consumption.
- 9.4.5 The Portfolio Committee is committed to fill vacant post of Commissioner which was occupied by former Chairperson before end this term.

## **10 RECOMMENDATIONS**

The Portfolio Committee recommends that the Minister of the Department Public Service and Administration should ensure that:

### **Department of Public Service and Administration**

- 10.1 The Department should tighten its recruitment systems in the public service to minimise the prevalence of people appointed without requisite qualifications. The Department should regularly consult with the security cluster to review its screening and vetting process. There is an urgent need for department to innovate effective system to curb the prevalence of appointing people with false qualifications in the public sector.
- 10.2 The Department should constantly monitor the Public Service Vacancy Rate that affects provision of service delivery in the public sector. The Department need to ensure departments fill vacant positions within prescribed period. The Department should further discourage government departments to advertise position which are not going to be filled within 6 months. Advertising is costing state millions of rand.
- 10.3 The National Development Plan focuses on service delivery improvement in all government departments. Therefore the Department should continuously support management and operations systems which are meant to enable frontline staff to provide efficient and courteous services to citizens. Moreover the Department should utilise reports produced by the Department of Planning, Monitoring and Evaluation; and Public Service Commission to improve working conditions of the frontline service delivery staff by establishing sound uniform norms and standards.

- 10.4 The Department should develop mechanisms of enforcing compliance on the submission of Service Delivery Improvements Plans (SDIP). The Department should set itself a target of ensuring government departments are complying 100% with the SDIP's.
- 10.5 The Department should in consultation with National Treasury move funding allocation of the Public Sector Educational Training Authority (PSETA) to be under the Department of Higher Education which they account to.
- 10.6 The Department should swiftly develop regulations of the Public Administration Management Act with the aim of establishing a uniform system of public administration to ensure that common norms and standards are achieved at all government levels. The Department should embark on the public awareness on the PAM Act particularly on chapter 3 clauses.
- 10.7 Employment of Persons with Disabilities in the Public Sector is not progressing towards reaching 2% target in the public service. On the same breath, the 50% employment of women in senior positions is not yet reached, however government is doing well in this aspect. The Department should strengthen recruitment policies and processes to enforce government departments to employ people with disabilities and more women in senior positions.
- 10.8 The Department should embark on roadshow in an efforts to revitalise the Batho Pele principles and the new Public Service Charter in the public sector

#### **National School of Government**

- 10.9 The School must find a systematic way of projecting training targets as they are dependent on departments sending trainees to the School. Training projections must be realistic so that when the reporting period comes, there must be an alignment between projections and the outcomes.
- 10.10 In as much as many training programmes are credit-bearing, these training programmes must address the skills shortage, institutional needs as well as personal development needs of employees to serve better.
- 10.11 The policies that the School develops must be available and accessible to the Portfolio Committee so that Parliament can determine the usefulness of these policies towards improving the public service, addressing the priorities of Government and fulfilling the aspirations of the National Development Plan (NDP).
- 10.12 The School must improve on internal audit processes so that it eliminates the employment of service from external auditing firms.

#### **Centre for Public Service Innovation**

- 10.13 The Portfolio Committee notes and recognises the importance of innovation as carried out by the CPSI. However, the Committee is of the view that innovation by the CPSI should be more towards assisting the government departments to improve on service delivery than targeting the private sector, which is inclined towards profit-making. Innovations must aim at addressing priorities of Government.

- 10.14 The Centre should spend more money on assisting government in unearthing, and promoting innovation to unlock service delivery issues than on innovation awards.
- 10.15 The Centre should play a critical role to help the public sector to appreciate the value of innovation as a key enabler of improved service delivery and governance. The Portfolio Committee highlights the importance of CPSI in assisting government on innovation which benefit new programmes such as Operation Phakisha.

### **Public Service Commission**

The Portfolio Committee recommends that the Chairperson of Commission should ensure that:

- 10.16 The PSC working with Department of Public Service and Administration should monitor recruitment systems in the public sector particularly in senior management position to ensure that government departments employ competent people who are qualified, and efficient in delivering the public services. This will address the vision of the National Development Plan which highlights the importance “to professionalise the public service and local government, the state needs to address weakness in recruitment, training, management and human resource”.
- 10.17 The Public Service Commission should be the main drive in ensuring that adequate experience is a prerequisite for senior post as envisaged by the National Development Plan.
- 10.18 The Commission must assist the public service to tie loose ends on policy to prevent accounting officers (Heads of Departments) and senior managers from hopping across the public service when they face a charge of misconduct within the departments in which they serve.
- 10.19 The Commission is requested to present to Parliament the State of Public Service Integrity Report as soon as it becomes available.

## **11 CONCLUSION**

The Department of Public Service and Administration with its entities play crucial role in building a state that is capable of realising developmental and transformative role. The NDP highlighted key areas that the Department must focus on such as stabilising the political-administrative interface and making the public service career of choice. The DPSA Strategic Plan and Annual Performance Plan are aligned to achieve the goals and aspirations of the NDP. The Portfolio Committee was satisfied with the progress made in implementing and coordinating interventions aimed at achieving an efficient, effective and development oriented public service. The work of Public Service Commission assist Parliament to conduct effective oversight over the Executive.

**The Portfolio Committee recommends as follows:**

**10.1** That the House adopts and approve the Budget Vote 10 of the Department of Public Service and Administration

Report to be considered.