MPAT
Management Performance
Assessment Tool

State of management practices in the Public Service 2012

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Management Performance Assessment Tool (MPAT)

Minister's Foreword

In 2009, the Government established the Department of Performance Monitoring and Evaluation (DPME) to strengthen the use of monitoring and evaluation to improve performance. DPME has since introduced various tools and systems to monitor and evaluate progress towards achieving the priority outcomes, including the outcomes system of delivery agreements, the Front Line Service Delivery Monitoring Programme, the National Evaluation System, the Management Performance Assessment Tool (MPAT) for monitoring the state of management practices in national and provincial departments, and the Municipal Assessment Tool (MAT) for monitoring management practices and service delivery at municipal level. This report provides a detailed picture of the state of management practices of all 156 national and provincial departments for the 2012/13 financial year.

The MPAT assessment is designed to build internal monitoring and self-evaluation capacity. The assessment process involves the Head of Department and senior management of departments undertaking a self-assessment against 31 standards, and then providing evidence to justify their assessment. The self-assessments are subjected to an external peer moderation process where senior public servants with experience in the key performance areas covered by the standards evaluate the self-assessment against the evidence provided.

This report is the culmination of close collaboration between DPME, the Department of Public Service and Administration (DPSA), National Treasury, and all Offices of the Premier (OtP). This collaboration highlights government's commitment to the establishment of an effective administrative centre of government.

The results of the 2012/13 assessments show that, whilst some departments made some strides, there has not yet been sufficient improvement in the level of compliance with regulatory frameworks and policies, a picture that correlates with the findings of the Auditor-General. The results point to weaknesses in human resource management in particular. There are also weaknesses in financial management and governance and accountability. However, it is also encouraging to note that there are at least some departments that are operating smartly (at level 4) in each of the 31 management standards. This indicates that it is possible for all departments to get to that level.

The results of these assessments indicate that more needs to be done by departments to improve the quality of their management practices. It is the responsibility of Accounting Officers to implement improvements in this regard. In addition, Ministers and MEC's must ensure that these improvements

are implemented and that Accounting Officers are held to account in this regard.

One of the reasons for producing this report is to provide Parliament and Provincial Legislatures with information which they can use to monitor improvements in management practices in departments. The results also provide an opportunity for administrative policy departments (such as National Treasury and DPSA) to evaluate the effectiveness and appropriateness of policies in areas of low compliance or to initiate support measures to improve understanding and compliance in these areas.

I would like to express my appreciation for the collaboration of the DPSA, National Treasury, the OtPs, the Public Service Commission, and the Office of the Auditor General on this initiative. I further would like to extend my appreciation to the moderators for their commitment and professionalism, and last but not least to the departments that participated in the assessment process in a manner which was honest and frank about the challenges.

Mr Collins Chabane, MP
Minister in The Presidency for
Performance Monitoring and Evaluation
as well as Administration

Acknowledgements

Acronyms and Abbreviations

AGSA   Auditor General of South Africa

DPME   Department of Performance Monitoring and Evaluation

DPSA   Department of Public Service and Administration

EA   Executive Authority

EC   Eastern Cape

FS   Free State

GP   Gauteng

HOD   Head of Department

HR   Human Resources

LP   Limpopo Province

M&E   Monitoring and Evaluation

MP   Mpumalanga

MPAT   Management Performance Assessment Tool

MPSA   Minister of Public Service and Administration

MTSF   Medium Term Strategic Framework

NC   Northern Cape

NT   National Treasury

NW   North West Province

OAG   Office of the Accountant General

OPSC   Office of the Public Service Commission

PFMA   Public Finance Management Act

PMDS   Performance Management and Development System

PSA   Public Service Act

SMS   Senior Management Service

WC   Western Cape

Executive Summary

The effective and efficient translation of inputs into outputs through good management practices is important for improving service delivery. 'Management performance assessment' involves assessing the quality of these management practices. It contributes to improving government performance and service delivery by developing a culture of continuous improvement through moderated self-assessments and sharing of good practice.

The "Management Performance Assessment Framework" is based on reviews of similar management performance assessment methodologies form other countries. Lessons from international experience indicated that such methodologies can make a significant contribution to improving the performance of government, particularly if the leadership of the departments being assessed take ownership of the assessment process and the findings, if the results are made public thus encouraging competition between departments, if the management of departments implement and monitor improvement plans, and if policy departments implement support programmes.

The MPAT does not include assessment of the results of policies and programmes, which is done through other mechanisms, including through the monitoring and evaluation of the implementation of the delivery agreements for the priority outcomes. Furthermore, it does not include assessment of the performance of individual officials, which is done in terms of the individual performance management and development system managed by the DPSA. However, each component of performance assessment (individual, management, and programme or policy results) is an important element of an overall performance monitoring system.

The MPAT is a tool that benchmarks good management practice. It assesses the quality of management practices across a comprehensive range of management areas, from supply chain management to strategic planning. In each management area, performance is assessed against management standards established with the relevant transversal departments (e.g. NT for financial management and supply chain management and DPSA for human resource management and development).

The MPAT process has three distinct phases, namely, self-assessment and internal audit validation; external moderation and feedback; and performance improvement and monitoring.

The self-assessment is a key part of the MPAT process as it provides a department with an opportunity to reflect on its management practices and identify areas where it is doing well and areas where it needs to improve. The self-assessment must involve senior management of the department who during a single sitting can focus their attention on the state and quality of management practices in their department.

The results locate departments in terms of four progressive levels of management performance against standards in each of 17 management areas. A department which scores at level 1 or 2 for a particular management area is non-compliant with the minimum legal prescripts in that management area, and is performing poorly in terms of its management practices in that management area. A department which scores at level 3 is fully compliant with the legal prescripts in that management area. A level 4 department on the other hand is fully compliant and operating smartly in terms of its management practices in that management area. In such cases, good practice case studies have been produced and are being disseminated through learning networks.

In June 2011 Cabinet gave a mandate to the Department of Performance Monitoring and Evaluation (DPME) to implement management performance assessments for all national and provincial departments on an annual basis.

In line with Cabinet resolution, the first MPAT assessment was conducted in 2011/12 with 103 out of 156 national and provincial departments completing the self-assessment. The report submitted to Cabinet in May 2012 showed that, in general, many departments had low levels of compliance with legislative requirements and that many of them were not working smartly.

The MPAT process has heightened the level of awareness about management practices. Many departments have implemented improvement plans to address identified areas of weakness and to ensure that their management practices become both compliant and smart. DPME, National Treasury and the DPSA should evaluate policies in areas of low compliance and/or provide additional support to departments to improve levels of compliance.

For the 2012/13 assessment cycle, all 156 national and provincial departments completed and submitted self-assessment ratings. The assessment process also requires that departments upload evidence on the MPAT web-based system

to substantiate their self-assessment ratings. This evidence was moderated by a panel of external peer moderators. The moderated scores were sent to all departments and further opportunities were made available to all departments to contest the moderated scores and provide additional evidence.

The results of the 2012/13 assessment indicate that, whilst some departments made some strides, there has not yet been any significant improvement in the average level of compliance with regulatory frameworks and policies, a picture that correlates well with the findings of the Auditor-General.

When the results were statistically analysed together with other external data such as audit results, it was found that human resource management and development has a very strong influence on the general administrative performance of a department. However, the 2012/13 results indicate that, in general, departments scored worse in human resource management and development than in other areas of management. The weak results of departments in this area suggest that a renewed effort is required to strengthen human resource management and development in the public service. This finding supports the main thesis in the chapter on building a capable and developmental state in the National Development Plan, which is that the key challenge is one of lack of capacity in the public service.

The statistical analysis also found that continuity and stability in the Senior Management Service also has a strong influence on the quality of management practices. This is not surprising, as frequent changes in administrative leadership are disruptive to the fostering of good management practices.

Given the detailed processes of internal and external checks on evidence provided by departments, it can be argued that the results are credible and provide a fairly accurate picture of the state of management practices across national and provincial departments.

The results indicate that in certain areas of management, weaknesses are evident across the public service. In 9 out of 29 management areas assessed, the majority of departments are not yet compliant, let alone working smartly.

With regard to the standards related to Governance and Accountability:

a) 80% of departments are non-compliant in service delivery improvement requirements (service charters, service standards and submission of service delivery improvement plans to the DPSA). This situation is an anomaly, given that improving service delivery is a priority of government.

b) 76% of departments are non-compliant with ensuring that they had policies and systems in place for promoting professional ethics, which includes submission of financial disclosures to the PSC. In addition, 64% of departments are non-compliant with the legal/regulatory requirements for fraud prevention. This is of concern given Government's commitment to combating corruption.

With regard to the standards related to Human Resources Management:

a) 74% of departments were assessed as non-compliant with the DPSA directive that their approved organisational structure reflects funded posts only.

b) 88% of departments were assessed as non-compliant with human resource planning requirements, which include submission of human resource plans and progress reports to the DPSA. Sound human resource planning is critical for service delivery and for budgeting.

With regard to Financial Management:

a) 52% of departments were assessed as non-compliant with the requirements for demand management. Sound demand management is a prerequisite for good financial management and supply chain management as it requires departments to develop procurement plans informed by needs assessments and accurate specifications of the goods and services to be procured.

b)   60% of departments were assessed as non-compliant with the requirement to have processes in place for detecting and preventing unauthorised expenditure, addressing audit findings and communicating findings to responsible officials.

The consolidated average MPAT results can easily obscure the good management practices that occur in a number of departments. DPME therefore commissioned the drafting of case studies to highlight these good practices and make them available to departments to adopt, if they wished to do so. The case studies are intended to encourage sharing of knowledge, and enable continuous improvement.

We have found that the MPAT assessment process has stimulated changes in the way management practices are implemented in most departments. Although some departments initially viewed MPAT as a compliance checklist, the departments interviewed in the case studies related how MPAT has assisted them to identify gaps between what they were doing and what they should be doing. During the self-assessment process, some Heads of Department became aware of these gaps and instructed senior management to take immediate action (and not wait to develop an improvement plan later).

1. Introduction

1.1 Background

The Management Performance Assessment Tool (MPAT) is one of several initiatives to improve the performance and service delivery of national and provincial departments. MPAT is a structured, evidence-based approach to the assessment of management practices.

In October 2010, Cabinet mandated the Department of Performance Monitoring and Evaluation (DPME) to lead the development and piloting of a management practice assessment tool, working collaboratively with the Department of Public Administration (DPSA), National Treasury and the Offices of Premier. Independent bodies, namely, the Auditor-General of South Africa (AGSA) and the Office of the Public Service Commission also contributed to the development of MPAT.

DPME officially launched MPAT in October 2011 and reported the MPAT 2011/12 self-assessment results to Cabinet in June 2012. A total of 30 national departments and 73 departments from eight provinces participated in the first round of MPAT assessments in 2011/12. DPME published the results of national departments on its website and held feedback sessions with departments and provinces. In June 2012, Cabinet approved, inter alia, the implementation of MPAT for the 2012/13 financial year, in all national and provincial government departments. Subsequently, for the 2012/13 financial year, all (156) national and provincial departments participated in the MPAT assessment process.

1.2 Purpose and structure of the report

This report presents the MPAT results for the 2012/13 financial year. The purpose of the report is to inform Cabinet, Provincial Executive Authorities, policy departments and oversight bodies about the state of management practices in the South African public service, the improvements being made and the common challenges experienced by departments. Most importantly, the report is intended for the Executive Authorities, Accounting Officers and senior management in departments to note challenges, initiate corrective actions and inculcate a culture of continuous improvement. The remainder of the report is organised into the following sections:

Section 2: provides an overview of the MPAT framework, the modifications made for the 2012/13 assessment cycle, and outlines briefly how MPAT was implemented in the 2012/13 cycle.

Section 3: discusses the consolidated MPAT results (that is national and provincial departments combined) and comparisons across provinces and national departments. It analyses the results for each Key Performance Area measured by MPAT and the common challenges experienced by departments.

Section 4: looks beyond the MPAT results and discusses how departments have experienced the implementation of MPAT. It identifies good management practices that have been elaborated through a number of case studies.

Section 5: outlines the key conclusions and recommendations.

2. Overview of MPAT

2.1 Concept of MPAT

MPAT is a tool to benchmark good generic management practices. It assesses the quality of management practices across a range of management areas. The theory underpinning MPAT is that the quality of management practices – how we plan, how we manage staff, finances and infrastructure, how we govern ourselves and how we account for our performance – has a significant influence on the quality of outputs produced, the outcomes achieved, and ultimately, the impact our services have on society.

The introduction of MPAT was motivated by Government's commitment to improved service delivery and improved government performance and achievement of the 12 priority outcomes that Government has set for itself for the current term of office. A key requirement for government to deliver on its mandate is to ensure an efficient, effective and accountable public service. Weak administration is a recurring theme across the priorities of government and is leading to poor service delivery. Some examples of this include: textbook delivery problems in some provinces; shortages of anti-retrovirals (ARVs) in some provinces; and undermining of the small business development policy through non-payment of suppliers within 30 days.

Transversal administrative departments, such as National Treasury and the DPSA, as well as the Auditor-General of South Africa (AGSA) monitor compliance within their legislative frameworks, whereas MPAT focuses on more comprehensive monitoring of management practices. The annual MPAT assessments reflect the state of management practices at the time of the assessments and serve as a precursor to the findings of the AGSA.

MPAT provides a broader picture of the quality of management practices than AGSA's audits, which focus primarily on compliance with the regulatory frameworks. Compliance is necessary, but in itself is not sufficient to lift the quality of management. MPAT therefore seeks to encourage departments to be efficient and effective in their application of these management practices. This means assessing whether departments are working smartly and continuously seeking improvement. MPAT also aims to share good practice.

The National Development Plan (NDP) identifies the need to build a professional public service and a capable and developmental state. Without a professional and capable public service that delivers high quality public services, many of the objectives of the National Development Plan will not be achieved. The management practices that MPAT seeks to reinforce are the basics of good public administration and professionalism.

It must however be borne in mind that MPAT only focuses on management processes related to converting inputs into outputs and does not focus on assessing whether the right outputs are been produced to achieve desired outcomes and impacts. A risk therefore exists that departments may be producing the wrong outputs very efficiently and effectively. It is therefore also important to assess outcomes and impacts when assessing the overall performance of a department (DPME is monitoring this through the outcomes system.) How a department performs in achieving its own targets for outcome and impact indicators in its strategic plan and annual performance plan should also be considered.

2.2 MPAT standards for 2012/2013 cycle

The overall framework for MPAT 2012/13 has not changed from the previous year. MPAT covers the following four Key Performance Areas:

- Key Performance Area 1: Strategic Management
- Key Performance Area 2: Governance and Accountability
- Key Performance Area 3: Human Resource Management
- Key Performance Area 4: Financial Management

Within these four KPAs there are 31 standards which are based on existing policies and regulations. Following an extensive review of the MPAT framework in 2012, some modifications were made to the standards to improve their clarity. New standards were added for expenditure management, health and wellness and the promotion of access to information.

MPAT identifies four progressive levels of management performance. Each management practice is assessed and scored against these four levels of performance. The table below illustrates the four levels.

Level	Description
Level 1	Department is non-compliant with legal/regulatory requirements
Level 2	Department is partially compliant with legal/regulatory requirements
Level 3	Department is fully compliant with legal/regulatory requirements
Level 4	Department is fully compliant with legal/regulatory requirements and is doing things smartly

A department that scores at Level 1 or Level 2 for a standard is non-compliant with the minimum legal prescripts and is performing poorly in terms of its management practices in that management area.

On the other hand a department that scores at Level 3 is compliant with the legal prescripts in that management area, whilst a Level 4 department is compliant and operating smartly in terms of its management practices in that management area. In such cases, good practice case studies are developed and disseminated through learning networks.

In many standards, departments need to meet multiple requirements within each level to be scored at that level. If one requirement in a level is not met, the department's score will default to the lower level. In the example below (see overleaf), to be scored at Level 3, a department must meet the requirements to:

- provide all new employees with a Code of Conduct;

- provide training on understanding and applying the Code of Conduct; and

- all SMS members must complete financial disclosures that are signed by the EA and submitted to the PSC on time, as well as disciplinary action taken for non-compliance.

If one of these requirements is not met, the department is scored at Level 2. The improvement plan of the department would accordingly need to focus on achieving the Level 3 requirement it did not meet, so it can improve to Level 3 in the next assessment round.

Complying with the legal prescripts (Level 3) is essentially a minimum requirement for departments although all departments must work towards operating at Level 4 – being fully compliant and working smartly. It is only when a critical mass of departments operate at Level 4 that we will achieve the goal of "an efficient and effective public service"

(outcome 12) or a "capable and developmental state", as envisioned in the National Development Plan. For example, getting departments to procure smartly would result in better service delivery by suppliers and contractors, and savings from reducing corruption and increasing value for money.

The 2012/13 MPAT assessment results show that in each of the standards, at least some departments manage to operate at Level 4. Departments not yet at Level 4 in a standard are encouraged to interact with colleagues from departments that achieved Level 4 for information on how they can improve their management practice.

Each MPAT standard is defined according to these four levels. The framework also identifies the documents that departments are required to submit as evidence as well as the criteria to be used during an external moderation process that follows self-assessment.

2.4 Performance Area: Ethics

2.4.1 Standard name: Assessment of policies and systems to ensure professional ethics

Standard definition: Departments have systems and policies in place to promote ethical behaviour and discourage unethical behaviour and corruption.

Standards	Evidence Documents	Moderation Criteria	Level
Department has no mechanism or standard of providing/ communicating the Code of Conduct to employees Less than 25% of SMS members completed financial disclosures, these were signed by EA and submitted to PSC by due date			Level 1
Department has a mechanism or standard of providing/ communicating the Code of Conduct to employees At least 75% of SMS members completed financial disclosures, these were signed by EA and submitted to PSC on time (31 May of every year)	• Mechanism or standard of providing Code of Conduct to employees-such as training and induction programme • Report that financial disclosures have been submitted to PSC	• Moderators to verify existence of mechanism or standard • PSC secondary data to verify submission of SMS financial disclosure	Level 2
Department provides all new employees with a Code of Conduct Department provides training on understanding and applying the Code of Conduct. All SMS members completed financial disclosures, these were signed by EA and submitted to PSC on time, and disciplinary action taken for non-compliance	• Report confirming that new employees received Code of Conduct • Attendance register of training conducted • List showing number and percentage of SMS financial disclosures submitted to PSC, and date of submission • Report on disciplinary action for non-compliance	• Moderators to verify distribution of Code of Conduct, and training • PSC secondary data to verify submission of SMS financial disclosures • Verify that disciplinary action has been taken for non-compliance	Level 3
Level 3 plus: Department analyses financial disclosures, identifies potential conflicts of interests and takes action to address these	Level 3 plus: • Document showing that analysis has been done and kind of action taken	Level 3 plus: • Moderators to verify that actions to address specific risks emanating from the assessment of the disclosures are appropriate	Level 4

2.3 Implementation of MPAT 2012/2013

2.3.1 MPAT implementation process

The implementation of MPAT follows three phases as illustrated in Figure 1:

- Self-assessment and internal validation
- External moderation and feedback
- Improve and monitor

Figure 1: MPAT Implementation Process
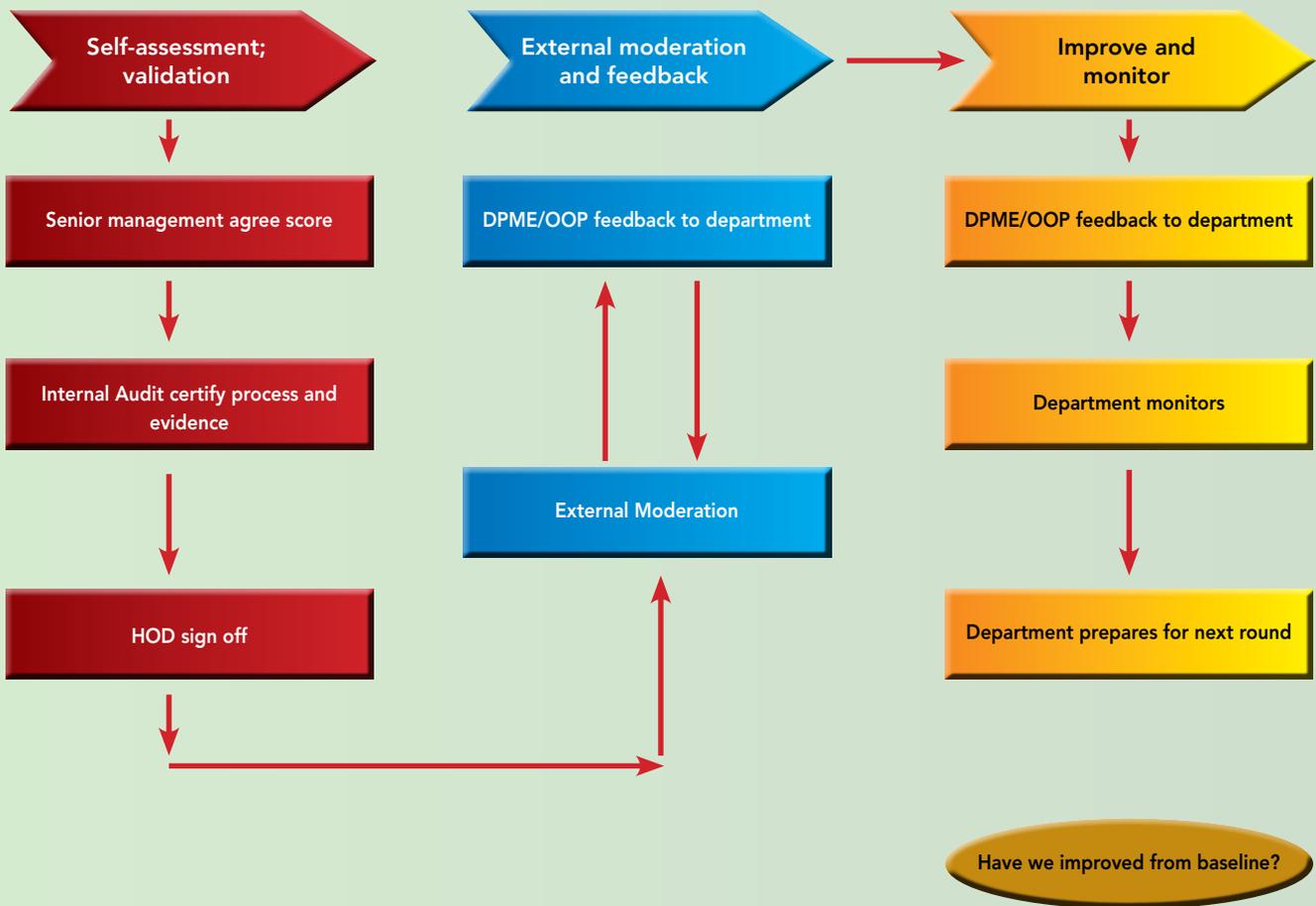
Self-assessments

Departments conducted their self-assessments using a web-enabled system between September and November 2012 with the assistance of DPME and the Offices of the Premier.

Moderation and feedback

The external moderation was conducted from 26 – 30 November 2012. The moderators were drawn from the DPSA, National Treasury, Offices of the Premiers and officials from national and provincial departments that have expertise in the management practices assessed by MPAT. Most of the moderators had served in the previous MPAT cycle and so were familiar with MPAT and the moderation process. Moderators were given the evidence prior to the moderation week in order to prepare adequately for moderation. The moderation process was greatly enhanced by lessons learnt from the piloting of the moderation process in 2011/12.

All departments received feedback on their moderated scores in January 2013 and had the opportunity to engage with DPME on their moderated scores and provide additional evidence if necessary. The final scores were communicated to departments in April 2013 and the feedback phase concluded in May 2013.

Given the thorough moderation and feedback process, the final scores reflected in this report can be considered to be generally credible and to provide a fairly accurate reflection of the state of management practices in government departments.

2.3.2 Participation in MPAT

All 156 national and provincial departments participated in MPAT 2012/13, representing a substantial increase over the number of participating departments in the 2011/12 MPAT cycle (Table 1). This increased level of participation can be attributed to the Cabinet decision making MPAT mandatory for all departments, and to the time invested by DPME and the Offices of the Premier to raise awareness of and support for MPAT and to train departmental MPAT coordinators.

Table 1: Departments submitting self-assessments 2011/12 and 2012/13

	Number of departments submitted self-assessments in 2011/2012 cycle	Number of departments submitted self-assessments in 2012/2013 cycle
National Departments	30	42
Eastern Cape	5	13
Free State	11	13
Gauteng	6	13
KwaZulu-Natal	0*	14
Limpopo	12**	12
Mpumalanga	11	12
Northern Cape	12	12
North West	3	12
Western Cape	13	13
TOTAL	103	156

Notes:
* KZN self-assessment was received after due date and not included in the 2011/12 results report
** LP completed self-assessments but the results were not included in the 2011/12 results report

The self-assessment process has internal checks built into the process, namely:

- a discussion at senior management level of the self-assessments undertaken by KPA managers;
- validation by internal audit; and
- final sign-off by the Head of Department.

Departments were encouraged to follow this process so that their self-assessments would be rigorous and credible. As can be seen from Table 2, 110 departments (71 per cent) followed the process through to sign-off by the Head of Department by the due date. Ten departments followed the process through to the internal audit stage and 19 of the departments followed the process through to the senior management discussion stage.

Twenty-seven departments only completed the self-assessment process up to the KPA manager stage. This means that in these departments, there was no senior management discussion of the scores that KPA managers assigned to their

respective KPAs, nor was there any internal audit verification and sign-off by the Head of Department. However, through the feedback and challenge period many of the latter departments managed to get their Head of Department to sign off. For the 2013/14 assessments DPME will ensure a strict approach to ensure departments meet agreed deadlines.

Table 2: Number of departments completing main stages of self-assessment (Data from MPAT system as at 31 March 2013)

Stage in self-assessment process	Number	Percentage
HOD sign-off	110	71%
Internal Audit verified	10	6%
Senior Management discussed	9	6%
KPA Managers' self-assessment	27	17%
Total	156	100%

3. Consolidated MPAT results 2012/13

This section of the report discusses comparisons between the 2011/12 and 2012/13 assessments as well as the consolidated MPAT results for the 156 departments that participated in the MPAT assessment process for the 2012/13 financial year. The MPAT results for individual national departments are discussed in detail and a scorecard for each national department is available.

3.1 MPAT results for Key Performance Areas

3.1.1 Comparison of results for 2011/12 and 2012/13

As MPAT is intended to be a tool for monitoring progress, a comparison of the MPAT 2012/13 results with the results of the previous year was made. However, it should be noted that MPAT 2011/12 only reported on the results of self-assessments (the moderation process was only piloted in 2011/12 and moderated results were not produced). Furthermore, some changes were made to the MPAT standards for the 2012/13 cycle. The degree to which the two sets of results can be compared is therefore limited. (The 2012/13 assessment results provide a baseline for moderated assessments and year-on-year comparisons will be made in future.)

Nevertheless, the comparison between MPAT 2012/13 final results and MPAT 2011/12 self-assessment results is shown in Chart 1. Only the scores of those departments that participated in 2011/12 were used in the analysis. Due to the reasons given above, this comparison should be approached with caution.

Chart 1: Comparison of MPAT 2011/12 and 2012/13 scores

Comparison of 2011/12 self-assessment scores to 2012/13 final scores
for those departments that completed both assessments

% of Scores / Not meeting statutory Requirements	MPAT 1.1: Strategic Manage	MPAT 1.2: Strategic Manage	MPAT 1.1: Govern and Account	MPAT 1.2: Govern and Account	MPAT 1.1: HR Manage	MPAT 1.2: HR Manage	MPAT 1.1: Financial Manage	MPAT 1.2: Financial Manage
Level 4 (green)	29%	36%	21%	19%	17%	6%	7%	7%
Level 3 (yellow)	41%	44%	34%	31%	39%	21%	42%	46%
Level 2 (orange)	-8%	-8%	-20%	-29%	-14%	-32%	-18%	-15%
Level 1 (red)	-22%	-12%	-26%	-21%	-30%	-41%	-33%	-31%

Legend: Level 1 (red), Level 2 (orange), Level 3 (yellow), Level 4 (green)
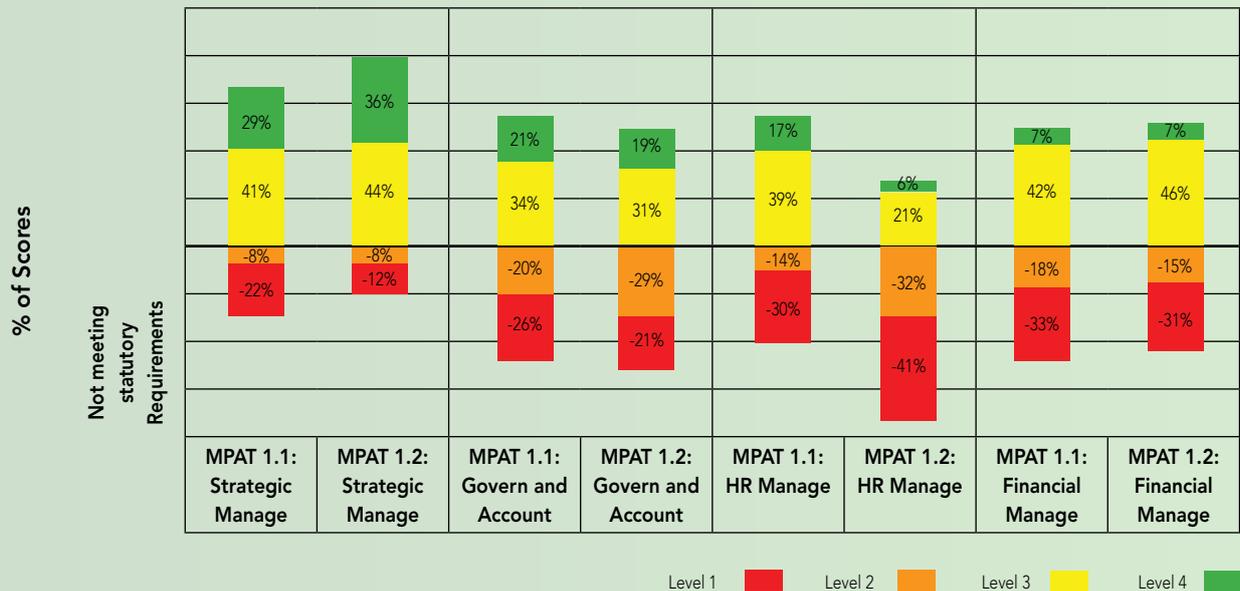
In comparing the MPAT results 2012/13 to the previous assessment, both Strategic Management and Financial Management improved. These improvements could be the result of increased awareness of compliance requirements following the 2011/12 MPAT assessments. DPME also presented the results of the 2011/12 assessment to Cabinet and various Provincial Executive Councils. This was instrumental in ensuring that the Executive in many instances gave more focus and attention to monitoring improvements in basic management and administration. In a number of provinces the Offices of the Premier coordinated the development and monitoring of improvement plans. At national level the Forum for South African Directors General actively monitored compliance to certain management and administrative issues. At an oversight level DPME also presented results to some Portfolio Committees in Parliament which required departments to present improvement plans to them. It is important that this monitoring of basic administration and management should be extended to ensure more visible improvements in management practices going forward.

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3.1.2 Results for 2012/13

Chart 2 shows the MPAT scores for all national and provincial departments for 2012/13, according to the four Key Performance Areas. The results for each performance standard within these Key Performance Areas are discussed in subsequent sections of this report.

Chart 2: MPAT 2012/13 results per KPA (RSA total)

% Distribution of final scores per Key Performance Area

	1 Strategic Management	2 Governance and Accountability	3 Human Resource Management	4 Financial Management
Level 4 (green)	32%	15%	6%	9%
Level 3 (yellow)	44%	25%	21%	45%
Level 2 (orange)	-15%	-25%	-42%	-27%
Level 1 (red)	-9%	-35%	-31%	-19%

% of Scores — Not meeting statutory Requirements

Legend: Level 1 (red) — Level 2 (orange) — Level 3 (yellow) — Level 4 (green)

Strategic Management is the Key Performance Area in which departments performed best, followed by KPA 4: Financial Management and KPA 2: Governance and Accountability. Departments were weakest in the Key Performance Area of Human Resource Management.

- Departments performed best in the Key Performance Area of Strategic Management. Here 76 per cent of departments' scores were at Level 3 and Level 4, meeting the legal/regulatory requirements for Strategic Management. This suggests that departments are beginning to institutionalise their strategic management practices which include strategic planning; annual performance plans; and monitoring and evaluation. An encouraging 32 per cent of departments' scores were at Level 4. These departments are using strategic

management practices to manage their departments more effectively and so improve the performance of their departments.

- Key Performance Area 2: Governance and Accountability comprises standards that underpin good governance in the public service. These include practices pertaining to service delivery improvement; management structures; functioning of audit committees; professional ethics; fraud prevention; internal audit; risk management; and financial and non-financial delegations.[1] 40 per cent of departments' scores were at Level 3 and Level

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1   MPAT 2012/13 introduced a new standard for the Promotion of Administrative Justice Act (PAJA) for self-assessment only, so PAJA is not included in the final results. The results for the standard of Corporate Governance of ICT have been excluded from the analysis as departments did not have sufficient opportunity to implement the new ICT Governance framework approved by Cabinet.

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4. Sixty per cent of departments' scores were below Level 3, indicating that they were non-compliant with legal and regulatory requirements for Governance and Accountability. Problematic areas include service delivery improvement and promoting professional ethics. These are discussed in further detail later in Section (3.2.2) of the report.

- The MPAT results for Key Performance Area 3: Human Resource Management were very weak with only twenty-five per cent of departments' scores at Level 3 and Level 4. These results indicate that very few departments are operating within the human resources legal/regulatory requirements and policies that are intended to foster good human resource management in the public service. Given the centrality of human resource management in building a capable state to deliver on the National Development Plan, human resource management practices must be improved.

- Key Performance Area 4: Financial Management focuses on supply chain management and expenditure management practices. Fifty-four per cent of departments' scores were at Level 3 and Level 4. Although the results for Financial Management are better than those for KPA 2 and KPA 3, there is cause for concern as nearly half of departments did not meet the legal/regulatory requirements for two important areas of financial management, namely, supply chain management and expenditure management. These standards are prescribed in the Public Finance Management Act (PFMA) and Treasury Regulations, and as many as 46 per cent of departments were therefore not complying with the PFMA and Treasury Regulations with regard to these standards.

3.2 MPAT results by management standard

This section of the report analyses the performance of departments against each of the MPAT standards. This allows for a disaggregated picture of management performance so that administrative policy departments can identify areas where policy implementation support or policy adjustments may be required.

3.2.1 KPA 1: Strategic Management

Strategic management is the comprehensive collection of on-going activities and processes to systematically coordinate and align resources and actions with mission, vision and strategy throughout the organisation. It goes beyond the development of a strategic plan. Strategic management includes the deployment and implementation of the strategic plan throughout the organisation, the measurement and evaluation of results, and the implementation of improvements based on monitoring and evaluation. Effective strategic management involves using information on the organisation's performance to revise the strategy and inform annual performance plans.

This Key Performance Area comprises the following standards that were crafted to determine the extent to which managers use strategic management activities as tools for effective management in their departments:

- Strategic Plans
- Annual Performance Plans
- Integration of monitoring and evaluation into performance and strategic management

Chart 3 below shows the combined results of national and provincial departments for Strategic Management, by MPAT standards.

MPAT 2012/13: RSA Total
% Distribution of final scores per performance standard in KPA:
Strategic Management

	1.1.1 Strat Plan	1.1.2 APP	1.3.1 M&E
Level 4 (green)	32%	32%	19%
Level 4 (yellow)	44%	44%	56%
Level 3 (orange)	-7%	-23%	-15%
Level 1 (red)	-9%	-8%	-10%

% of Departments

Not meeting statutory Requirements

Level 1 ▮ (red) Level 2 ▮ (orange) Level 3 ▮ (yellow) Level 4 ▮ (green)

Departments' results in KPA 1 were the strongest for strategic plans, with the vast majority meeting or exceeding the legal/regulatory requirements for strategic planning. Departments did not perform as strongly on Annual Performance Planning, with over one-third operating below Level 3. Despite some departments not having a monitoring and evaluation policy or framework in place and/or standardised data collection and management mechanisms, the meeting of the monitoring aspect of the M&E standard is widespread. However, only 19% of departments indicate that they periodically undertake evaluations of major programmes.

Strategic Plans (Standard 1.1.1)

The objective of this standard is to determine whether a department uses strategic planning to inform the definition of its core business, objectives and indicators and strategic plans as tools to guide strategic long-term (5-year) deployment of resources. MPAT assessed the extent to which strategic planning is based on sound information and analysis, alignment with national and/or provincial strategic priorities

and Outcome Delivery Agreements, and whether departments review their performance against their plans.

The MPAT results indicate the widespread institutionalisation of strategic planning as a management practice in the public service. A total of 85 per cent of departments met or exceeded the Level 3 standards set for strategic planning. Of these, 45 per cent of departments operated at Level 4 and showed evidence of actively reviewing their strategic plans and making adjustments to respond to significant shifts in the environment. The vast majority of departments set priorities and endeavour to focus their resources on these priorities and work towards agreed results.

There is however still room to improve the quality of strategic plans, as the MPAT moderation process found that some departments need to pay more attention to defining measurable strategic objectives. The Auditor-General raised similar concerns in the audit of national and provincial departments for the 2011/2012 financial year, noting the deterioration in the quality of strategic objectives over preceding years. The Auditor General's most common

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material finding for departments was that departments did not set performance targets that were specific or that could be measured meaningfully.

The challenges in crafting realistic and measurable strategic objectives may be a reflection of how departments conduct their situational analysis that is intended to capture the key external issues and trends impacting on institutional performance (external environment) as well as the organisational (internal) environment. A well-informed, evidence-based situational analysis is a prerequisite for developing realistic and measurable strategic objectives as well as the strategic application of resources.

The strategic plan is one of the most critical planning documents as it serves as the foundation for other planning and budgeting processes, for example, the Medium Term Expenditure Framework (MTEF), the annual performance plan and the annual departmental budget. It also informs the human resources plans and demand management plans of departments. Departments whose strategic plans did not meet the Level 3 standard are less likely to operate effectively and deliver relevant services efficiently. With these departments, there is the risk of wasted human and financial resources resulting in poor value for money.

Annual Performance Plans (Standard 1.1.2)

The objective of this standard is to determine the extent to which departments adequately capture how they plan to realise their goals and objectives in a given financial year and over the MTEF as set out in their strategic plans. In elaborating upon this, the annual performance plan should set out performance indicators and quarterly targets for budget programmes (and sub-programmes where relevant).

MPAT assessed the alignment between the Annual Performance Plan and Strategic Plan, and the quality of plans in terms of Treasury Guidelines. The standard also requires departments to submit quarterly reports to the relevant Treasury on time.

Sixty-nine per cent of departments met the legal/regulatory requirements for Annual Performance Plans (Level 3 and Level 4), and 34 per cent of departments did better than meeting the legal and regulatory requirements for Annual Performance Plans (Level 4). These departments successfully translated their strategic objectives into annual and quarterly targets linked to indicators, as well as timeously submitted their quarterly

reports to the relevant Treasury. The departments that operate on Level 4 demonstrated that they analysed their quarterly performance and used their quarterly reports to improve their performance. There is, however, still room for improvement in the quality of indicators and target setting.

Thirty-one per cent of departments did not meet the legal/ regulatory requirements for Annual Performance Plans. The absence of linkages between the departmental strategic plan and the annual performance plan was a common challenge detected when assessing the quality of annual performance plans. There were instances where annual performance plans were developed with limited or inconsistent reference to strategic objectives or medium term targets set out in the strategic plans.

Monitoring and Evaluation (Standard 1.3.1)

The objective of this standard is to determine departments' ability to conduct monitoring and evaluation thereby producing useful and reliable information to inform decision-making and management.

A total of 75 per cent of departments met the Level 3 or 4 requirements for monitoring and evaluation, which means that they have Monitoring & Evaluation policies or frameworks in place and implement processes and procedures for collecting, managing and storing data that support performance monitoring. Departments placed the responsibility to produce good quality performance information with line managers, rather than abdicate this responsibility to a central strategic planning unit. However, the quality of data remains a challenge for many departments. This is consistent with the concerns raised by the Auditor-General on the usefulness and reliability of performance information produced by departments. The implication of poor data quality is poor strategic and operational decision-making.

It appears that many departments have a challenge distinguishing between "evaluation" and "monitoring" and consequently submitted quarterly monitoring reports as evidence for conducting evaluations. Only 19 per cent of departments performed at Level 4 on the monitoring and evaluation standard. These departments showed evidence of planning or conducting at least one evaluation of a major programme. As a possible consequence of the misconception of the distinction between monitoring and evaluation,

monitoring is often prioritised at the expense of evaluation both in terms of creating departmental competence and capacity as well as implementation.

Evaluations are necessary for government to determine whether or not their policies and programmes are relevant, achieving the intended results, and being delivered efficiently. The lack of evaluation suggests that many departments are at risk of implementing policies and programmes that are inefficient, ineffective or not relevant to the needs or problems that there are intended to address. The recently approved National Evaluation Policy Framework is intended to reduce this risk.

Comparison across provinces and national departments

Chart 4 shows the comparison of the MPAT results for KPA 1: Strategic Management, for the nine provinces and national departments. Note that the results of the individual national departments have been consolidated under the heading 'ND'.

Chart 4: Provincial comparison: KPA 1 - Strategic Management

MPAT 2012/13: RSA Total
% Distribution of final scores by Province for KPA: Strategic Management
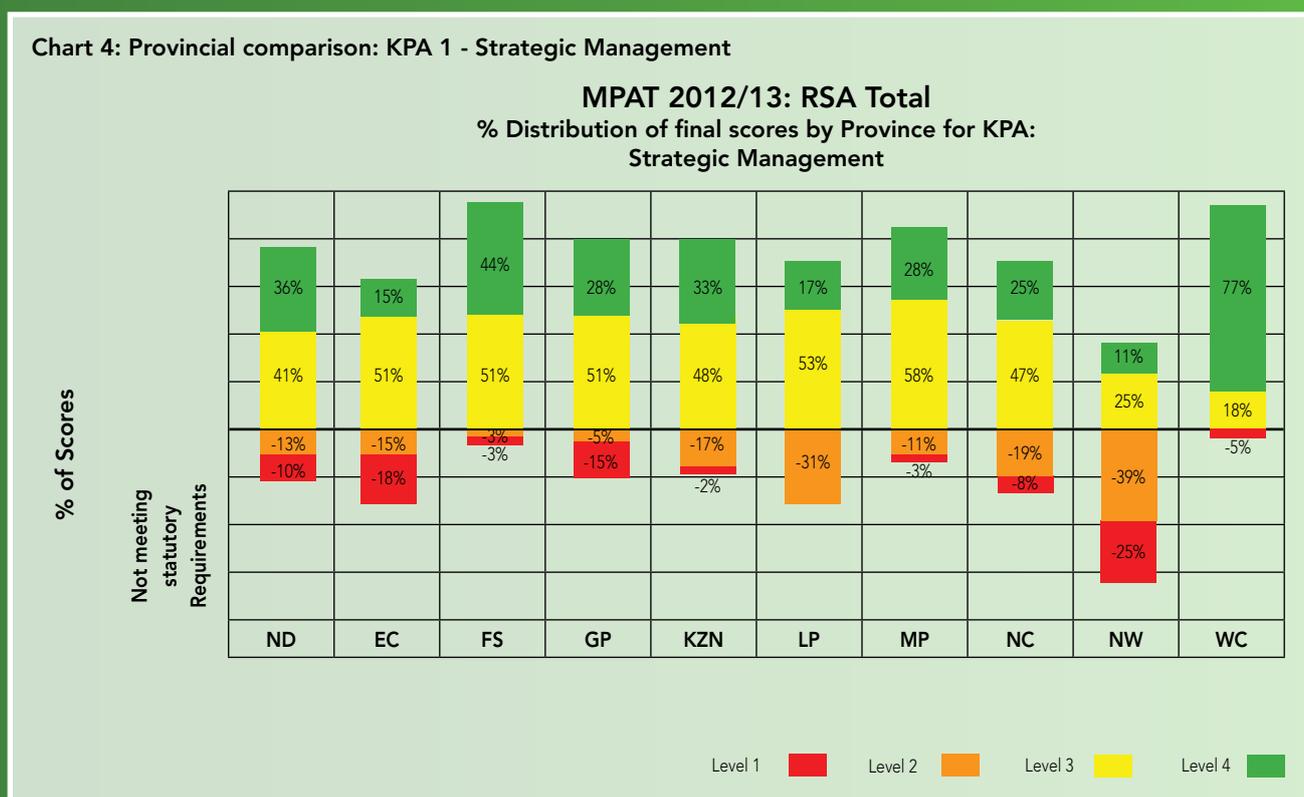
The Western Cape, Free State and Mpumalanga were the three provinces that performed best in KPA 1 Strategic Management, while departments in the North West province performed very poorly in strategic management practices. Five provinces performed better than national departments in strategic management, on average.

The MPAT results for the Western Cape, Free State and Mpumalanga were very positive. In the Western Cape and the Free State 95 per cent of departments' scores were at Level 3 and Level 4. Seventy-seven per cent of Western Cape departments' scores were at Level 4, as were 44 per cent of Free State departments' scores. Mpumalanga had 86 per cent of departments' scores at Levels 3 or 4. Twenty-eight per cent of Mpumalanga departments' scores were assessed at Level 4. In KwaZulu-Natal, 81 per cent of its departments' scores were at Level 3 or 4.

There is room for improvement in strategic management practices in the national departments and in the provinces of the Northern Cape, Gauteng and Limpopo. Among national departments, 77 per cent of strategic management scores

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met the Level 3 or 4 standards for strategic management, with 36 per cent of departments' scores at Level 4. The results for the Northern Cape were similar to those of national departments. Although the results of Gauteng were positive, they can be improved by focusing on addressing the specific challenges of the individual departments that did not meet the legal/regulatory requirements for strategic management. In Limpopo, 70 per cent of departments' scores were at Level 3 or 4. With a focused improvement plan, all departments in Limpopo should be able to meet the legal/regulatory requirements for strategic management. Improvement is also needed in the Eastern Cape where 31 per cent of departments did not meet the legal/regulatory requirements for strategic management.

North West should be cause for concern as only 36 per cent of departments' scores in this province were at Level 3 or Level 4.

3.2.2 KPA 2: Governance and Accountability

Key Performance Area 2: Governance and Accountability focuses on a select number of management practices that underpin good governance and promote accountability in public administration. Effective governance and accountability are necessary to ensure that adequate checks and balances are in place to minimise mismanagement and corruption and also improve efficiencies in delivery of services. This area promotes the value add of oversight structures as well as encouraging that the leadership in departments actively respond to their recommendations and findings.

The Key Performance Area covers the following standards in MPAT:

- Service delivery improvement mechanisms
- Functionality of management structures
- Assessment of accountability mechanisms (Audit Committees)
- Assessment of policies and systems to ensure professional ethics
- Fraud prevention
- Assessment of internal audit arrangements
- Assessment of risk management arrangements
- Approved Executive Authority and Head of Department delegations in terms of the Public Service Act and Public Service Regulations
- Approved Head of Department delegations in terms of the PFMA
- Corporate governance of ICT (not included in final results)
- Compliance with PAJA (not included in final results)

Chart 5 shows the combined results of national and provincial departments for Governance and Accountability, by MPAT standards.

MPAT 2012/13: RSA Total
% Distribution of final scores per performance standard in KPA:
Governance and accountability

	2.1.1 Serv del impr mech	2.2.1 Mgt Structure	2.3.2 Account (Audit) Comm)	2.4.1 Prof Ethics	2.4.2 Fraud Prev	2.5.1 Internal Audit	2.6.1 Risk Mgt	2.7.1 Deleg's PSA	2.7.2 Deleg's PFMA
Level 4	2%	27%	20%	4%	17%	21%	13%	13%	19%
Level 4 (yellow)	18%	19%	39%	20%	19%	19%	24%	34%	35%
Level 3	-31%	-13%	-19%	-26%	-37%	-40%	-27%	-17%	-15%
Level 2		-41%	-22%					-36%	-30%
Level 1	-49%			-50%	-27%	-21%	-36%		

% of Scores — Not meeting statutory Requirements

Legend: Level 1 (red), Level 2 (orange), Level 3 (yellow), Level 4 (green)
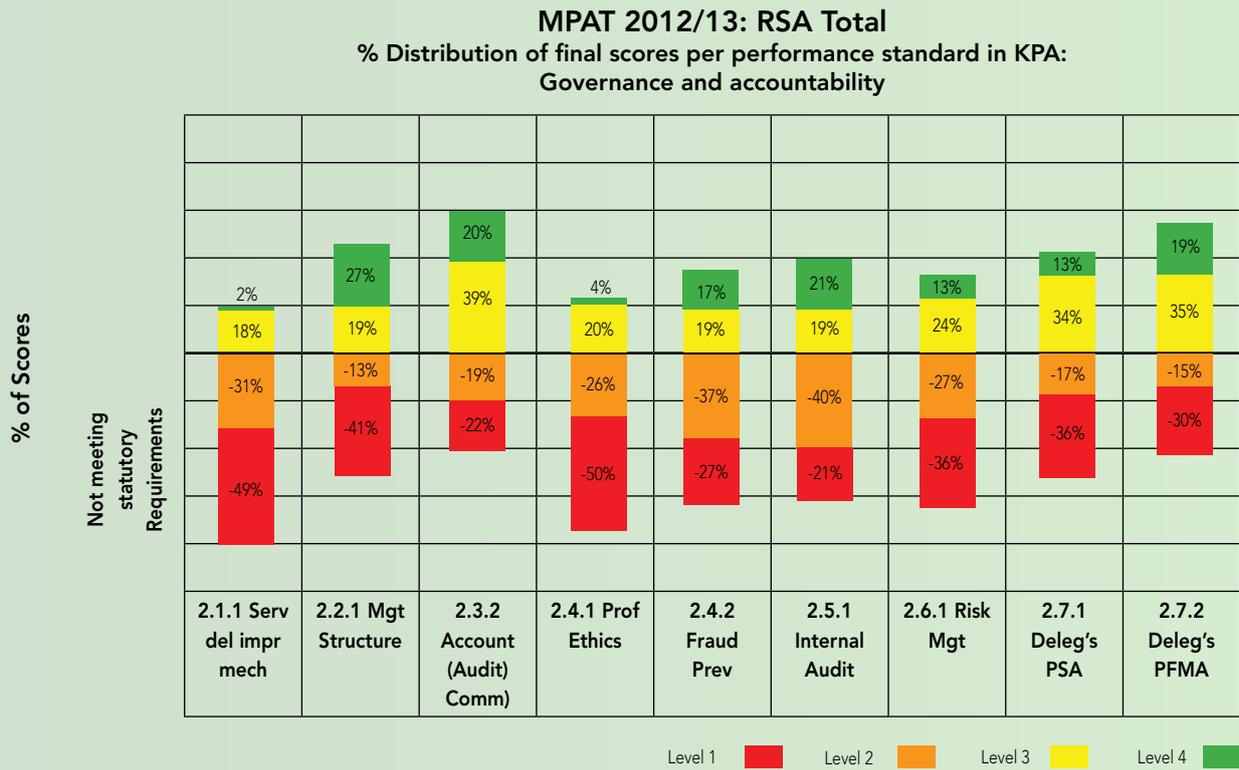
The overwhelming majority of departments did not meet the legal requirements for service delivery improvement and promoting professional ethics. Other areas of concern are fraud prevention, internal audit arrangements and risk management.

Service delivery improvement mechanisms (Standard 2.1.1)

All departments, irrespective of the nature of their functions, are required by the public service regulations to have an approved service delivery charter, adhere to their published service delivery standards, and service delivery improvement plans. However, 49 per cent of departments did not have a service delivery charter or service standards. A further 31 per cent of departments partially met the legal/regulatory requirements. Some of these departments had draft service charters and standards, while others had approved charters and standards, but did not display them or did not have service

delivery improvement plans. Only 20 per cent of departments met the legal/regulatory requirements for service delivery improvement. This is a terrible indictment of management's commitment to service delivery improvement. Only 2 per cent of departments are monitoring their compliance to their own service delivery standards and using the information to improve their business processes and the quality of their service delivery to their clients. This finding also goes a long way to explain why there are on-going problems with the quality of service delivery in many parts of the public service.

It became clear from the evidence reviewed during the moderation process that a number of departments did not understand the policy requirements for service standards and service delivery improvement. They believed that these only applied to departments that deliver services directly to the public, for example, Home Affairs. Departments that provide services to other departments often do not consider these departments as service recipients or clients. Departments

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also do not consider it necessary to develop standards for services rendered to internal departmental clients. This narrow interpretation of service delivery is not useful for the public service. Units that deliver internal services, for example, recruitment, have a significant impact on a department's performance, as do departments that provide services to other departments. The development of a service-oriented culture in the public service requires a broader understanding of service delivery than that reflected by many departments in this MPAT assessment.

The generally poor performance of departments in relation to this standard should be a cause for concern for the DPSA, which is the custodian of the Public Service Regulations which cover service delivery improvement. DPSA needs to carry out a thorough evaluation of the reasons for the widespread non-compliance with the service delivery improvement regulations and the reasons why so few departments are monitoring their compliance with their own service delivery standards.

Functionality of management structures (Standard 2.2.1)

Formal terms of reference for management structures are important in that they define roles and responsibilities and the extent of decision-making authority of these structures. Government departments typically have several management structures, for example, EXCO and MANCO. Holding meetings as scheduled helps to build a 'rhythm of management' and order in departments.

46 per cent of departments met the requirements for management structures, and of these 27 per cent were assessed at Level 4. In addition to having formal terms of reference for their structures and holding scheduled meetings, these departments demonstrated that they took decisions, documented these and followed through on them. Their senior management meetings focussed on the strategic priorities of the department and the commitments made in their Annual Performance Plan. Some departments even went further by discussing and allocating responsibilities for intergovernmental priorities and resolutions emanating from external structures such as Clusters, FOSAD and Outcome Implementation Forums.

For those departments which scored below level 3, management structures operate in an ad hoc manner, without

formal terms of reference and/or scheduled meetings. This was the case in the 41 per cent of departments assessed at Level 1 and the 13 per cent of departments assessed at Level 2. Departments that operate in an ad hoc manner are less likely to make well-informed decisions as decisions tend to be made 'on the run'.

Assessment of accountability mechanisms (Audit Committees) (Standard 2.3.2)

Audit Committees are established to play an oversight role for the system of internal controls, risk management and governance within departments. The value-add of this committee is to evaluate the organisation and provide feedback on a continuous basis with regard to whether the departments are able to achieve their set goals and objectives in an effective and economical manner. It is however the responsibility of management, as part of continuous improvement, to proactively act upon recommendations that emanate from the Audit Committee.

The majority of departments had audit committees in place that were constituted according to National Treasury requirements. In 39 per cent of departments (Level 3), audit committees functioned on the basis of an audit charter and met as scheduled. Nineteen per cent of departments were assessed at Level 4 as they demonstrated that their audit committees reviewed management responses to audit issues, and reported on these, or that the audit committees had positive feedback on their functioning from stakeholders. It is however of concern that 41 per cent of departments did not meet the legal/regulatory requirements for Audit Committees. This has implications for internal controls, risk management and governance within departments.

Assessment of policies and systems to ensure professional ethics (Standard 2.4.1)

This standard focuses on how departments communicate and provide training on the code of conduct to new employees as well as the existing staff in ensuring that the values and principles governing public administration are continuously upheld. This area also includes the requirement for senior managers to disclose their financial interests in line with the Financial Disclosure Framework.

Twenty per cent of departments were assessed at Level 3

– they proactively promoted the code of conduct with their employees and ensured that all SMS financial disclosures were submitted to the Public Service Commission on time. These departments also took disciplinary action against senior managers who failed to submit their financial disclosures. The 4 per cent of departments assessed at Level 4 went the extra step and analysed financial disclosures to identify potential conflicts of interest and take action to address these.

Seventy-six per cent of departments did not meet the legal/regulatory requirements for ensuring professional ethics. Fifty per cent of departments were assessed at Level 1 – they had no mechanisms in place for communicating or providing the code of conduct to their employees, or they had fewer than 75 per cent of their senior managers filing their financial disclosures on time.

While government has made a strong commitment to combating corruption and misconduct in the public service, that so many departments did not meet the standards for ensuring professional ethics is cause for concern.

Fraud prevention (Standard 2.4.2)

This standard deals with the extent to which departments have put in place mechanisms for preventing, detecting and resolving fraudulent activities. Fraudulent activities have a bearing on delivery of services, misuse of public resources, and negatively impact on the reputation of departments as well as the confidence of citizens as recipients of services.

Thirty-six per cent of departments met the legal/regulatory requirements for fraud prevention. The 19 per cent of departments assessed at Level 3 had approved fraud prevention plans, whistleblowing policies and managed to provide feedback to the Public Service Commission on cases referred from the Anti-Corruption Hotline. Seventeen per cent of department were found to be operating at Level 4 – they showed evidence of taking disciplinary action and/or instituted criminal or civil proceedings where fraud and corruption occurred.

There were many departments (64 per cent) that did not meet the legal/regulatory requirements for preventing fraud and corruption. Twenty-seven per cent did not have a fraud prevention plan, even in draft form. These departments operate without a conscious effort to prevent fraud and corruption, and without strategies to root out corruption if it

exists. Thirty-seven per cent of departments were assessed at Level 2 – these were departments that had a draft fraud prevention plan that was awaiting approval. The Level 2 category also contained departments with approved fraud prevention plans, but without a whistle-blowing policy and/or which failed to give feedback to the Public Service Commission on referred cases from the Anti-Corruption Hotline.

The high level of non-compliance by departments in the areas of internal audit and risk management also weakens the fight against fraud, corruption and wastage of public funds. It is incumbent upon Accounting Officers to demonstrate strong leadership in strengthening governance arrangements through the application of effective, efficient and transparent systems of financial and risk management and internal controls as stipulated in the PFMA.

Assessment of internal audit arrangements (Standard 2.5.1)

The capacity and capability of Internal Audit units to discharge their oversight function are pivotal for assurance and providing advisory services on internal control, risk management and corporate governance within departments. Furthermore, it is incumbent upon management to act on recommendations from Internal Audit.

Sixty-one per cent of departments did not meet the legal/regulatory requirements for Internal Audit (Level 1 and Level 2). Of these departments, 40 per cent partially met the legal/regulatory requirements for Internal Audit (Level 2). These departments had suitably qualified officials, or carried out the internal audit function through a shared service or sourcing arrangement. However, they did not subject their internal audit function to an external quality review every five years, as is required by the Institute of Internal Auditors.

Nineteen per cent of departments were assessed at Level 3 – they had suitably qualified internal audit capacity, an approved three year strategic internal audit plan and a rolling annual plan, the internal audit unit operated on the basis of a charter and generally complied with the standards of the Institute of Internal Auditors. The 21 per cent of departments assessed at Level 4 demonstrated that management acted on the recommendations emanating from internal audit reports and followed up on actions taken.

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A well-functioning internal audit unit is essential for detecting issues and risks early and bringing them to the attention of management. This can minimise the number of issues that find their way into the Auditor-General's report. Weak internal controls within departments have been identified by the Auditor General as one of the major factors leading to poor audit outcomes and the role of a strong internal audit in alleviating this problem is crucial. It is equally important for management to give the findings of internal audit functions the necessary attention. Management needs to see internal audit as a partner in the quest to entrench good governance in departments.

Assessment of risk management arrangements (Standard 2.6.1)

Government departments, like any organisation, face a variety of internal and external risks, for example, operational risks, financial risks, and reputational risks. It is essential that departments are proactively identifying, assessing, managing and reporting on risks to enhance their organisational performance. Risk management is also central to good corporate governance.

Thirty-six per cent of departments met the legal/regulatory requirements for risk management. They had the basic risk management elements in place and carried out the risk management function in accordance with the Risk Management Framework of the Office of the Accountant-General. 13 per cent of departments were operating at Level 4 – they demonstrated management action to address the risks, and that these actions were commensurate with the risks identified.

Sixty-three per cent of departments did not meet the legal/regulatory requirements for risk management. Of these, 36 per cent were at Level 1 – they had not conducted a risk assessment, or claimed they did but could not substantiate their claims.

These findings show that the culture of risk management has not yet taken root within many departments and portrays a lack of understanding and appreciation of its importance.

Approved Executive Authority and delegations in terms of the Public Service Act (PSA) and Public Service Regulations (Standard 2.7.1)

This standard covers how Executive Authorities delegate decision making authority for their PSA powers to various levels in their departments. The standard requires that the delegated functions be clear, with conditions and be signed off on each assigned delegation to minimise the risks.

Departments must have appropriate delegations in place so that they can operate efficiently and in compliance with the Public Service Act and Public Service Regulations. The DPSA issued a framework to guide departments in their delegations.

According to the above mentioned framework delegations of power have some of the following advantages:

- The workload of EAs, HODs and other managers are reduced , enabling them to devote more attention to strategic issues;

- The speed, quality and flexibility of decision-making improves because the decisions are closer to the work at hand and time does not have to be allocated for referring the matter to a higher authority;

- Improved initiative and job satisfaction amongst middle and junior level managers as they are made to feel part of the effort to manage the department and being prepared to assume greater responsibilities;

- Employees are encouraged to exercise judgement and accept responsibility, which adds to their self-confidence and willingness to take initiative;

- Capacity development of support services practitioners and line officials; and

- Building institutional memory at various levels in the department.

Forty-seven per cent of departments met the legal/regulatory requirements for public administration delegations. Thirty-four per cent of departments had delegations in place that were compliant with the Public Service and Public Service Regulations and consistent with the DPSA framework (Level 3). Thirteen per cent of departments were assessed at Level 4. These departments, in addition to the minimum requirements of the DPSA delegations framework, demonstrated effective use of delegations to appropriate levels in the organisation and to regional offices. Thirty-six per cent of departments do not

provide evidence of having any delegations in place (Level 1).

Seventeen per cent of department's delegations did not comply with the Public Service Act and Public Service Regulations (Level 2). In the case of one province (Northern Cape) no Executive Authorities had delegated powers to their Heads of Department as all delegations had been withdrawn by the Office of the Premier. A common problem with delegations was that departments did not document the delegations or capture them in a delegations register, and the conditions of the delegation were not always specified. Other challenges related to delegations not being signed off by both the Executive Authority and the Accounting Officer making such delegations not legally binding. Some delegations as signed by predecessors were in former names of departments and they were not reviewed.

By not delegating authority to the appropriate levels, departments experience delays in decision-making as decision-making becomes over-centralised. The absence of delegations especially of those matters pertaining to human resources has a major impact on departments' ability to recruit and fill vacancies.

Approved Head of Department delegations in terms of the PFMA (Standard 2.7.2)

The results for delegations in terms of the PFMA were marginally better than the results for PSA delegations. Fifty-four per cent of departments met the legal/regulatory requirements for delegations for financial administration (Level 3 or Level 4). Thirty-five per cent were assessed at Level 3 – they had financial delegations in place that were aligned to Treasury guidelines and the approved departmental structure. Their delegations register was approved and there was evidence of delegation from the Accounting Officer to the Chief Financial Officer and to other officials. Nineteen per cent of departments met the standards at Level 4. These departments demonstrated that delegations were made at the appropriate level.

Forty-five per cent of departments did not have delegations in place or their delegations were not aligned to Treasury guidelines (Level 1 and Level 2). Departments that have not effectively delegated run the risk of delays in financial administration (for example, processing of payments within the prescribed 30 days) as a result of over-centralised decision-making. There is also the risk of delegating at too low a level, giving officials financial responsibility that is not commensurate with their position and competencies.

Comparison across provinces and national departments

Chart 6 shows the comparison of the MPAT results for KPA 2: Governance and Accountability, for the nine provinces and national departments.

MPAT 2012/13: RSA Total
% Distribution of final scores by Province for KPA:
Governance and Accountability

	ND	EC	FS	GP	KZN	LP	MP	NC	NW	WC
Level 4 (green)	17%	8%	10%	6%	4%	25%	25%	7%	10%	36%
Level 4 (yellow)	22%	12%	40%	20%	19%	29%	39%	23%	19%	37%
Level 3	-24%	-21%	-43%	-19%	-37%	-23%	-19%	-27%	-30%	-8%
	-37%	-59%	-7%	-55%	-40%	-23%	-14%	-43%	-42%	-19%

% of Scores

Not meeting statutory Requirements

Level 1 ■ Level 2 ■ Level 3 ■ Level 4 ■
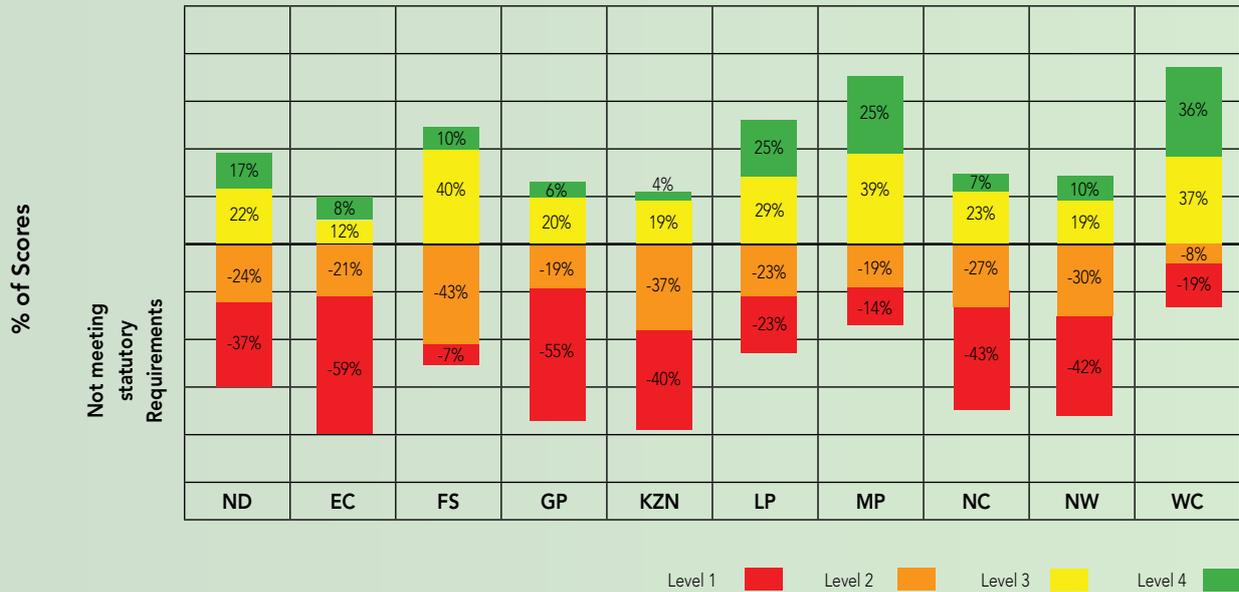
The Western Cape, Mpumalanga, Limpopo and the Free State were the only provinces where 50 per cent or more of departments' scores in KPA 2 were at Level 3 and 4 – meeting the legal requirements in this Key Performance Area. The results for the other provinces were weak, and on aggregate, national departments fared marginally better than the weaker provinces.

In the Western Cape, 73 per cent of departments' scores were at Levels 3 or 4 – meeting the legal/regulatory requirements, with 36 per cent of departments' scores at Level 4. In Mpumalanga, 67 per cent of departments' scores were at Level 3 or Level 4 in KPA 2.

The results of the remaining provinces and national departments were not good. The Eastern Cape, the worst of the provinces, only had 20 per cent of departments' scores at Level 3 or Level 4, followed by KwaZulu-Natal at 23 per cent, Gauteng at 26 per cent and North West at 29 per cent, whilst only 39 per cent of national departments' scores were at Level 3 or Level 4.

3.2.3 Key Performance Area 3: Human Resource Management

The quality of human resource management practices has a profound influence on the overall performance of the organisation, and its delivery of services in particular. A significant proportion of the Government's budget is spent on human resources, and it is therefore imperative that the state derives value for money from the investment in human resources in the public sector.

- Key Performance Area 3: Human Resource Management covers the following standards:
- Human resource planning
- Organisational design and implementation
- Human resource development planning
- Pay sheet certification
- Application of recruitment and retention practices
- Management of diversity
- Implementation of Level 1-12 Performance Management System
- Implementation of SMS Performance Management System

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- Implementation of HOD Performance Management System
- Management of disciplinary cases

Chart 7 shows the consolidated national and provincial results for Key Performance Area 3, by MPAT standards.

Chart 7: MPAT 2012/13 Results: KPA 3 - Human Resource Management

MPAT 2012/13: RSA Total
% Distribution of final scores per performance standard in KPA:
Human Resource Management

	3.1.1 HR Planning	3.1.2 Org Design	3.1.3 HR Dev Plan	3.2.1 Pay Sheet Cert	3.2.2 Recruit & Reten	3.2.4 Mgt Diversity	3.3.1 Level 1-12 PMDS	3.3.2 SMS PMDS	3.3.3 PMDS HOD	3.4.2 Discipl Cases
Level 4	2%	6%	4%	5%	2%	1%	17%	6%	9%	5%
Level 3	10%	20%	11%	24%	34%	2%	40%	7%	54%	7%
Level 2	-80%	-51%	-49%	-35%	-49%	-9%	-33%	-71%	-23%	-21%
Level 1	-8%	-18%	-36%	-36%	-15%	-88%	-10%	-16%	-14%	-67%

Legend: Level 1 (red), Level 2 (orange), Level 3 (yellow), Level 4 (green)

The MPAT results for Human Resource Management overall were not positive. Departments were especially weak in meeting the standards for human resource planning, management of diversity, implementation of the Performance Management and Development System for the Senior Management Service, and managing disciplinary cases. Departments, however, achieved good results for standards relating to the performance management of Heads of Department and officials below the Senior Management Service.

Human Resource Planning (Standard 3.1.1)

Human resource planning aims to ensure the best fit between employees and jobs, while avoiding workforce shortages and surpluses. All departments are therefore required to develop their MTEF Human Resource Plan that addresses both current and future workforce needs to achieve organisational objectives. Departments are also required to annually implement their human resource plans, and continuously monitor, evaluate and revise their existing approved human resource plans. MPAT assesses whether departments comply with and implement the human resource planning requirements.

Only 12 per cent of departments met the legal/regulatory requirements for Human Resource Planning (Level 3 or Level 4) and only 2 per cent of departments met the standards at Level 4. For Human Resource Planning, 88 per cent of departments did not meet the legal/regulatory requirements.

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Of these departments, 80 per cent were at Level 2. These departments failed to submit their human resource plans or their implementation (progress) reports to the DPSA in accordance with the prescripts.

Poor human resource planning practices pose a risk to departments of a mismatch between their human resources profiles and their service delivery models. This ultimately has a negative impact on the department's performance and its service delivery.

Organisation design and implementation (Standard 3.1.2)

A department's organisation structure must be underpinned by simple design principles. Logical functional groupings, balance of responsibilities and clarity of processes are critical to enable successful design and implementation. Every organisational structure must, therefore, be approved by the relevant Executive Authority after consultation with the Minister for Public Service and Administration. MPAT assesses whether departments comply with requirements for consultation, approval and funding of their organisational structure.

Seventy-four per cent of departments did not meet the legal/regulatory requirements for organisational design. Twenty-three per cent of department did not have an approved organisational structure (Level 1). A further 51 per cent of departments had approved organisational structures, but have unfunded posts on PERSAL, and a substantial number of posts additional to the establishment (Level 2). Having unfunded posts on PERSAL is contrary to an explicit instruction from the DPSA to remove all unfunded posts from PERSAL.

If departments do not have approved organisational structures, it becomes difficult to manage a department effectively. Posts are not filled substantively and people act in positions for inordinate lengths of time. This makes for an unstable organisation. One of the problems identified during the moderation process was that organisational structures were not always aligned to the departmental budget and this meant that departments were carrying posts for which there was no funding. The presence of unfunded posts on PERSAL also makes it very difficult for government to monitor its real vacancy rate.

Human Resource Development Planning (Standard 3.1.3)

Human Resource Development Planning is important in keeping the employees' competencies aligned with the goals of the department. Due to the growing demands on the public service for efficient and effective service delivery, there is a need for departments to adopt strategies that respond to the development of skills and transfer of knowledge and experience which ultimately improve performance. MPAT assesses whether departments have a Human Resource Development Plan that is approved and implemented.

Departments did not perform well on standards for human resource development plans. Only 15 per cent of departments met the legal/regulatory requirements for human resource development plans (Level 3 or Level 4) and 85 per cent did not meet the legal requirements (Level 1 or Level 2). Of those departments that did not comply, 49 per cent were at Level 2 – they had human resource development plans, but did submit their annual implementation plan and/or their monitoring and evaluation reports to the DPSA as required by prescripts. There may be confusion between the DPSA requirements and the requirement for departments to report to PSETA. A number of departments submitted their PSETA reports as evidence of implementation of their human resource development plans when the Public Service Regulations require reports submitted to the DPSA. Developing skills (capability) in the public service remains a huge challenge and it is essential that new thinking be injected into the issue of skills development in the public service.

Pay sheet certification (Standard 3.2.1)

Every department must keep full and proper records of its financial affairs in accordance with all prescribed norms and standards. MPAT assesses whether departments have a process in place to manage pay sheet certification and quality control. The pay sheet certification aims to ensure that the correct employees are paid at the correct paypoint in order to avoid fruitless expenditure.

Seventy-one per cent of departments did not meet the legal/regulatory requirements with regard to pay sheet certification. They did not have documented processes to ensure that pay sheets are signed off correctly, as required by Treasury Instructions, or they failed to submit the signed

pay sheets within the required 10 days. Twenty-nine per cent of departments succeeded in meeting the regulatory requirements for payroll certification. One department conducted an annual on-site check to verify the existence of officials. This is a good practice that other departments may wish to emulate.

While pay sheet certification may appear bureaucratic, the standard is necessary to ensure that the state is paying only those who should be paid, and paying them the correct amount. It assists in identifying and eliminating "ghost workers" from the system and avoiding fruitless expenditure. The sign-off system is also necessary for departments that have staff in dispersed locations and a high level of staff movement between locations.

Recruitment and retention (Standard 3.2.2)

Recruitment and retention are not only human resource issues but an important part of the department's strategy. The recruitment of the correct employees is crucial as it reduces the costs incurred by a department in dealing with poor performers. Retention is essential to obtain return on investment in employees. MPAT assesses whether departments have recruitment practices that adhere to regulatory requirements and retention strategies that are in line with generally acceptable management standards.

Thirty-six per cent of departments met the legal/regulatory requirements for recruitment and retention (Level 3 or Level 4). They showed evidence of implementing good recruitment practices, for example, having in place standard operating procedures for recruitment and managed to fill vacant posts from the previous 12 months within a 4 month time frame. These departments also conducted exit interviews of employees who were leaving the department.

Sixty-four per cent of departments did not meet the legal/regulatory requirements for recruitment and retention. They did not manage to fill 90 per cent of vacant positions from the previous 12 months within the 4 month timeframe required by the standard. From the evidence provided for the moderation process, it appears that departments experience delays in obtaining qualifications verifications from the South African Qualifications Authority (SAQA). Departments also raised the problem of bottlenecks with obtaining security clearances from the Department of State Security.

A major shortcoming in the performance of departments in the area of retention is that they did not conduct an analysis of exit interviews to understand why employees were leaving. Most departments did not conduct assessments of the working environment to understand what made employees productive and what made them unproductive. Without this kind of evidence, departments are not able to develop effective strategies to retain employees, especially those with scarce skills who leave the public service.

Management of diversity (Standard 3.2.4)

This standard assesses whether departments have management practices that support the management of diversity. Diversity management is a broad concept and the standard focuses on Government's targets for female employees in the Senior Management Service and targets for employees with disability. In addition, the standard assesses the extent to which departments meet the requirements set out by the DPSA with regard to the Gender Equality Strategic Framework and the Job Access Strategic Framework.

Ninety-seven per cent of departments did not meet the requirements set out in the standards for management of diversity and of these 88 per cent were at Level 1. This means that they did not submit a Job Access Strategic Framework Implementation Report and/or a Gender Equality Strategic Framework Implementation Report to the DPSA, as required by DPSA issued frameworks. From the moderation process, it was evident that these departments were not aware of the policy requirement for these frameworks and the submission of reports to the DPSA.

An area of concern is that most departments have not met the minimum targets of 50 per cent women in the Senior Management Service, and 2 per cent of employees being people with disabilities. A number of departments did not provide evidence to indicate that they had a strategy in place to achieve these equity targets. These targets were set by Government to promote employment equity and not only to prohibit unfair discrimination against women and people with disabilities, but to ensure that departments have access to their talents and skills. From the evidence available for moderation, it appears that several departments were unaware of the requirement to report progress to the DPSA and believed that it was sufficient to only report progress to the Department of Labour. This overlap and duplication of

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reporting on employment equity should be addressed by DPSA.

Implementation of Level 1-12 PMDS (Standard 3.3.1)

The aim of performance management is to optimise every employee's output in terms of quality and quantity, thereby improving the department's overall performance and service delivery. MPAT assesses whether departments implement the Performance Management and Development System (PMDS) for all employees at salary level 1-12, within the requisite policy provisions.

The vast majority of departments have an approved Performance Management and Development System (PMDS) in place for employees on remuneration levels 1-12. Ten per cent of departments did not have an approved PMDS in place (Level 1). Fifty-seven per cent of departments met the legal/regulatory requirements (Level 3 or Level 4). They implemented the PMDS in accordance with their PMDS policy. There was evidence that these departments conducted annual assessments and mid-term performance reviews based on signed agreements or work plans of employees. The focus of the PMDS implementation for many departments however, is on assessments for performance bonuses. Only 17 per cent of departments operated at Level 4 and demonstrated that they used the outcomes of performance assessments for further development of employees and for managing poor performance. By not actively managing poor performance, departments do not improve their performance and settle for mediocre performance.

Perhaps the emphasis of the current PMDS is for using it as a tool for rewarding employees, and perhaps there is not sufficient emphasis on using it as a tool for improving performance.

Implementation of SMS Performance Management System (excluding HoDs) (Standard 3.3.2)

The performance management and development process should play a key role in effective management development. The key purpose of performance agreements, reviews or appraisals is for supervisors to provide feedback and enable managers to find ways of continuously improving their performance. MPAT assesses whether departments implement the SMS PMDS within the requisite policy provisions.

The manner in which departments implement the Performance Management and Development System for the Senior Management Service is a cause for concern. Eighty-seven per cent of departments did not meet the legal/regulatory requirements for this standard. Of these, 16 per cent had no performance agreements in place for the current cycle (Level 1) and 71 per cent had performance agreements, but these had not been signed either by individuals or their supervisors by the due date (Level 2). Furthermore, these departments did not take disciplinary action for non-compliance. Departments on Level 2 also did not provide evidence of having conducted mid-term reviews. Taking disciplinary action for non-compliance is a regulatory requirement and the failure to do so reinforces a lack of accountability on the part of senior managers. Senior managers in departments occupy positions of responsibility and are meant to provide leadership, not only in their respective departments, but in the wider public service. It is therefore imperative that their performance is managed effectively.

Implementation of Performance Management System for Heads of Department (Standard 3.3.3)

Implementation of the performance management system for Heads of Department is better than that of the Senior Management Service. Sixty-three per cent of departments met the legal/regulatory requirements for implementation of the PMDS for Heads of Department. In these departments, the Heads of Department had signed performance agreements that were duly lodged with the Public Service Commission, and submitted the relevant documentation for their performance assessments. Fourteen per cent of departments were assessed at Level 1, meaning that the Head of Department did not submit a signed performance agreement to the Executive Authority. In 23 per cent of departments, the Head of Department submitted a signed performance agreement to the Executive Authority, but these were not yet submitted to the Public Service Commission.

The moderation process identified delays in annual performance assessments of Heads of Department, and mid-term reviews not being completed. Also, departments tended not to incorporate recommendations from the Public Service Commission on the performance agreements that

are aimed at improving these performance agreements. The manner in which the performance of the Head of Department is managed sets the tone for managing performance in the rest of the department, and for inculcating a culture of performance in the department and in the public service. It is therefore essential that the necessary steps are taken to improve performance management of Heads of Department.

Management of disciplinary cases (Standard 3.4.2)

Discipline is one of the most critical aspects of labour relations. It is essential for effective service delivery to have a disciplined workforce. MPAT assesses whether departments manage disciplinary cases within the prescribed policies and ensure implementation of recommendations.

The management of disciplinary cases by departments is problematic. Only 12 per cent of departments met the legal/regulatory requirements for the management of disciplinary cases (Level 3 or Level 4). This means that 88 per cent of departments did not meet the regulatory requirements for the management of disciplinary cases.

Sixty-seven per cent of departments were assessed at Level 1 – they did not finalise their disciplinary cases within the 90 days required by policy. Twenty-one per cent of departments

did not capture all disciplinary cases on PERSAL, as required by policy. The reason for departments not meeting the standards requires further investigation. Some of the issues that emerged during the moderation process were that a number of departments lacked the investigative capacity and capability to finalise disciplinary cases within the 90 day window, and that some cases were too complex to finalise within the prescribed period. Lack of access by labour relations officials to PERSAL to capture disciplinary cases on the system was also identified as a problem. If disciplinary cases are not captured on PERSAL, there is the risk that officials move to another department and the recipient department has no knowledge of prior misconduct. It is also makes monitoring of the management of disciplinary cases across the public service very difficult.

Comparison across provinces and national departments

Chart 8 shows the comparison of the MPAT results for KPA 3: Human Resource Management, for the nine provinces and national departments.

Chart 8: Provincial comparison - KPA 3: Human Resource Management

MPAT 2012/13: RSA Total
% Distribution of final scores by Province for KPA: Human Resource Management

	ND	EC	FS	GP	KZN	LP	MP	NC	NW	WC
Level 4	8%	2%	3%	4%	4%	4%	10%			21%
Level 4	23%	16%	26%	10%	22%	21%	20%	26%	11%	31%
Level 3	-35%	-31%	-32%	-45%	-46%	-45%	-34%	-40%	-47%	-29%
Level 2	-34%	-51%	-39%	-41%	-28%	-30%	-36%	-34%	-42%	-19%

Legend: Level 1 (red), Level 2 (orange), Level 3 (yellow), Level 4 (green)

Y-axis: % of Scores; Not meeting statutory Requirements
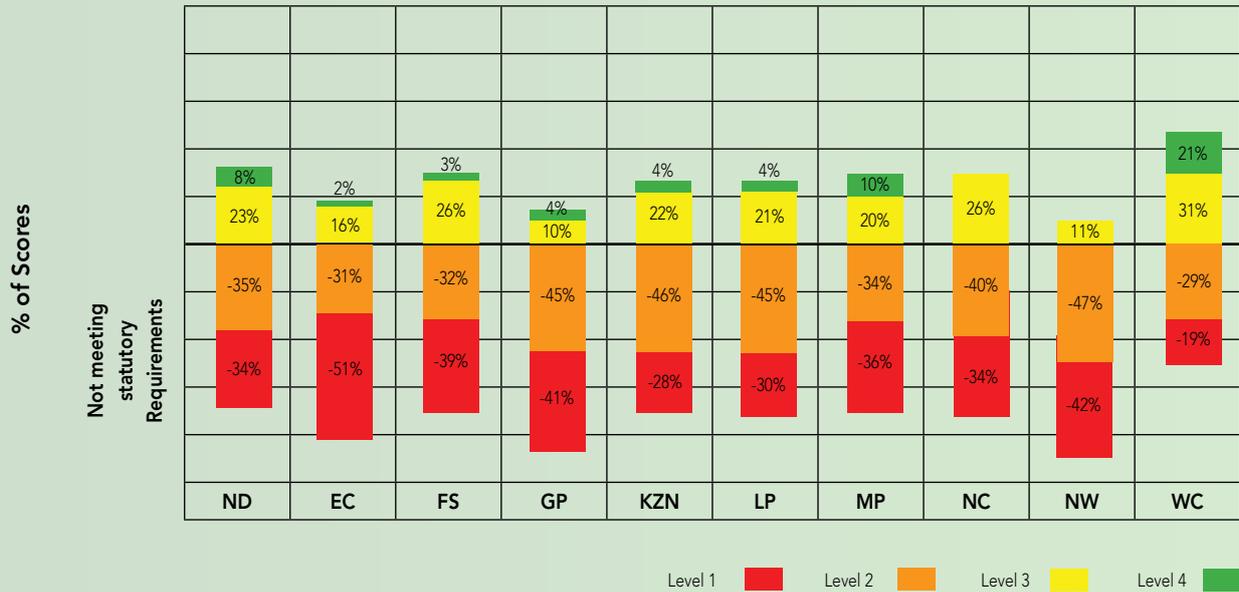
The overall results for KPA 3: Human Resource Management were weak. The Western Cape was the only province that had more than 50 per cent of departments' scores at Level 3 and Level 4.

As noted in the preceding section of this report, the overall performance of departments in the Key Performance Area of Human Resource Management was weak. The Western Cape, the best performing province in this Key Performance Area, only had 52 per cent of its departments' scores, on aggregate, that met the regulatory requirements for human resource management (Level 3 or Level 4) and 21 per cent of departments showed evidence of good human resource management practices that went beyond compliance with the regulatory requirements (Level 4).

The North West Province, Gauteng and the Eastern Cape appear to be experiencing serious difficulties in implementing good human resource management practices. In the North West, only 11 per cent of departments' scores for human resource management were at Level 3 and none at Level 4. In the case of Gauteng, 14 per cent of departments' scores were

at Level 3 and Level 4, while in the Eastern Cape, 18 per cent of departments' scores were at these levels.

Although the results for national departments and other provinces were better than the results for the North West, Gauteng and the Eastern Cape, the results for national departments and these other provinces were still weak.

It is beyond the scope of this report to identify the underlying causes for the poor results in the Key Performance Area of Human Resource Management. There are however, indications that departments have difficulty in interpreting and applying the relevant human resource policies and prescripts.

### 3.2.4 Key Performance Area 4: Financial Management

The effective, efficient and economic use of public finances is essential for growth and development of the country. Whilst there have been pockets of excellence with some departments obtaining clean audit opinions, the pace of public financial management improvement has, to a great

extent been too slow. The negative world economic outlook requires departments to be even more efficient in how they utilise public funds, and to reduce unauthorised, irregular, fruitless and wasteful expenditure.

Key Performance Area 4: Financial Management covers supply chain management and expenditure management practices and complements the monitoring done by National Treasury through the Financial Management Capability Maturity Model. Key Performance Area 4 has the following standards:

Supply Chain Management	Expenditure management
• Demand Management • Acquisition Management • Logistics Management • Disposal Management	• Management of cash flow and expenditure vs. budget • Payment of suppliers • Management of unauthorised, irregular, fruitless and wasteful expenditure

Chart 9 shows the consolidated national and provincial results for Key Performance Area 4, by MPAT standards.
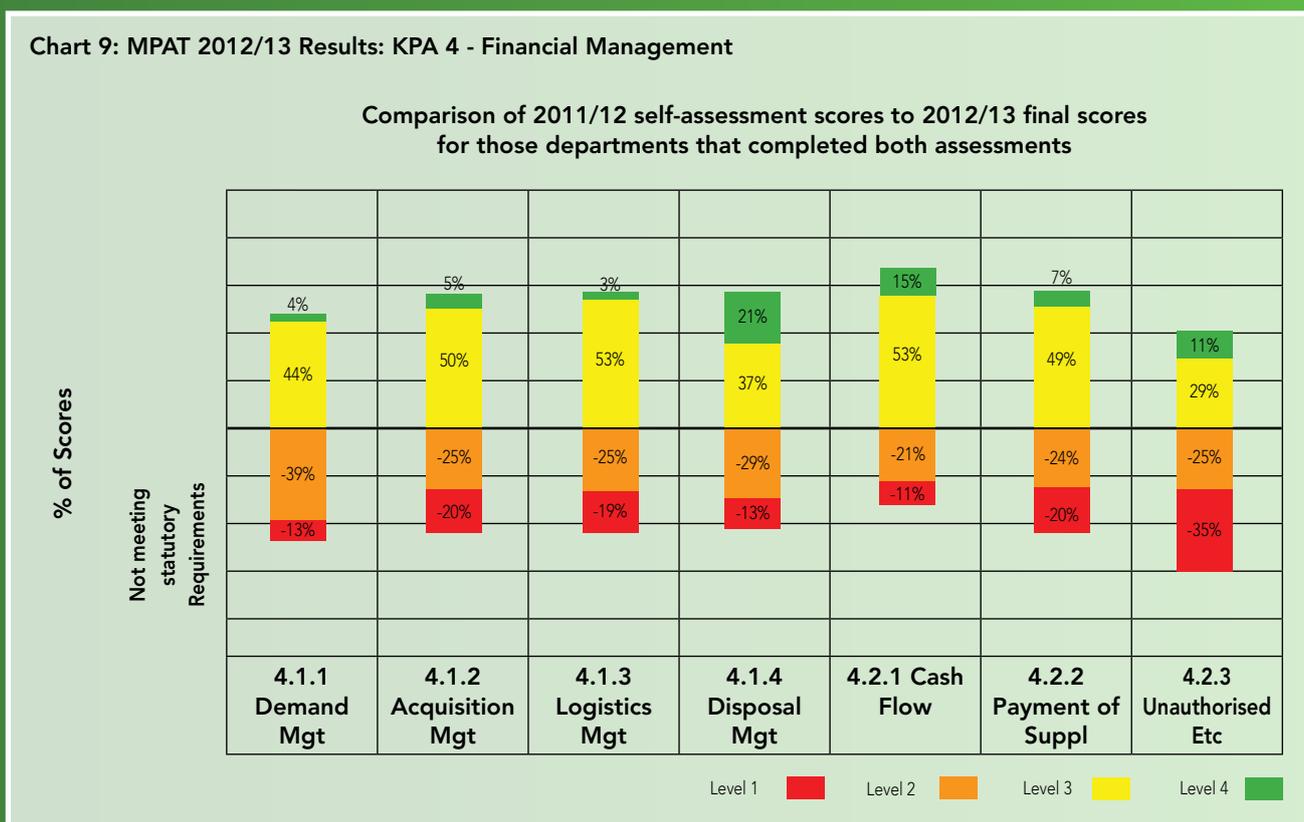
Chart 9: MPAT 2012/13 Results: KPA 4 - Financial Management

Comparison of 2011/12 self-assessment scores to 2012/13 final scores for those departments that completed both assessments

In KPA 4: Financial Management, departments performed best in cash flow management and disposal management. However, the overall results for KPA 4: are unsatisfactory as on average, only half of departments met the legal/regulatory requirements. The management of unauthorised, irregular, fruitless and wasteful expenditure, in particular was weak. All areas in this Key Performance Area are in need of improvement.

Demand management (Standard 4.1.1)

Demand management represents the planning phase of a department's supply chain management (SCM) system and is linked to the broader departmental plans. The demand management cycle culminates in the production of a demand management plan which is informed by a needs analysis. A needs analysis is in turn informed by a department's strategic objectives and operational commitments. Demand management plays a

crucial role in ensuring that a department is able to acquire the goods and services that it needs to attain its objectives.

Forty-eight per cent of departments met the legal/regulatory requirements (Level 3 or Level 4). The 44 per cent of departments at Level 3 had procurement plans in place that met Treasury requirements and submitted their plans on time. These departments met the legal/regulatory requirements and have the potential to become Level 4 departments if they adopted the good practices set out in the standards for Level 4. Only 4 per cent of departments were assessed at Level 4. In addition to a procurement plan, these departments had a demand management plan that covered all procurement within the department irrespective of monetary value. There was also evidence of these departments developing sourcing strategies and regularly reviewing their procurement plans.

Fifty-two per cent of departments did not meet the legal/regulatory requirements. Thirteen per cent of departments were assessed at Level 1 as they did not have a procurement plan covering the department's procurement of goods and services above R500,000. Submitting a procurement plan to the relevant Treasury within the required time frame proved to be a challenge for a number of departments as 40 per cent of departments had procurement plans, but did not manage to submit these to the Treasury on time, and were therefore assessed at Level 2. This category of departments should be able to meet the legal/regulatory requirements if they manage to submit their procurement plans on time.

It is necessary to get departments to improve their demand management practices. Poor demand management has implications for efficient, economic and effective procurement. It means that departments are not thinking of the best ways to obtain value for money. Poor demand management also contributes to end-of-financial-year expenditure spikes.

Acquisition management (Standard 4.1.2)

Acquisition management focuses on the implementation of a department's demand management plan. This standard assessed compliance with frameworks that regulate the actual acquisition of goods and services, from advertising of bids, the completeness of the supplier database and the bid committees to supplier performance.

Fifty-five per cent of departments met the legal/regulatory requirements for acquisition management (Level 3 or Level 4). These departments had processes in place for effective and efficient management of the acquisition process. These processes include the existence of a supplier database that met Treasury requirements, functioning Bid Committees and codes of conduct signed by Bid Committee Members and SCM practitioners. The 50 per cent of departments assessed at Level 3 have the potential to lift their performance to Level 4 by ensuring that they maintain an updated database reflecting performance of suppliers.

There are still too many departments that did not meet the legal/regulatory requirements for acquisition management. Twenty per cent of departments were assessed at Level 1 as they did not have supplier databases in place. A further 25 per cent were assessed at Level 2. These departments either had supplier databases that did not meet National Treasury requirements and/or their Bid Committees were not functioning effectively. Some departments had no information on their suppliers beyond a name and address, and could not provide evidence of rotation of suppliers.

If departments do not have supplier databases or databases do not meet National Treasury requirements, there is a risk of procuring from unsuitable service providers, lack of transparency in procurement processes and potential for fraud and corruption.

Logistics management (Standard 4.1.3)

Logistics management is concerned with management and safeguarding of assets which are classified as inventory. Departments are encouraged to employ measures that optimise stockholdings to minimise costs and ensure uninterrupted delivery of goods and services. MPAT assessed whether departments have documented and implemented stockholding policies.

Fifty-six per cent of departments met the legal requirements for logistics management (Level 3 or Level 4). They had documented processes for setting inventory levels, placing orders, receiving, inspection and issuing of goods. Of these only 3 per cent of departments were assessed at Level 4. These departments had policies in place to optimise their stock holdings.

Forty-four per cent of departments did not meet the legal requirements for logistics management. They either had no documented processes in place, or they had documented

processes, but there was no evidence of implementing these processes. From the evidence assessed during the moderation process, it appeared that a number of departments thought that the nature of their operations did not require inventory management perhaps in the same way as would be the case with a provincial health department. Currently, the National Treasury requirements do not cater for different types of departments and there may be a case for clarifying the requirements to departments. The importance of inventory management should not be under-estimated, especially in departments that have large stock holdings. Good inventory management can optimise stockholdings and minimise costs incurred by departments.

Disposal management (Standard 4.1.4)

Disposal management represents the last step in the supply chain management process. The process must ensure the attainment of the principles of efficiency, economy and effectiveness enshrined in the PFMA. MPAT also assessed whether departments, in the process of disposing of their goods, have due regard to financial, social and environmental factors.

Fifty-eight per cent of departments met the legal/regulatory requirements for disposal management (Level 3 or Level 4). These departments had disposal policies or strategies and implemented them; their disposal committees were established and functioning; and they maintained databases of redundant assets. Of these 21 per cent were assessed at Level 4. In addition to meeting the standards at Level 3, these departments demonstrated that they considered a range of factors (financial, social and environmental) in their decisions to dispose of assets. In disposing of assets, Level 4 departments considered the possible market value of the assets to ensure that asset pricing was linked to the market; some departments identified social beneficiaries such as schools to donate computers that learners can use to improve their technology skills, and considered the environmental impact of the assets/goods to be disposed.

Forty-two per cent of departments did not meet the legal requirements for disposal management (Level 1 and Level 2) as they had no disposal strategy or policy or they did not implement their disposal strategies effectively. Some of the challenges experienced by these departments include the absence of a duly appointed disposal committee and/or the absence of records of decisions made by disposal committees. Some departments did not have disposal committees and erroneously believed that the function could be carried out by a disposal unit. With the absence of effectively functioning disposal committees, there is the risk that disposal decisions are not made transparently and these decisions may not be in the interests of the state. Another problem is that these departments did not regularly update their database of redundant, unserviceable and obsolete assets. They run the risk of disposing of assets prematurely, at a cost to the state.

Management of cash flow and expenditure vs. budget (Standard 4.2.1)

This standard focuses on the requirements of Section 40(4) of the PFMA for departments to submit cash flow projections to the National Treasury prior to the beginning of the financial year and reports of anticipated revenue and expenditure every month. Furthermore, it assesses whether departments have mechanisms in place to prevent under/over expenditure and spending spikes.

Sixty-eight per cent of departments met the legal/regulatory requirements for cash flow management (Level 3 or Level 4). Fifty-three per cent of departments met the legal/regulatory requirements at Level 3 – they submitted their cash flow projections in time to the relevant Treasury and spent their allocations within their cash flow projections. Fifteen per cent of departments were assessed at Level 4. In addition to meeting the legal requirements at Level 3, these departments regularly reviewed their expenditure against their budgets and took action to prevent under- or over-spending. Some had processes in place to manage spending spikes in February and March each year.

There was still a core of departments that did not manage their cash flow effectively. The 21 per cent of departments assessed at Level 2 submitted cash flow projections, but these were not submitted to Treasury on time. The quality of cash flow projections was poor and these departments did not spend in line with their cash flow projections. Often, cash flow projections are done on a linear basis – the annual budget divided equally over 12 months. The moderation process found that a number of departments provided a variety of reasons for their deviation from the planned projections, which tend to point to underlying weaknesses in operational planning. Examples of reasons provided by departments

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include delays in the recruitment process; delays in payment of accruals; slow progress in the delivery of projects; poor planning of projections; and delays in procurement processes.

As the requirements for cash flow projections are strictly regulated and departments cannot receive funding without these projections, all departments should have cash flow projections. Eleven per cent of departments were assessed at Level 1 as they failed to provide evidence of their cash flow projections and provided expenditure reports instead.

The consequences of poor cash flow and expenditure vs. budget management are well-known. There is a risk that the state borrows money that is not spent, thus incurring additional interest costs. There is also the risk of departments spending for the sake of spending their budgets by the end of the financial year. The weakness in cash flow management is perhaps a reflection of weak operational planning within the public service and implementation plans not being adequately costed with a reasonable degree of accuracy. Weak operational planning also impacts negatively on the quality of procurement planning.

Payment of suppliers (Standard 4.2.2)

Delays in the payment of suppliers have been a major source of concern for government, given the devastating impact on business, especially small and medium enterprises. Treasury Instructions require departments to submit monthly exception reports on compliance with the 30 day requirement, and also require Accounting Officers to put in place the necessary processes to improve departmental compliance. The MPAT standard on the payment of suppliers refers to the timeous submission of exception reports and improvements in processing of invoices.

Fifty-six per cent of departments met the legal/regulatory requirements for payment of suppliers within 30 days (Level 3 or Level 4). Of these, 7 per cent of departments were assessed at Level 4. These departments proactively investigated the reasons for non-payment within the 30 day timeframe and took steps to prevent recurrence. It is disturbing that only 7% of departments do this.

Nearly half of departments did not submit exception reports to Treasury when they should have done so, or did not submit the exception reports to Treasury on time. However, according to National Treasury, there was an improvement in exception reporting for the period January to December 2012.

Some of reasons for departments not paying suppliers within 30 days are the absence of systems to track and monitor invoices as they are paid; lack of departmental capacity and critical controls; weaknesses in the internal control environment; and inappropriate delegations leading to centralised payment for goods that are delivered on a decentralised basis.

Management of unauthorised, irregular, fruitless and wasteful expenditure (Standard 4.2.3)

This standard assesses whether a department has documented processes and mechanisms in place to detect and prevent irregular, unauthorised, fruitless and wasteful expenditure. The PFMA requires the Accounting Officer to take effective and appropriate steps to prevent unwanted expenditures and in this regard departments were assessed to check whether they have these measures in place and that disciplinary steps are being taken against negligent officials.

The management of unauthorised, irregular, fruitless and wasteful expenditure is weak as 60 per cent of departments did not meet the legal/regulatory requirements of the standard. Thirty five per cent of departments did not have processes in place to prevent and detect such expenditure (Level 1) and 25 per cent had a documented process in place, but did not address audit findings or take disciplinary action against negligent officials (Level 2).

Forty per cent of departments met the regulatory requirements (Level 3 or Level 4). They had a process in place for detecting and preventing unauthorised expenditure, addressed audit findings and communicated findings to responsible officials. Eleven per cent of departments achieved a Level 4 result. These departments were proactive in analysing the problems and introducing preventative measures. The MPAT results are consistent with the Auditor-General's findings on unauthorised, irregular, fruitless and wasteful expenditure in the public service.

Comparison across provinces and national departments

Chart 10 shows the comparison of the MPAT results for KPA 4: Financial Management, for the nine provinces and national departments.

Chart 10: Provincial comparison - KPA 4: Financial Management

MPAT 2012/13: RSA Total
% Distribution of final scores by Province for KPA: Financial Management

Province	Level 1	Level 2	Level 3	Level 4
ND		-6%	-19%	60% / 14%
EC	-41%	-28%	31%	
FS	-19%	-31%	46%	4%
GP	-38%	-23%	25%	14%
KZN	-22%	-32%	38%	8%
LP	-19%	-43%	27%	11%
MP	-17%	-23%	52%	8%
NC	-7%	-37%	56%	
NW	-38%	-45%	17%	
WC	-4%	-14%	61%	21%

% of Scores — Not meeting statutory Requirements

Level 1 · Level 2 · Level 3 · Level 4
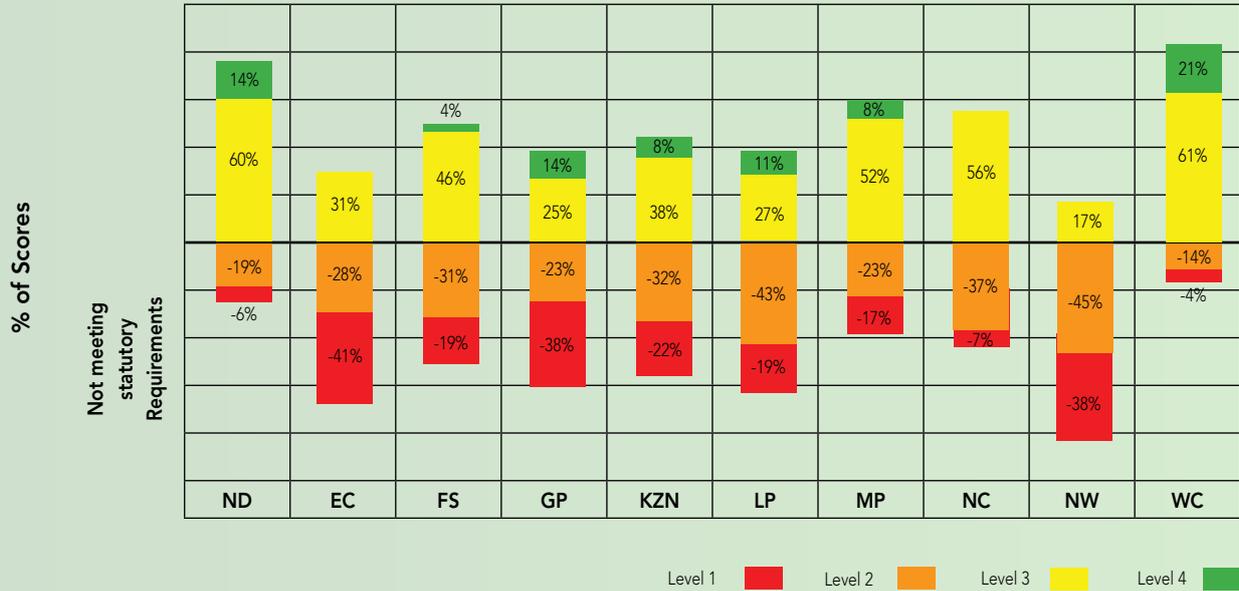
The Western Cape and National Departments performed substantially better than other provinces in the Key Performance Area of Financial Management. Results for Mpumalanga, though not as good as results for the Western Cape and National Departments, were in a positive direction. North West province, the Eastern Cape and Limpopo were the weakest of the provinces in Financial Management, while the results for remaining provinces (Free State, Gauteng, KwaZulu-Natal and the Northern Cape) were somewhat better than the results for the three weakest provinces.

The performance of the Western Cape in the Key Performance Area of Financial Management was well above the performance of other provinces. Sixty-one per cent of departments' scores in the Western Cape for financial management were at Level 3 and 21 per cent of scores were at Level 4. Overall, financial management in departments in the Western Cape is on a sound footing. Attention should be paid to lift the performance of those departments that have not yet met level 4 requirements in that province.

The results for national departments were mostly positive, with 75 per cent of departments' scores at Level 3 and Level 4. The trajectory for National Departments is in a positive direction. Nineteen per cent of departments partially met the legal/regulatory requirements (Level 2) and have the potential to improve their results in the next MPAT cycle. There are, however, a small percentage of departments that appear to have seemingly intractable problems with financial management. These departments are ones that have been identified in consecutive years by the Auditor-General for very poor audit outcomes.

The North West province was by far the weakest province in terms of financial management. Only 17 per cent of departments' scores were at Level 3 and none at Level 4. This means that 83 per cent of departments' scores were at the level of non-compliance with the legal/regulatory requirements for financial management. The results for the Eastern Cape are also of concern where 69 per cent of departmental scores reflect non-compliance with the legal/regulatory requirements for financial management.

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3.3 Summary of MPAT 2012/13 results

Departments' results in KPA 1 were the strongest for strategic plans, with the vast majority meeting or exceeding the legal/regulatory requirements for strategic planning. Departments did not perform as strongly on Annual Performance Planning, with over one-third assessed below Level 3. Some departments do not have a monitoring and evaluation policy or framework in place and/or standardised data collection and management mechanisms and many departments are not evaluating their programmes.

The overall results for Governance and Accountability were not positive. The overwhelming majority of departments did not meet the legal requirements for service delivery improvement and promoting professional ethics. Other areas of concern are fraud prevention, internal audit arrangements and risk management.

The MPAT results for Human Resource Management were weak. Generally, departments were especially weak in meeting the standards for human resource planning, management of diversity, implementation of the Performance Management and Development System for the Senior Management Service, and managing disciplinary cases. Departments, however, achieved relatively good results for the standards relating to the performance management of Heads of Department and officials below the Senior Management Service.

In KPA 4: Financial Management, departments performed best in cash flow management and disposal management. However, the overall results for KPA 4 are unsatisfactory as on average, only half of departments met the legal/regulatory requirements. The management of unauthorised, irregular, fruitless and wasteful expenditure, in particular is weak. All areas in this Key Performance Area are in need of improvement.

4. Looking beyond the MPAT scores
4.1 MPAT in context

DPME commissioned a detailed statistical analysis of the 2012/12 MPAT results to determine the following:

- What are the relationships among the MPAT standards and with the Key Performance Areas (KPAs)?
- How do provincial and national departments fare on the KPAs?
- Do MPAT standards correlate meaningfully with relevant external criteria?
- Are some MPAT standards particularly important in relation to salient external criteria?

The details of this statistical analysis is available. The key findings from the statistical analysis are as follows.

The MPAT standards are reliable in measuring the four Key Performance Areas they were designed for. This means that the standards within a given KPA do contribute to measuring the domain of management compliance reflected by that KPA. It follows that departments that do well on one standard within a KPA are likely to perform well on other standards within the same KPA. However, good performance in one KPA does not necessarily imply good performance in other KPAs.

The perception that provinces are the main reason why the public service overall is under-performing is not supported in general, since national departments only came out third on average across the KPAs. The weakest of national departments' KPAs is Strategic Management. This can be attributed to the focus by National Treasury on strengthening strategic planning within provinces. A similar support programme for identified national departments would be worthwhile.

It emerges that MPAT scores also significantly predict performance on available external criteria. In particular, departments tend to perform better on the Auditor-General's performance indicator of meeting more than 80% of their targets when they perform well on certain standards in MPAT. These standards are strategic planning, monitoring and evaluation, fraud prevention, disposal management and controlling unauthorised expenditure. Compliance with certain MPAT standards evidently has a positive effect on performance, and identifying these for attention is an important benefit within the MPAT mechanism.

Other correlations were also revealing. For instance, SMS stability (the proportion of DGs and DDGs in office for more than three years) was strongly correlated with strategy, planning and various financial controls. And while these were in turn good predictors of the AG's audit outcome, this influential outcome was even more strongly predicted by having good performance management for HoDs and other staff levels. Interestingly, attention to disability representivity is also a signal of a soundly managed department.

The centrality of monitoring and evaluation, organisational design, fraud prevention and performance management were noted, in the sense that these standards correlate broadly with several other standards and may be seen as a "lateral" type of standard that is less specific to any one KPA. Advanced analysis confirmed the importance of HR-related standards for achieving results: recruitment and retention, HoD performance management and development, and management of disciplinary cases.

The analysis also uncovered an important relationship among KPAs. Strategy (informed by M&E) shapes departmental governance and finances. But these do not bear directly on the department's ultimate performance, but rather via its human resources. This finding aligns to the National Development Plan which places emphasis on a capable state being central to development.

4.2 Case studies

The consolidated MPAT results can easily obscure the good management practices that occur in a number of departments. DPME therefore commissioned the drafting of case studies to highlight these good practices and has made these case studies available for other department to learn from and adapt to their own circumstances.

Nine case studies were documented on the MPAT 2011/12 cycle and released in 2012/13 (these are available on the DPME web site). A further ten case studies have being documented on the MPAT 2012/13 cycle.

4.3 How departments experienced MPAT

DPME also commissioned a study on the experiences of departments in implementing MPAT and the value MPAT adds to departmental management and performance.[1] Officials from national and provincial departments were interviewed, some of whom were directly involved as MPAT coordinators in their department or province, while others had only indirect involvement such as providing information for the MPAT assessment.

The case study found that there were variations in how departments implemented MPAT and a number of departments experienced difficulty in uploading evidence. Concerns about interpretation of the standards and evidence documents were also raised by departments.

However, the overriding experience of departments is that MPAT precipitated changes in the way management practices were implemented. Although they initially viewed MPAT as a compliance checklist, departments interviewed in the case study related how MPAT has assisted them to identify gaps between what they were doing and what they should be doing. During the self-assessment process, Heads of Department became aware of these gaps and instructed senior management to take immediate action (and not wait to develop an improvement plan later). Importantly, the self-assessment process also brought to the attention of Heads of Department areas where they themselves had not paid sufficient attention as Accounting Officers.

According to the interviewees, MPAT drew attention to the gaps in their management information and spurred the introduction of improved management information in the department. This improvement was done not only for the benefit of MPAT, but for meeting other reporting requirements. As one interviewee commented:

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1   The case was written by Salim Latib and Anne Mc Lennan from the Wits Graduate School of Public and Development Management for the Department of Performance Monitoring and Evaluation (DPME) in April 2013 as part of the MPAT process.

"When you have the information, it is not a burden. The first round we couldn't produce proof. Now we streamline management and performance information. We had started before MPAT but MPAT helps. All documents have to go through the management process. There is a link between what you are doing and performance for assessment." [2]

2   Salim Latib and Anne Mc Lennan, 'The Management Performance Assessment Tool (MPAT): from compliance checklist to change tool', April 2013, p.5

There is evidence that departments are keen to improve their MPAT scores through learning from other departments. However, several interviewees were not aware of the good practice case studies DPME had commissioned.

The study concluded that the legitimacy of MPAT has grown over the past year, primarily due to the attention it has received at the level of Cabinet. No department wants to be singled out for not completing the MPAT process, or for achieving poor MPAT results. The stated intention of Government to link MPAT results to the performance evaluation of Heads of Department in the future has undoubtedly increased the level of commitment to MPAT from Heads of Department.

5. Conclusions and recommendations

5.1 Conclusions

Conclusion 1: In general, departments have a considerable way to go to meet the legal/regulatory requirements and to move beyond these and do things smartly. Effective human resource management and development is central to the performance of the public service and the weak results of departments in this area suggest that a renewed effort is required to strengthen human resource management and development in the public service. This is an imperative as outlined in the National Development Plan. A relentless effort to build a professional public service is essential for meeting the objectives of the National Development Plan.

Conclusion 2: Continuity in the Senior Management Service enables good management practices in the public service. Frequent changes in administrative leadership are disruptive to fostering good management practices.

Conclusion 3: Although the MPAT results for 2012/13 indicate that there were many departments that did not meet the legal requirements for management practices, there were an encouraging percentage of departments that did. In each of the 31 standards assessed by MPAT, there was at least one department that performed at Level 4 and displayed evidence of being innovative and working smartly. These departments demonstrate that, given the leadership of senior management to drive a culture of performance and improvement, it is not impossible for other departments to implement good management practices and improve their overall performance.

Conclusion 4: MPAT has established itself as a legitimate tool for monitoring and improving management practices in the public service. There is a high level of awareness of MPAT in the public service and notwithstanding some of the challenges raised by departments in implementing MPAT, the majority of departments participated actively in the process and displayed a genuine interest in achieving good results.

Conclusion 5: MPAT is adding value to those departments that have taken it seriously. These departments have used MPAT to identify gaps and have taken action to address these gaps. In this sense, MPAT has moved from being perceived as a compliance checklist, to a tool for initiating organisational change and improvement. MPAT also holds potential value-add for transversal departments to refine their policies and target their support interventions to other departments.

5.2 Recommendations

Recommendation 1: Transversal policy departments, namely, the Department of Public Service and Administration and National Treasury should follow-up on those areas where the MPAT results were especially weak, to ascertain the underlying reasons. These transversal departments should develop appropriate responses, which may include the revision of the regulatory framework, better communication of the legal/regulatory requirements and/or provision of support to departments to implement the requirements.

Recommendation 2: Departments should develop and implement improvement plans to address the areas of weakness indicated in their MPAT results. Departments are also expected to monitor the implementation of these improvements plans and should be requested to submit these plans as evidence in the 2013/14 MPAT cycle.

Recommendation 3: The Department of Performance Monitoring and Evaluation should take steps to ensure that all national and provincial departments are made aware of the good practice case studies that have been developed over the past two years.

Recommendation 4: The Department of Performance Monitoring and Evaluation should convene discussions on the results with oversight bodies, for example, the Auditor-General, portfolio committees and the Public Service Commission. These discussions could assist oversight bodies in identifying areas that require their attention.

Recommendation 5: The Department of Performance Monitoring and Evaluation should convene round-table discussions with those institutions in government charged with capacity development and technical support, for example, PALAMA, the Technical Assistance Unit in the National Treasury and the Capacity Building Chief Directorate in the Office of the Accountant General. Through these discussions, these institutions can identify priority areas for support and capacity development.
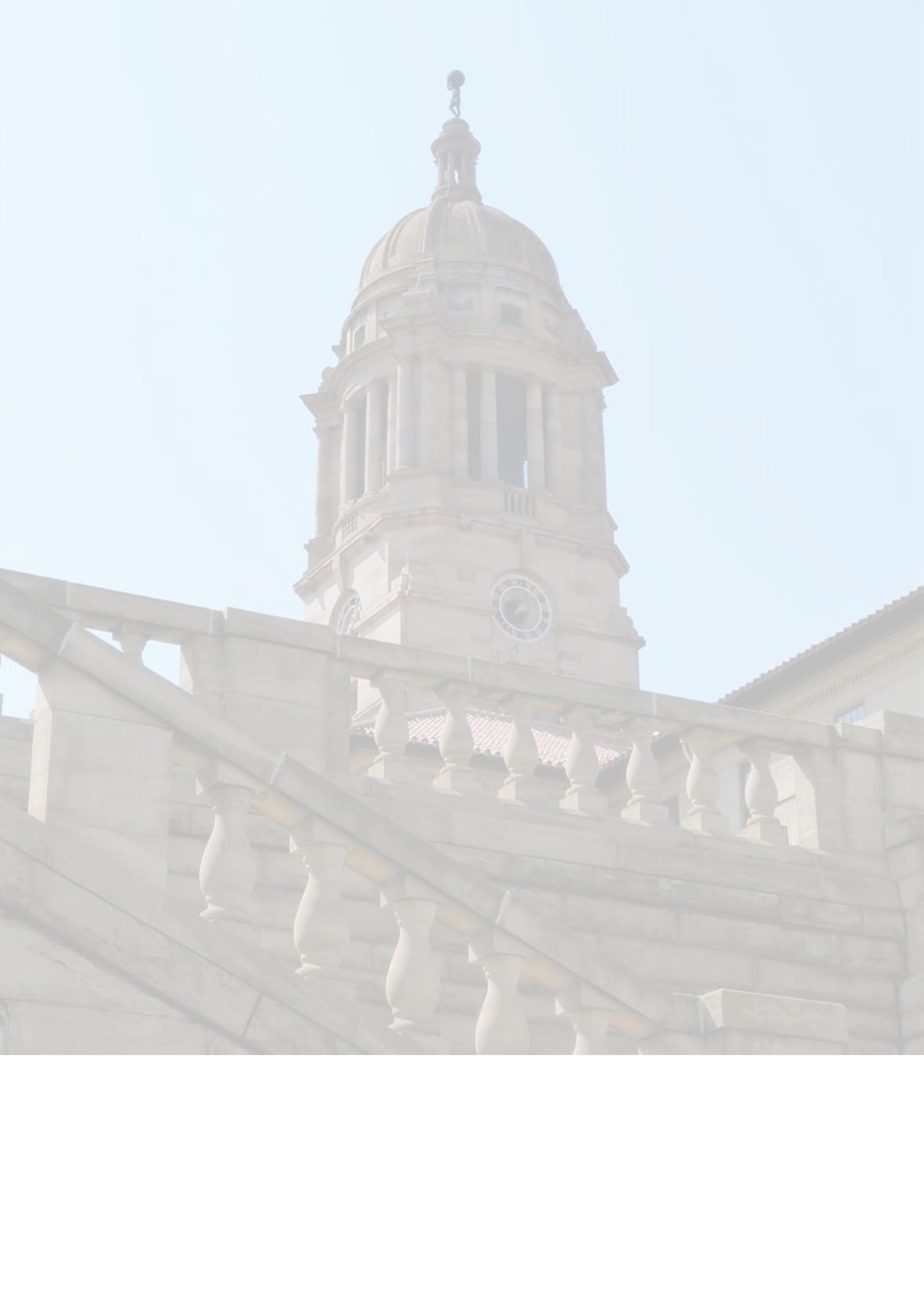
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THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION

MPAT

Management Performance Assessment Tool

MODERATORS FOR MPAT 1.2

2012/13

List of MPAT Moderators 2012/13

Strategic Planning - KPA1

Name and Surname	Organisation
Delores Kotze	DIRCO
Zeenat Ishmail	WC: OoP
Timothy Moela	MP: OoP
Mogale Nchabeleng	LP: OoP
George Masher	DST
Selvin Diamond	DPME
Andries Van Staden	KZN: Premier
Annette Griessel	GP: Premier

Governance and Accountability KPA 2

Name and Surname	Organisation
De Wit Coetsee	DPSA
Tersia van der Walt	DPSA
Joseph Katenga	DMR
Hildegarde Josiah	FS: Soc Dev
Dorothee Snyman	DSD
Zandile Nkonyane	KZN Cogta
Tshepiso Oliphant	GP Finance
Vanitha Murugan	GP Premier
Limakatso Moorosi	FS: Agric (HOD)
Clement Madale	DPME
Johan Snyders	NC Treasury

Human Resource Management KPA3

Name and Surname	Organisation
Solly Dlamini	MP:OoP
Frans Makgakge	DIRCO
Mzamo Mtubu	NC: OoP
Koos Shabangu	DPSA
Irene Griffiths	FS: OoP
Louise Jan van Rensburg	KZN Premiers Office
Ntshole Mabapa	L Agriculture
Dillo Mashego	L Cogta, Human Settlements & Traditional Affairs
Kaajal Soorju	DPME
Elsa Olivier	WC: OoP

Financial Management KPA4

Name and Surname	Organisation
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George Jacobson	Doc
Ditsietsi Morabe	DST
Tumelo Nkojoana	MP: OoP
Melusi Dube	NT
Kevin Rhamdari	LP Premier
Mandla Sithole	NDPW
Nkosinothando Mathebula	NT

International Observor

Ms Suzanne Lehouillier	Treasury Board of Canada Secretariat

DPME Moderators

Name and Surname	Organisation
Henk Serfontein	Leader KPA 3
Lebohang Masolane	Leader KPA 4
Pulane Kole	Leader KPA 2
Annatjie Moore	Leader KPA 1
Gail Maphela	KPA 3
Mumsy Subramoney	KPA 3
Charles Goodwin	KPA 1
Phazamile Dumiso	KPA 2
Khanyisile Cele	KPA 1
Gaynore Macmaster	KPA 2
Vanie Perumal	KPA 4
James Nkoana	KPA 4
Elijah Letsoalo	KPA 4

THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION

STATISTICAL ANALYSIS OF MPAT

2012/13

1.   Purpose

This Appendix presents graphs, explanations and some brief implications arising from statistical analyses of departments' MPAT scores and other data.

Section 2 below is an overview of the broad findings. The graphs are shown at the end of the document. Technical matters have been consigned to footnotes. Section 3 briefly covers data challenges, which can be improved in future.

2.   Main questions, findings, and implications

Four main questions were posed for analysis:

1. How do the MPAT standards group into broader Key Performance Areas (KPAs)?

2. How do provincial departments, and national departments as a group, fare on these KPAs?

3. Do MPAT standards correlate meaningfully with important external criteria?

4. Are some MPAT standards particularly important in relation to these external criteria?

The findings are explained in the following sections.

2.1   How do MPAT standards group into KPAs?

The analysis focuses twenty-eight MPAT standards.[1] Each has four levels of proficiency: (1) non-compliance with legal/regulatory standards, (2) partial compliance, (3) full compliance, and (4) full compliance while "doing things smartly". Senior managers of every national and provincial department conduct self-assessments of the standard of the department in these twenty-eight respects. These are externally moderated to yield final scores for the standards. Since government's interest is in moving beyond compliance to performance, the statistical analysis follows DPME in grouping the first three standards in contrast to the fourth, where possible.

Figure 1 show the proportions of levels 1, 2, 3 and 4 that emerged within each standard in 2012/13, when averaged across the 155 national and provincial departments. In the figure, the first digit of the MPAT label indicates the KPA into which it was grouped by DPME, as the system was developed. The KPAs are: Strategic Management; Governance & Accountability; Human Resource & Systems Management; and Financial Management.[2]

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[1] There are thirty-one MPAT standards. The data for two are still under development, and one (service delivery improvement) was omitted from most of the statistical analysis because it was an outlier.
[2] For instance, MPAT standard 3.2.2 Recruitment and Retention, falls into KPA no. 3, Human Resources and Systems.

Do these four KPAs correspond to how the MPAT standards group together as a matter of empirical fact, when used for assessment in practice, by 155 departments' senior managers? The analysis[3] shows very close substantive agreement between the DPME's original four KPAs and the empirically-based solution, as tabulated in Figure 2.

It is seen that one MPAT standard, "M20: Pay sheet Certification", moved from the Human Resources to the Finance KPA. This makes sense: although this is an HR-related function, within departments it is performed by Finance. Additionally, it was found that "M04: Monitoring and Evaluation" did not relate univocally to any of the four KPAs,[4] which could indicate that it is a cross-cutting standard that is perceived to function across all of the KPAs.[5]

2.2 How do departments fare on these KPAs?

In Figure 3 provinces, and national departments as a group, are ranked according to their scores on the four broad KPAs.[6] This indicates the stronger and weaker areas for each. For example, the ringed point on the left shows that Gauteng's assessment on the Governance KPA was fourth- lowest. And the ringed point on the right shows that, taking an average across the KPAs, Free State was assessed fourth-highest.

An inspection of the average rankings, on the right, suggests that there are three broad "strata" on this KPA-based scoring. The top four performers are Western Cape, Mpumalanga, "National", and Free State. The bottom two performers are North West and Eastern Cape. The remaining four fall between: Limpopo, KwaZulu-Natal, Northern Province and Gauteng.[7]

The perception that provinces are the main reason for overall public-service underperformance is not generally supported by the analysis, since "National" only comes out third on average. The KPA on which "National" fares least well compared to the provinces is Strategic Management. This perhaps reflects that the concerted effort by National Treasury to strengthen strategic planning within provinces is bearing fruit. A similar support programme would be worthwhile for those national departments reporting poor performance on this KPA.

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[3] The technique applied was factor analysis suitable for ordinal data, with geomin rotation, using the Mplus software package. The use of dichotomised scores was also tried but did not work well in the procedure –the software reported estimation problems.

[4] The highest of the M&E "loadings" were on Human Resource and on Strategic Management. This is substantiated in the analysis of Figure 8 below.

[5] A fifth factor was generated by the technique, comprising secondary loadings from a few of the MPAT standards. This suggests that these particular standards could be reformulated to align to their respective KPAs in a purer way. Since it is non-specific, the fifth factor is not considered further in this report.

[6] For simplicity, in this comparison M&E has been subsumed under strategy. We shall see in Figure 8 that although it functions as a stand-alone variable, this is the KPA with which it is most associated.

[7] This graph is drawn on contrasting levels 1 and 2 with 3 and 4, because of the small number of 4s become volatile when broken down in such detail. But the broad the strata are retained when the contrast is levels 1, 2 and 3 vs level 4.

Since the MPAT mechanism has by now been applied twice, it can be noted how, across government, self-assessed MPAT achievement has changed. This is shown in Figure 4,[8] showing an earlier and later vertical "bar" for each of the four KPAs. For three of the four KPAs, the right-hand bar is higher "above the line", indicating a better proportion of scores for "compliant" and "doing things smartly". Only the Human Resource KPA deteriorated very slightly over time.

2.3   *Do MPAT standards correlate meaningfully with important external criteria?*

One of the purposes of MPAT is to alert managers to achieving requirements that are important, and will be externally audited or monitored. One would therefore hope that MPAT standards would be correlated, as a matter of empirical fact, with cognate external criteria. For instance, does the assessing by managers that they have a sound Annual Performance Plan correlate with the AG's finding that the department has clearly specified the pre-determined objectives in the Plan?

There is an enormous range of possible correlations between MPAT standards and external criteria. As an initial filter, a number of likely hypotheses were formulated by DPME for statistical testing, using mainly the Auditor General's audit and performance requirements, but also some measures produced by FOSAD and the DPSA. Figure 5 summarises the twenty-six instances that were indeed statistically significant, i.e. where doing well on an MPAT standard predicted doing well on a particular external criterion (and vice versa!). [9]

In Figure 5 the footnote on the graph shows how to interpret each vertical pair of points. The lower ringed point shows that for those departments that were rated *low* on the MPAT standard of Annual Performance Plans, only about a quarter (26%) realised most of their performance objectives according to the AG. By contrast, the upper ringed point shows that of those departments that were rated *high* on the MPAT Annual Performance Plans standard, nearly half (46%) realised most of their performance objectives.[10]

Many of the correlations in the graph are between the compliance-oriented MPAT scores and *compliance-related* external criteria, such as the AG's audit rating.[11] These are important in themselves. However, the additional interest of the example above is that departments well-managed enough to score well on the particular MPAT (an "input") prove to be better at

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[8] In the earlier round self-assessments were not yet externally moderated, and 103 departments were initially covered. The comparison is therefore drawn on un-moderated self assessment, for those 103 departments only.

[9] A full list of these hypotheses, and those discussed in ensuing paragraphs, is available from DPME, indicating which yielded significant correlations.

[10] It should be remembered that, in making numerous such tests, one in twenty could be significant simply by chance (for results based on a 5% significance level).

[11] Unqualified with no findings, unqualified with findings, qualified, disclaimer.

achieving their *performance* targets as measured by the AG. Figure 5 reveals five more such instances, from the initial hypotheses: departments will tend to perform better that do better on their MPATs for M&E (standard M04), fraud prevention (M10), disposal management (M33), cash flow (M34), and controlling unauthorised expenditure (M36). Conversely, low MPAT assessments in these areas will tend to be associated with poor delivery of objectives, pointing to key areas for management improvement. This is an important additional benefit of the MPAT mechanism.

It was therefore decided to undertake a "scan" for correlations between the MPAT scores and a wider range of external criteria, nine in all. The outcome is summarised in matrix form in Figure 6.[12] Significant correlations are marked with one asterisk, and strongly significant ones with two asterisks.

It emerges that the AG's audit outcome code – shown in the right-most column – is the external criterion that has the highest number of correlations with MPAT standards, some fifteen in all. Many of these MPAT standards are audit-related, so that the correlations are to be expected. But it is noteworthy that the highest correlation (.301), i.e. the strongest predictor of a good audit outcome, is with a largely independent MPAT standard M27, i.e. having a good *performance management system* in place for Heads of Departments! (This is pointed in Figure 6 by the filled arrow on the right.) And the next-highest correlation (.270) is with MPAT standard M25, having a good performance management system for the remaining levels of staff (pointed by the unfilled arrow).

The column with the second highest number of MPAT correlations reflects *senior management stability* (the proportion among DG and DDGs in office for more than three years). It is positively related to strategic plans, annual performance plans, internal audit, and good management of staff performance, cash flow and unauthorised expenditure.[13]

Interestingly, whether a department achieves its *disability target* as externally evidenced by PERSAL is the next most frequent correlation across MPATs. This possibly reflects that departments that actually focus on targets prioritised in policy are more generally better managed; and thereby that DPME is correct to emphasise achieving level 4, "acting smart" over the mere compliance of level 3.

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[12] For this exercise correlation coefficients were used, rather than frequencies as in Figure 5. This allowed some of the external criteria (such as proportion of disabled) to be applied directly rather than by dichotomising them, although the approach also handles those values that are dichotomous.

[13] This example illustrate that the correlations do not indicate the direction of causality – that must be supplied by management knowledge. In this instance, SMS stability is not a consequence, bet perhaps a precondition or concomitant of the good MPAT assessment.

2.4 Are some MPAT standards particularly important, in relation to salient external criteria?

Given as many as twenty-eight MPAT standards, variously subsumed under the four KPAs (plus M&E), it would be helpful for organizational diagnosis to know whether some are *more salient* than others in relation to departments doing well on the critical external criteria. This was considered for MPAT separately in Figures 5 and 6. However, it is statistically possible to get an overall indication of the relative strengths of the MPAT standards, organised under the KPAs, guided by their contribution to predicting possible external criteria.

One approach is by a ***path diagram***. [14] The initial phase of this exploration is depicted in Figure 7, which is just for noting. In it, every KPA is assumed to contain all its standards, and all KPAs are presumed to be linked to each other and to a composite of external criteria (that includes the Auditor General's audit and performance scores and several other options). By contrast, Figure 8 shows the considerable simplification that results when one sets aside the inter-KPA linkages that are not statistically significant, and also standards that contribute less decisively to their KPA. Among the linkages that are retained as significant in Figure 8, the most powerful are shown by solid lines and the less powerful by dotted lines.

Firstly one may notice the prioritisation of MPAT standards, depicted by the rectangles. For instance, of those contributing appreciably to the Human Resources and Systems KPA at the bottom of the diagram, standards M21 and M25 are the strongest – recruitment and retention strategies, and performance management for levels 1-12. In other words, it is critical to find and keep good people, and manage them effectively!

Secondly, it emerges (at the far right of the diagram) that much the strongest external criterion among those examined hitherto is the AG's audit outcome. Given the predictive importance of Human Resources, the DPSA's staffing-related measures feature next. The AG's performance measure comes next. However, it is presently a simple dichotomy, and will probably fare more strongly when it is differentiated better.

Thirdly, the technique uncovers a plausible structure to the way KPAs link to each other and the external criteria, notably audit outcome. Strategy does not bear directly on it, but rather informs Governance and Finance. In turn, Governance also does not bear directly on the external criterion, but rather may be interpreted as enabling capable Human Resources. And finally it is Human Resources that is directly associated with audit outcome.

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[14] The technique is the partial least squares version of structural equation modelling. See Christian M. Ringle, Sven Wende, and Alexander Will, *SmartPLS 2.0 (M3) Beta.* Hamburg: http://www. smartpls. de (2005). It is advantageous when the available number of cases is limited (as in this instance, with 155 departments).

The situation with Finance is similar, but a bit more intricate. It does bear directly on audit outcome, but not very strongly. Its stronger effectiveness, as for Governance, is via HR. Taken in conjunction, these findings underscore the emphasis in the National Development Plan on a capable state as being central for development.

An alternative analytical perspective is provided by *multi-dimensional scaling*. It yields similar insights, as shown in Figure 9. This represents the relative strengths of the multiple correlations by proximity in a two-dimensional "map".

The correlation structure indicates that MPAT standards are reliable in measuring the four KPA's it was designed for. The fact that items in the same KPA tended to be placed close to each other, means that standards in the same KPA are related and measure the same area / domain of management. It also means that departments that do well on one standard within a KPA are likely to also perform well on other standards within the same KPA and that good performance in one KPA doesn't necessarily imply good performance in other KPA's.

The audit outcome correlated strongest with standards related to Strategic Management, Human Resource Management and Financial Management. The audit criterion of percentage of APP predetermined objectives targets met is most strongly related to the Human Resource Management standards. This finding is in line with the findings of the other statistical modelling described above.

3.   Data issues and challenges

3.1   Missing data

In the second MPAT round DPME has achieved comprehensive coverage of departments, and ensured that the self-assessed scores are complete and are externally moderated to yield a final result.[15] However, bringing these data into reckoning with external criteria is challenging, because these have been initiated at different times and reflect discrepant different numbers or combinations of departments. Values may be missing, either in scattered instances due to careless procedures, or when an entire department or province has missed the deadline. The former can be substituted by estimation; the latter may require the entire case to be excluded from a particular analysis.

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[15] An analysis of the differences between self-assessed and moderated scores is available from DPME. Unsurprisingly, in all but a couple of instances departmental managers rate themselves more highly than the externals. Departments whose scores are close to those of the externals tend to do better at realising most of their targets, on the AG's performance measure.

3.2 The design of external measures

A deeper challenge is in the definition and implementation of measures. For instance, in reporting whether a department has met more than 80% of its pre-determined objectives, the Auditor General counts a target as missed even if it may have been largely achieved, e.g. 90,000 rather than a targeted 100,000 houses built to standard and by deadline. This could be improved by an expert-based differentiation of the scoring of such targets, and perhaps also by a weighting of their relative importance in the department's list of targets.

3.3 The indirect relation of compliance to performance

The deepest challenge of all is in the differing conception of the available measures. MPAT was primarily intended as a self-contained self-assessment mechanism with an emphasis on compliance measures, to improve management attention to such requirements. It was not intended for performance diagnosis. However, the top MPAT score, level "4", has the requirement of "acting smart", that is performance-oriented. As a result, it has emerged from the analysis that certain MPAT standards – those most relevant in representing generally better-managed departments – correlate quite strongly with better performance, using authoritative external criteria. Government has a keen interest in this extra insight from the MPAT system. Further research can help refine the definition and salience of the measures that are applied.

FIGURE 1: Distribution across Departments of MPAT scores (1,2,3, and 4), for each MPAT standard (2012/13)
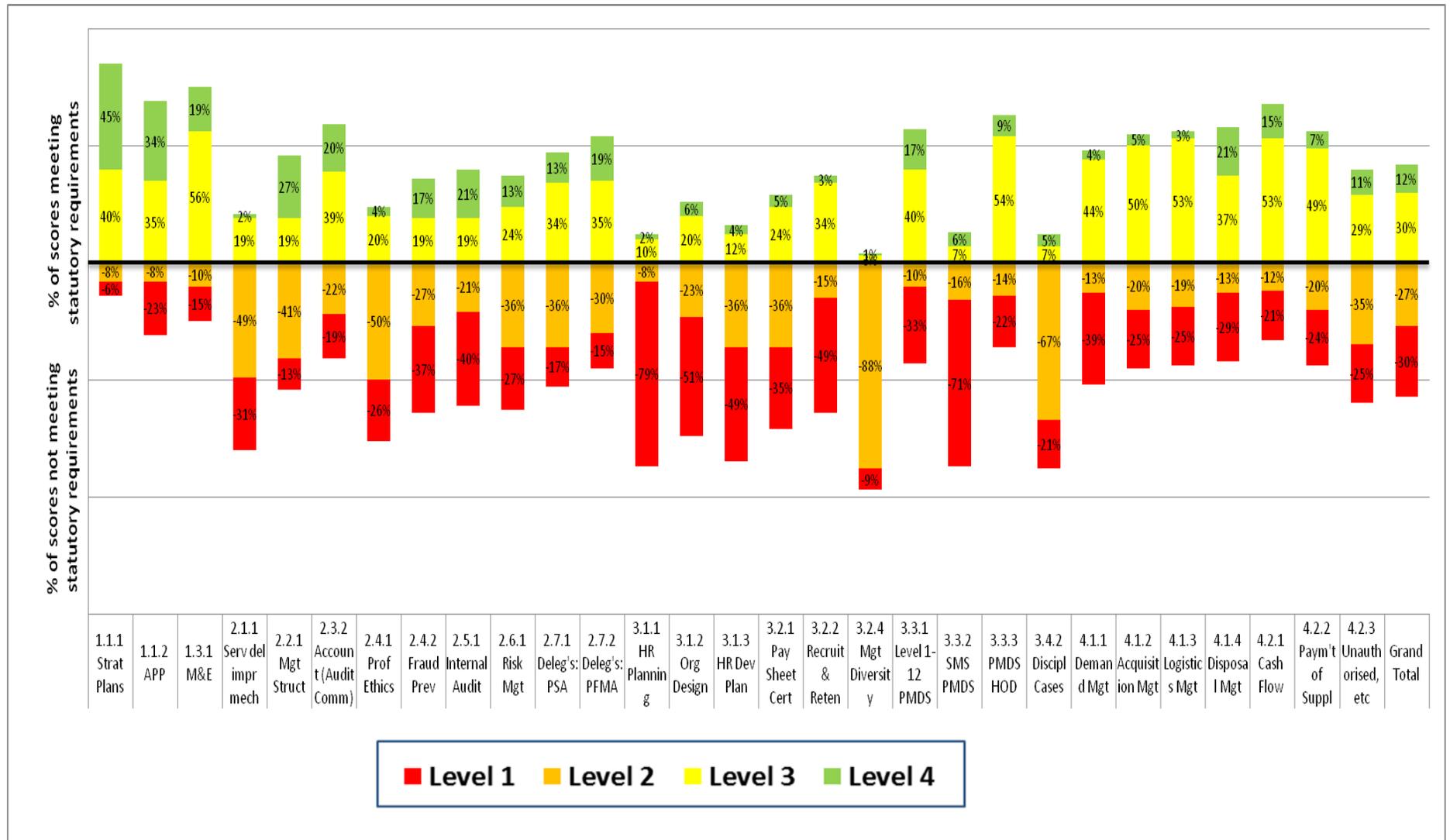
FIGURE 2: Validation of distribution of MPAT standards into KPAs

Initial DPMA schema		Schema[a] validated by data analysis	
KPA	MPAT standard	MPAT standard	KPA
Strat Mg't	M01. Strategic Plans	M01. Strategic Plans	Strat Mg't
	M02. Annual Perf Plans	M02. Annual Perf Plans	
	M04. Monit and Evaluation	M04. Monit and Evaluation[b]	
Governance and Accountability	M06. Mgt Structure	M06. Mgt Structure	Governance and Accountability
	M08. Accounts (Audit Comm)	M08. Accounts (Audit Comm)	
	M09. Professional Ethics	M09. Professional Ethics	
	M10. Fraud Prevention	M10. Fraud Prevention	
	M11. Internal Audit	M11. Internal Audit	
	M12. Rsk Management	M12. Rsk Management	
	M13. Delegations: PSA	M13. Delegations: PSA	
	M14. Delegations: PFMA	M14. Delegations: PFMA	
Human Resources and Systems	M17. HR Planning	M17. HR Planning	Human Resources and Systems
	M18. Organizational Design	M18. Organizational Design	
	M19. HR Dev Plan	M19. HR Dev Plan	
	M20. Pay Sheet Certif'n	M21. Recruit and Retention	
	M21. Recruit and Retention	M24. Mgt diversity	
	M24. Mgt diversity	M25. Level 1-12 PMDS	
	M25. Level 1-12 PMDS	M26. SMS PMDS (excl HODs)	
	M26. SMS PMDS (excl HODs)	M27. PMDS HOD	
	M27. PMDS HOD	M29. Disciplinary Cases	
	M29. Disciplinary Cases	M20. Pay Sheet Certif'n	
Financial Management	M30. Demand Mgt	M30. Demand Mgt	Financial Management
	M31. Acquisition Mgt	M31. Acquisition Mgt	
	M32. Logistics Mgt	M32. Logistics Mgt	
	M33. Disposal Mgt	M33. Disposal Mgt	
	M34. Cash Flow	M34. Cash Flow	
	M35. Payment of Suppliers	M35. Payment of Suppliers	
	M36. Unauthorised Exp etc	M36. Unauthorised Exp etc	

[a] A fifth, non-specific factor contained secondary loadings of a few MPAT standards. See footnote 5.

[b] M&E emerges as a cross-cutting variable.

FIGURE 3: Ranking of provinces and aggregated national departments on KPA-indices

Based on MPAT-standard scores dichotomised as categories 1,2,3 vs 4
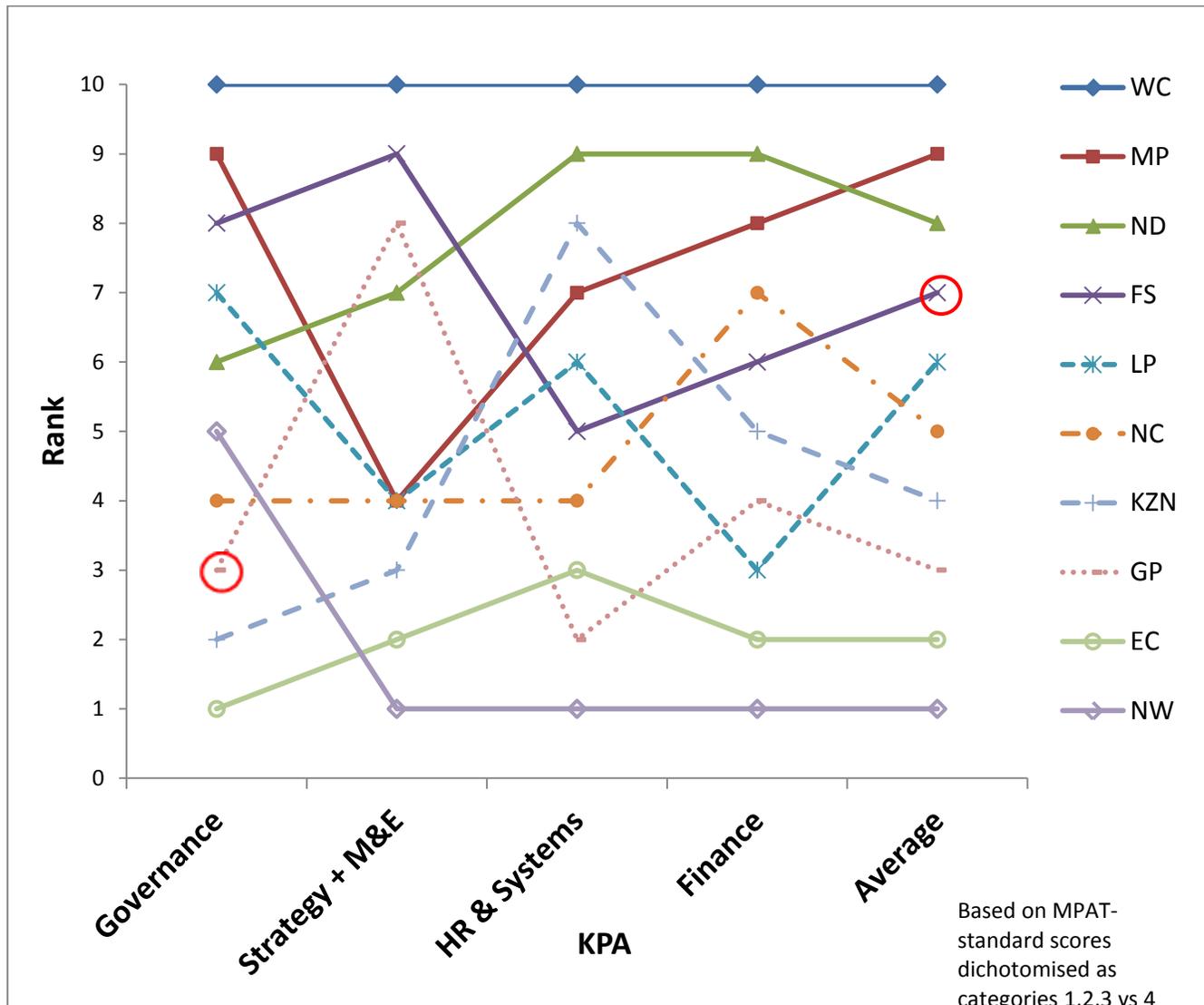
FIGURE 4: Self-assessment MPAT 2011/12 vs 2012/13 for departments that completed both assessments

	62Strategic Manag	62Strategic Manag	62Govern and Account	62Govern and Account	62HR Manag	62HR Manag	62Financial Manag	62Financial Manag
Level 4	29%	61%	21%	33%	17%	19%	7%	19%
Level 3	41%	28%	34%	40%	39%	35%	42%	51%

Legend: ■ Level 1 ■ Level 2 ■ Level 3 ■ Level 4
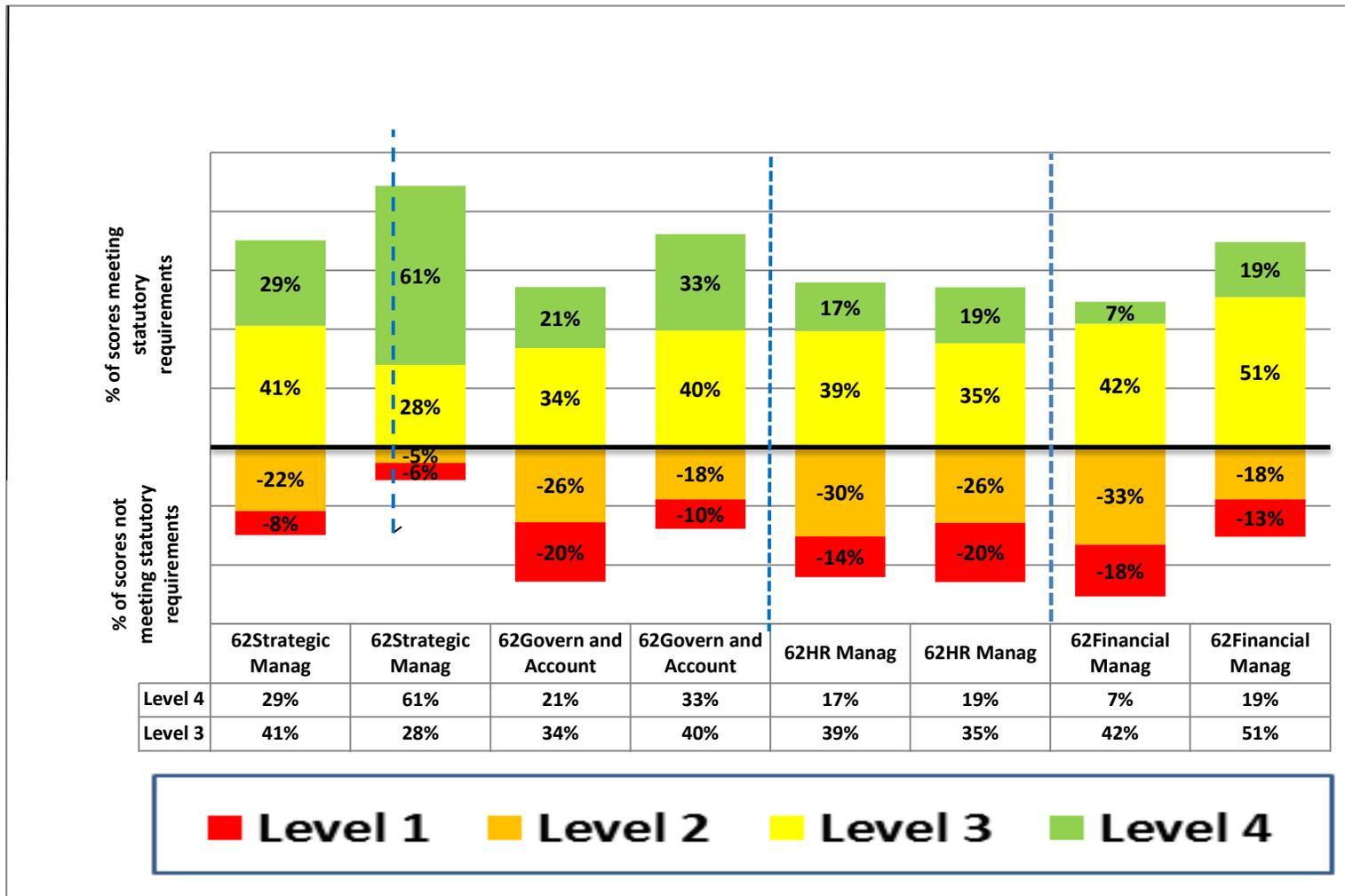
FIGURE 5: Scores on external criteria (in %) for Departments showing low or high MPAT compliance standards

E.g.: The ringed point on the red line shows that among departments scoring *low* on MPAT 02 (Annual. Perf. Plans), only 26% realise the AG's performance cut-of f; whereas the ringed point on the green line shows that among departments scoring *high* on MPAT 02, 46% realise the AG' s performance cut-off.
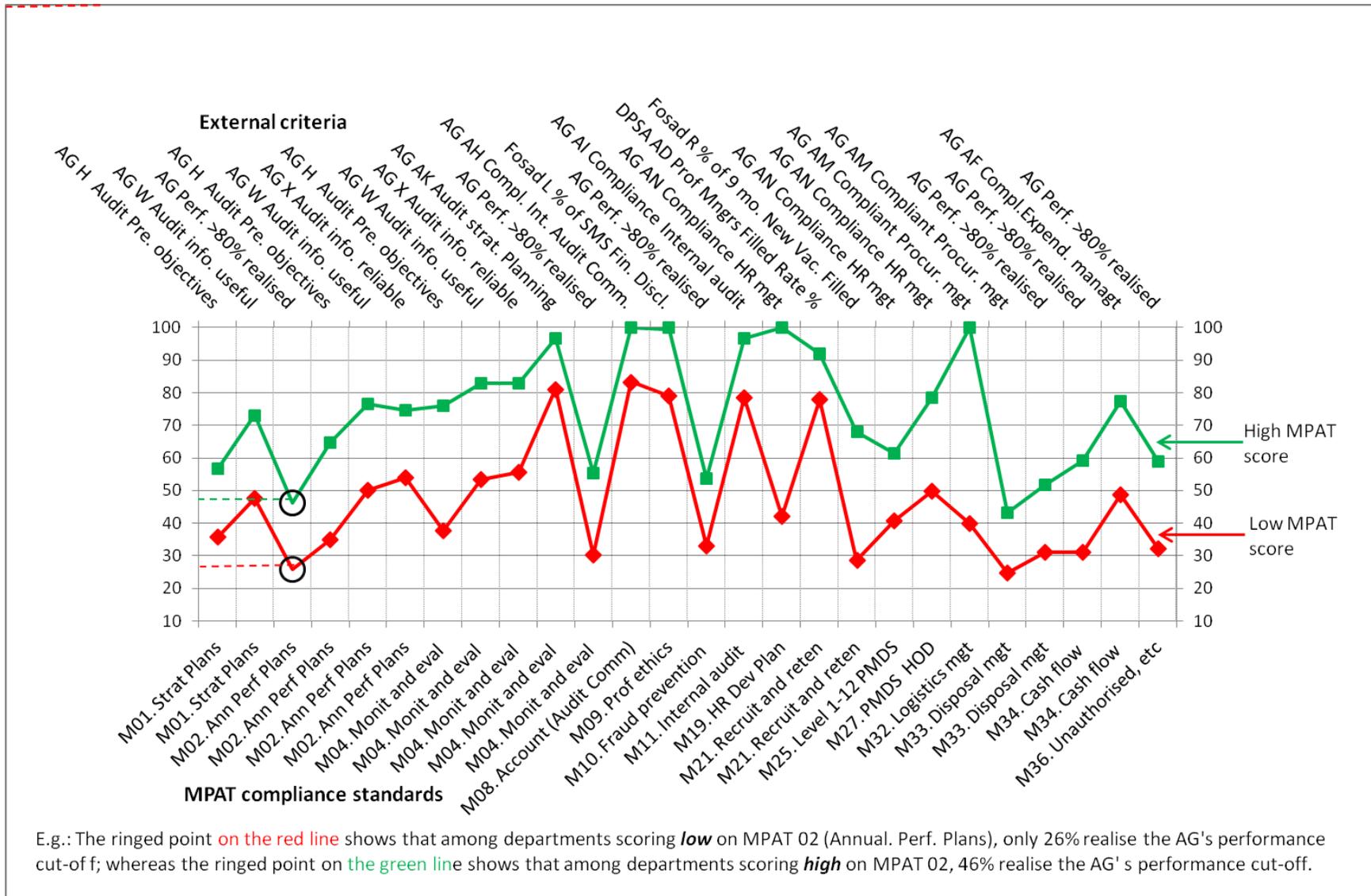
FIGURE 6: Significant correlations for low/high MPAT scores (1,2,3 vs 4) Ms against several extra external criteria

	SMS fin. disclos. With OPSC	dichot.<20% targets reached	Under/over spend	Vacancies line managers	SMS Vacancies Prog1	Disabled prop'n	DG/DDG in job > 3 years	SMS Prog1 in job > 3 yearsgt3	Female diff. from 50% target	2011-12: Audit outcome code
M01. Strat Plans	-.049	-.192**	-.054	-.013	-.100	.010	.249**	.212**	-.072	.146*
M02. Ann Perf Plans	-.097	-.081	-.033	.021	-.207**	.004	.268**	.062	.038	.226**
M04. Monit and eval	.304*	-.243**	-.171*	.075	.014	.054	.056	.026	-.156*	.188*
M08. Account (Audit Comm)	.147	-.157*	-.053	.016	.048	.152*	.128	-.063	.057	.201**
M09. Prof ethics	.139	-.036	-.042	-.064	.022	.025	.066	-.062	.036	.185*
M10. Fraud prevention	.275*	-.202**	-.071	-.134	-.012	.096	.100	-.054	.048	.150*
M11. Internal audit	.191	-.039	-.059	.022	-.045	.263**	.279**	.050	.123	.239**
M12. Rsk management	-.198	.056	-.063	.052	.067	.182*	-.028	-.082	.039	.093
M14. Delegations: PFMA	.199	.042	-.052	-.054	-.061	.146*	.098	-.065	.213**	.094
M20. Pay sheet cert	.109	-.012	-.110	.096	.227**	.048	.081	.053	.069	.144*
M21. Recruit and reten	.164	-.052	-.065	.008	.107	.165*	.074	.086	-.114	.057
M25. Level 1-12 PMDS	.230	-.092	-.063	.128	-.012	.007	.183*	.010	-.031	.270**
M26. SMS PMDS (excl HODs)	.139	-.050	-.044	.038	-.137	.167*	.194*	-.050	.151*	.149*
M27. PMDS HOD	.161	-.101	-.092	-.040	-.128	.145*	.136	.074	.086	.301**
M31. Acquisition Mgt	.135	-.012	-.087	.097	.058	.102	.007	-.025	-.011	.144*
M33. Disposal mgt	.125	-.157*	-.100	.028	.073	.014	.109	.017	-.073	.205**
M34. Cash flow	.045	-.210**	-.076	-.015	-.024	.237**	.250**	.050	-.089	.226**
M35. Payment of suppliers	.146	-.007	-.103	.054	-.055	.273**	.087	-.030	.037	.076
M36. Unauthorised, etc	-.003	-.179*	-.053	.142*	.015	.203**	.203**	.106	-.029	.170*
MPATSAFinDiff	.017	.137*	.024	-.026	.000	-.019	-.076	.067	-.089	-.071

**. Correlation is significant at the 0.01 level

*. Correlation is significant at the 0.05 level

No signific. results	MD06 Mgt struct	M24. Mgt diversity
	M17. HR Planning	M29. Disciplinary cases
	M18. Org Design	M30. Demand Mgt
	M19. HR Dev Plan	M32. Logistics mgt

FIGURE 7: All possible links among MPAT standards (yellow rectangles), KPAs (blue circles), and criterion variables
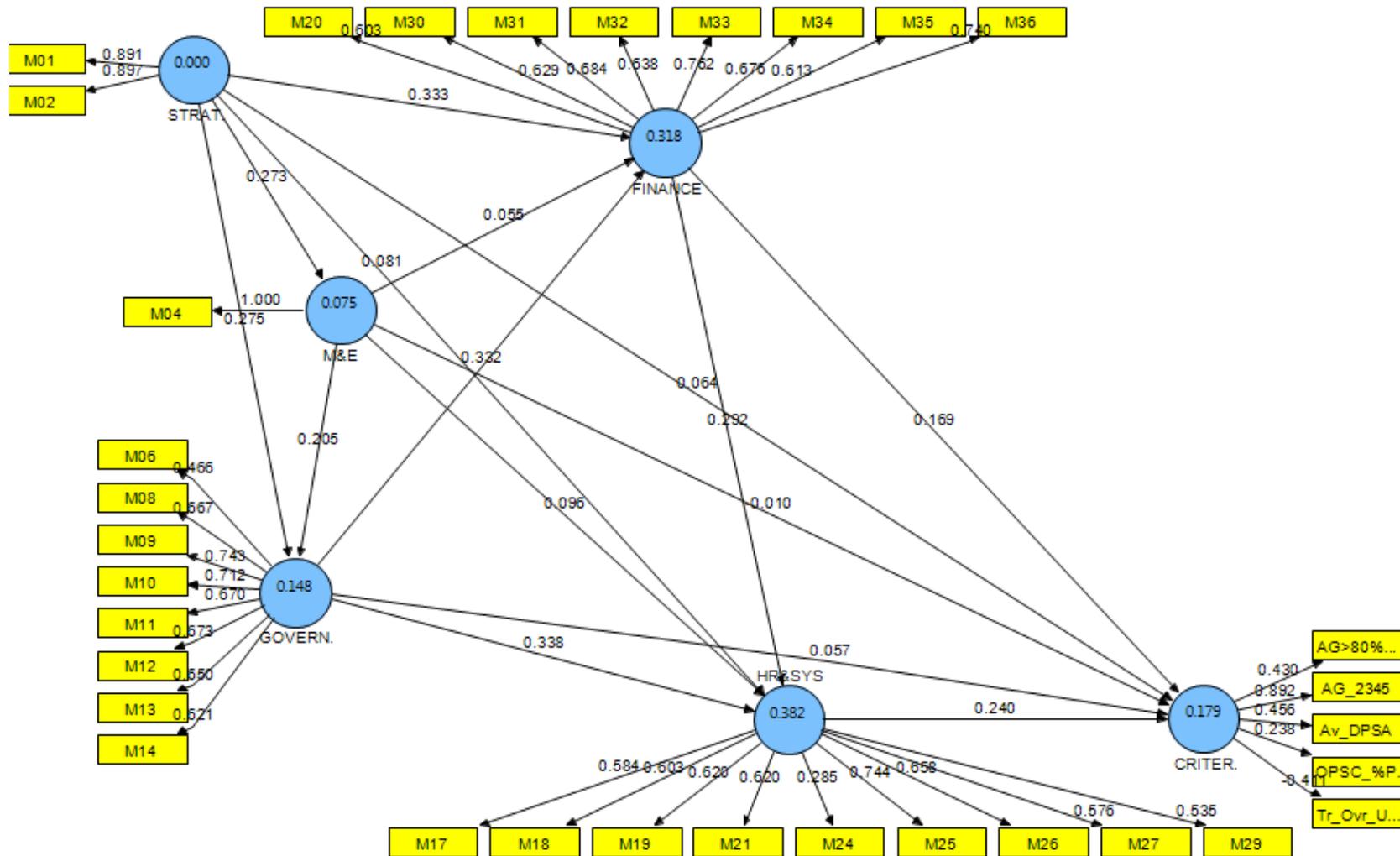
FIGURE 8: Simplified relations among reduced number of MPAT standards, KPAs, and remaining criterion variables
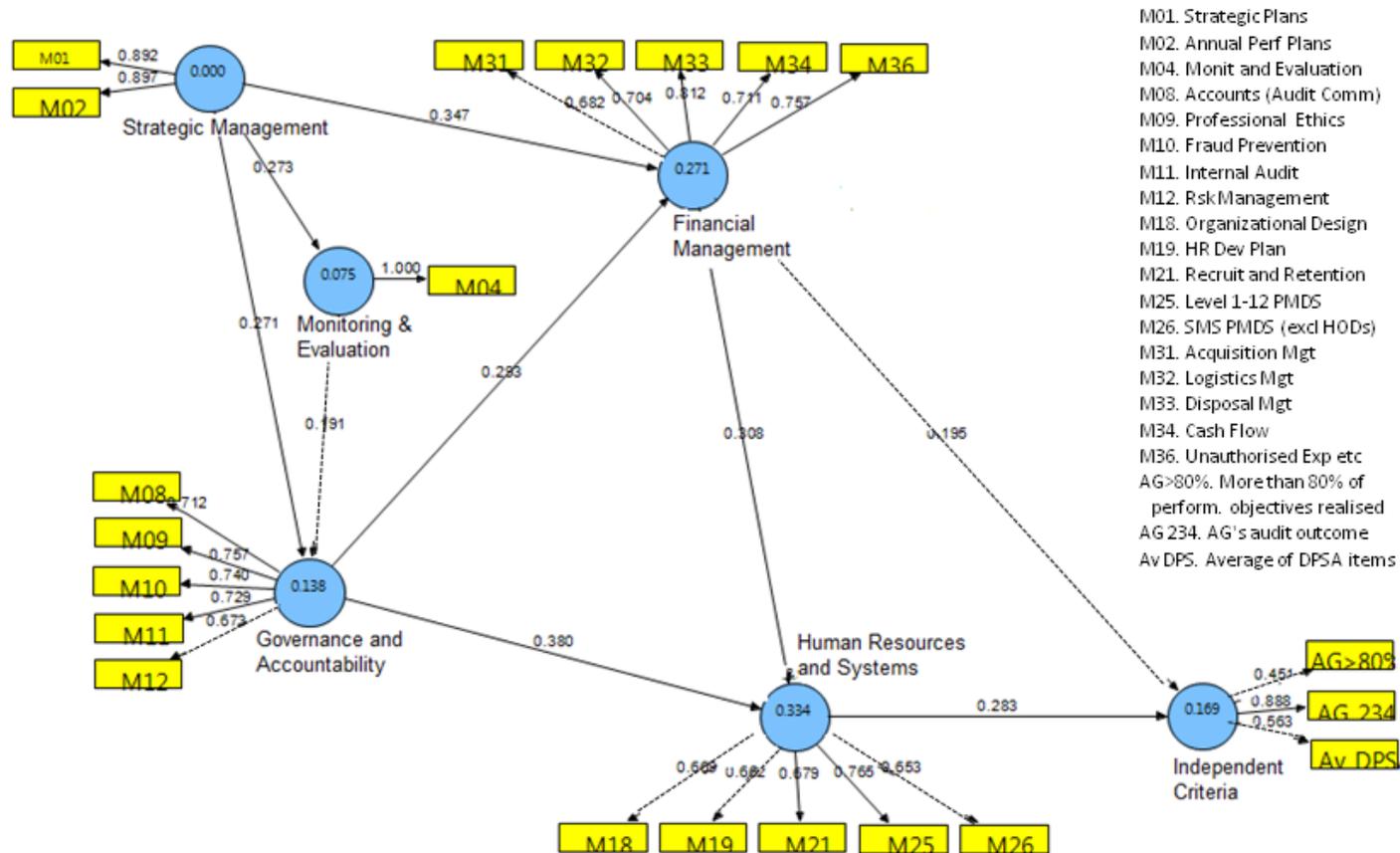
Note: Dotted links between factors/KPAs (blue circles) represent weaker links, .01<p<.05.
Dotted links from variables/MPAT standards (yellow rectangles) represent relatively weaker Bs, .6<B<.7

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FIGURE 9: Two-dimensional "map" of relationships and correlation among standards, KPAs, and criterion variables[16]

MPAT 1.2 final, audit outcome and % predetermined objectives targets met: correlation structure

Legend:
- ◆ 1 Strategic Management
- ■ 2 Governance and accountability
- ▲ 3 Human Resource Management
- ✕ 4 Financial Management
- ✳ Audit outcome
- ● Targets met

Plotted items:
- 04. Monit and eval
- 06. Mgt struct
- 29. Disciplinary cases
- 17. HR Planning
- 13. Delegations: PSA
- 11. Internal audit
- Targets met
- 10. Fraud prevention
- 12. Rsk management
- 27. PMDS HOD
- 25. Level 1-12 PMDS
- 08. Account (Audit Comm)
- 26. SMS PMDS (excl HODs)
- 09. Prof ethics
- 19. HR Dev Plan
- 18. Org Design
- 14. Delegations: PFMA
- 24. Mgt diversity
- 21. Recruit and reten
- 05. Serv del impr mech
- 20. Pay sheet cert
- Audit outcome
- 32. Logistics mgt
- 33. Disposal mgt
- 34. Cash flow
- 35. Payment of suppliers
- 02. Ann Perf Plans
- 36. Unauthorised, etc
- 31. Acquisition Mgt
- 01. Strat Plans
- 30. Demand Mgt

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[16] This **multidimensional scaling** provides a 2-dimensional scatterplot representing 29 MPAT standards (including service delivery improvement), the audit outcome and the achievement of predetermined objectives (PDO). The points are placed in such a way that the closer two points, the stronger their correlation. Items which are far apart are not correlated.

THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION

MPAT

Management Performance Assessment Tool

DEPARTMENTS ASSESSED AT LEVEL 4

2012/13

Departments assessed at level 4 per performance standard

KPA 1: Strategic Management

1.1.1 Strategic Plans
- EC Education
- EC Local Government and Traditional Affairs
- EC Social Development
- EC Sport Recreation Arts and Culture
- FS Cooperative Governance and Traditional Affairs
- FS Economic Development Tourism and Environmental Affairs
- FS Human Settlements
- FS Premier
- FS Public Works
- FS Social Development
- FS Treasury
- GP Community Safety
- GP Education
- GP Finance
- GP Local Government and Housing
- GP Roads and Transport
- KZN Education
- KZN Health
- KZN Premier
- KZN Public Works
- KZN Social Development
- KZN Sport and Recreation
- KZN Transport
- LP Department of Agriculture
- LP Premier
- LP Safety Security and Liaison
- LP Treasury
- MP Culture Sport and Recreation
- MP Economic Development Environment and Tourism
- MP Finance
- MP Safety Security and Liaison
- MP Social Development
- NC Agriculture Land Reform and Rural Development
- NC Environment and Nature Conservation
- NC Finance Economic Development and Tourism
- NC Social Development
- ND Correctional Services
- ND Energy
- ND Environmental Affairs
- ND Government Communication and Information System

- ND Home Affairs
- ND Independent Police Investigative Directorate
- ND Justice and Constitutional Development
- ND Military Veteran
- ND Mineral Resources
- ND National Treasury
- ND Police
- ND Public Administration Leadership and Management Academy
- ND Public Service and Administration
- ND Public Service Commission
- ND Sports and Recreation South Africa
- ND The Presidency
- ND Tourism
- ND Trade and Industry
- ND International Relations and Cooperation
- NW Agriculture Land Reform and Rural Development
- NW Basic Education and Training
- NW Social Development Women Children and Persons with Disabilities
- WC Agriculture
- WC Community Safety
- WC Cultural Affairs and Sport
- WC Economic Development and Tourism
- WC Education
- WC Health
- WC Human Settlements
- WC Local Government
- WC Premier
- WC Social Development
- WC Transport and Public Works
- WC Treasury

1.1.2 Annual Performance Plans
- EC Sport Recreation Arts and Culture
- FS Agriculture
- FS Cooperative Governance and Traditional Affairs
- FS Health
- FS Human Settlements
- FS Police Roads and Transport
- FS Premier
- FS Rural Development
- FS Treasury
- GP Education
- GP Local Government and Housing
- GP Roads and Transport
- KZN Arts and Culture
- KZN Transport

- KZN Treasury
- LP Department of Agriculture
- LP Premier
- MP Culture Sport and Recreation
- MP Economic Development Environment and Tourism
- MP Education
- NC Agriculture Land Reform and Rural Development
- NC Education
- NC Office of the Premier
- NC Social Development
- NC Transport Safety and Liaison
- ND Basic Education
- ND Communication
- ND Defence
- ND Environmental Affairs
- ND Government Communication and Information System
- ND Independent Police Investigative Directorate
- ND Labour
- ND National Treasury
- ND Police
- ND Public Administration Leadership and Management Academy
- ND Public Service Commission
- ND Sports and Recreation South Africa
- ND The Presidency
- ND Tourism
- ND Trade and Industry
- ND International Relations and Cooperation
- NW Social Development Women Children and Persons with Disabilities
- WC Agriculture
- WC Community Safety
- WC Cultural Affairs and Sport
- WC Economic Development and Tourism
- WC Education
- WC Health
- WC Human Settlements
- WC Local Government
- WC Premier
- WC Transport and Public Works
- WC Treasury

1.3.1 Integration of monitoring and evaluation in performance and strategic management
- EC Health
- FS Education
- FS Premier
- GP Economic Development
- GP Education

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- GP Roads and Transport
- KZN Cooperative Governance and Traditional Affairs
- KZN Health
- KZN Sport and Recreation
- KZN Transport
- MP Public Works Roads and Transport
- MP Safety Security and Liaison
- ND Energy
- ND Environmental Affairs
- ND Government Communication and Information System
- ND Performance Monitoring and Evaluation
- ND Public Administration Leadership and Management Academy
- ND Public Service Commission
- ND Social Development
- ND Statistics South Africa
- ND The Presidency
- ND Tourism
- WC Agriculture
- WC Cultural Affairs and Sport
- WC Economic Development and Tourism
- WC Education
- WC Environmental Affairs and Development Planning
- WC Premier
- WC Social Development

KPA 2: Governance and Accountability

2.1.1 Service delivery improvement mechanisms
- GP Education
- WC Community Safety
- WC Education

2.2.1 Functionality of management structures
- EC Education
- EC Sport Recreation Arts and Culture
- FS Social Development
- FS Sports Arts Culture and Recreation
- FS Treasury
- GP Education
- KZN Health
- KZN Social Development
- LP Premier
- LP Public Works
- LP Roads and Transport
- MP Education

- MP Finance
- MP Public Works Roads and Transport
- MP Safety Security and Liaison
- MP Social Development
- NC Health
- NC Roads and Public Works
- NC Social Development
- NC Sports Arts and Culture
- NC Transport Safety and Liaison
- ND Communication
- ND Correctional Services
- ND Environmental Affairs
- ND Justice and Constitutional Development
- ND Performance Monitoring and Evaluation
- ND Public Enterprises
- ND Science and Technology
- ND Social Development
- ND Statistics South Africa
- ND The Presidency
- ND Trade and Industry
- ND Traditional Affairs
- ND Transport
- NW Human Settlements
- NW Social Development Women Children and Persons with Disabilities
- WC Agriculture
- WC Community Safety
- WC Education
- WC Premier
- WC Transport and Public Works

2.3.2 Assessment of accountability mechanisms (Audit Committee)
- EC Safety and Liaison
- EC Sport Recreation Arts and Culture
- FS Premier
- FS Social Development
- FS Sports Arts Culture and Recreation
- GP Premier
- LP Department of Agriculture
- LP Education1
- LP Premier
- LP Roads and Transport
- MP Finance
- MP Human Settlements
- MP Premier
- MP Safety Security and Liaison
- MP Social Development

- ND Government Communication and Information System
- ND National Treasury
- ND Performance Monitoring and Evaluation
- ND Public Enterprises
- ND Public Service Commission
- ND Rural Development and Land Affairs
- ND Science and Technology
- ND State Security Agency
- ND The Presidency
- ND Trade and Industry
- NW Finance
- WC Community Safety
- WC Economic Development and Tourism
- WC Education
- WC Human Settlements
- WC Transport and Public Works

2.4.1 Assessment of policies and systems to ensure professional ethics
- EC Local Government and Traditional Affairs
- FS Premier
- MP Finance
- ND Performance Monitoring and Evaluation
- ND Trade and Industry
- WC Health
- WC Transport and Public Works

2.4.2 Fraud prevention
- FS Premier
- LP Department of Agriculture
- LP Education1
- LP Premier
- LP Roads and Transport
- MP Finance
- MP Human Settlements
- NC Transport Safety and Liaison
- ND Environmental Affairs
- ND National Treasury
- ND Performance Monitoring and Evaluation
- ND Public Administration Leadership and Management Academy
- ND Public Enterprises
- ND Public Service Commission
- ND Science and Technology
- ND Social Development
- ND Statistics South Africa
- ND Trade and Industry
- NW Agriculture Land Reform and Rural Development

- NW Basic Education and Training
- NW Social Development Women Children and Persons with Disabilities
- WC Community Safety
- WC Cultural Affairs and Sport
- WC Education
- WC Environmental Affairs and Development Planning
- WC Premier
- WC Transport and Public Works

2.5.1 Assessment of internal audit arrangements
- EC Safety and Liaison
- FS Premier
- GP Education
- GP Finance
- GP Premier
- LP Department of Agriculture
- LP Premier
- LP Roads and Transport
- MP Culture Sport and Recreation
- MP Finance
- MP Human Settlements
- MP Premier
- ND Health
- ND Public Enterprises
- ND Public Service and Administration
- ND Science and Technology
- ND Social Development
- ND The Presidency
- ND Trade and Industry
- NW Basic Education and Training
- NW Finance
- NW Public Works Roads and Transport
- WC Community Safety
- WC Cultural Affairs and Sport
- WC Economic Development and Tourism
- WC Education
- WC Health
- WC Human Settlements
- WC Local Government
- WC Premier
- WC Transport and Public Works
- WC Treasury

2.6.1 Assessment of risk management arrangements
- FS Police Roads and Transport
- FS Sports Arts Culture and Recreation

- LP Cooperative Governance Human Settlement and Traditional Affairs
- LP Department of Agriculture
- LP Premier
- LP Roads and Transport
- MP Education
- MP Finance
- MP Premier
- MP Public Works Roads and Transport
- ND Communication
- ND Home Affairs
- ND Mineral Resources
- ND National Treasury
- ND Science and Technology
- ND Social Development
- ND Sports and Recreation South Africa
- NW Premier
- WC Cultural Affairs and Sport
- WC Economic Development and Tourism
- WC Local Government

2.7.1 Approved EA and HOD delegations for public administration in terms of the Public Service Act and Public Service Regulations
- EC Sport Recreation Arts and Culture
- KZN Health
- KZN Human Settlements
- LP Department of Agriculture
- LP Economic Development Environment and Tourism
- LP Education1
- LP Premier
- LP Roads and Transport
- MP Agriculture Rural Development and Land Administration1
- MP Education
- MP Finance
- MP Social Development
- ND Communication
- ND Higher Education and Training
- ND Home Affairs
- ND Justice and Constitutional Development
- ND National Treasury
- ND Trade and Industry
- WC Agriculture
- WC Community Safety
- WC Transport and Public Works

2.7.2 Approved HOD delegations for financial administration in terms of the PFMA
- EC Office of the Premier

- EC Transport
- FS Public Works
- GP Finance
- KZN Public Works
- LP Department of Agriculture
- LP Education1
- LP Premier
- LP Roads and Transport
- MP Cooperative Governance and Traditional Affairs
- MP Education
- MP Finance
- MP Public Works Roads and Transport
- MP Social Development
- NC Roads and Public Works
- NC Social Development
- ND Home Affairs
- ND Justice and Constitutional Development
- ND Performance Monitoring and Evaluation
- ND Tourism
- ND Trade and Industry
- ND International Relations and Cooperation
- NW Agriculture Land Reform and Rural Development
- WC Agriculture
- WC Community Safety
- WC Cultural Affairs and Sport
- WC Economic Development and Tourism
- WC Environmental Affairs and Development Planning
- WC Transport and Public Works

KPA 3: Human Resource Management

3.1.1 Human Resource Planning
- ND Science and Technology
- WC Health
- WC Premier

3.1.2 Organisational Design and Implementation
- EC Sport Recreation Arts and Culture
- EC Treasury
- FS Public Works
- MP Cooperative Governance and Traditional Affairs
- MP Finance
- MP Social Development
- ND Environmental Affairs
- ND Mineral Resources

- ND Trade and Industry

3.1.3 Human Resources Development Planning
- GP Education
- KZN Human Settlements
- LP Department of Agriculture
- MP Cooperative Governance and Traditional Affairs
- ND Energy
- WC Health

3.2.1 Pay sheet certification
- KZN Arts and Culture
- LP Department of Agriculture
- MP Agriculture Rural Development and Land Administration1
- MP Cooperative Governance and Traditional Affairs
- ND Mineral Resources
- ND National Treasury
- ND Transport
- WC Agriculture

3.2.2 Application of recruitment and retention practices
- MP Finance
- ND Science and Technology
- ND Statistics South Africa
- ND Trade and Industry

3.2.4 Management of diversity
- ND Energy

3.3.1 Implementation of Level 1-12 Performance Management System
- FS Cooperative Governance and Traditional Affairs
- FS Education
- GP Education
- GP Infrastructure Development
- KZN Community Safety and Liaison
- KZN Treasury
- LP Department of Agriculture
- MP Cooperative Governance and Traditional Affairs
- MP Human Settlements
- ND Agriculture Forestry and Fisheries
- ND Basic Education
- ND Environmental Affairs
- ND Mineral Resources
- ND National Treasury
- ND Performance Monitoring and Evaluation
- ND Public Administration Leadership and Management Academy

- ND Public Service Commission
- ND Science and Technology
- ND Trade and Industry
- WC Community Safety
- WC Cultural Affairs and Sport
- WC Education
- WC Health
- WC Human Settlements
- WC Local Government
- WC Premier
- WC Social Development

3.3.2 Implementation of SMS Performance Management System (excluding HODs)
- MP Cooperative Governance and Traditional Affairs
- ND Government Communication and Information System
- ND Performance Monitoring and Evaluation
- WC Agriculture
- WC Community Safety
- WC Economic Development and Tourism
- WC Local Government
- WC Premier
- WC Transport and Public Works

3.3.3 Implementation of Performance Management System for HOD
- LP Premier
- MP Cooperative Governance and Traditional Affairs
- MP Finance
- ND Environmental Affairs
- ND Science and Technology
- ND Trade and Industry
- WC Agriculture
- WC Community Safety
- WC Cultural Affairs and Sport
- WC Economic Development and Tourism
- WC Environmental Affairs and Development Planning
- WC Health
- WC Premier
- WC Treasury

3.4.2 Management of disciplinary cases
- GP Infrastructure Development
- KZN Human Settlements
- ND Mineral Resources
- ND Performance Monitoring and Evaluation
- ND Public Enterprises
- ND Science and Technology

- WC Community Safety
- WC Education

KPA 4: Financial Management

4.1.1 Demand Management
- FS Police Roads and Transport
- GP Education
- GP Finance
- LP Premier
- ND Mineral Resources
- ND National Treasury
- ND Science and Technology

4.1.2 Acquisition Management
- KZN Premier
- LP Department of Agriculture
- MP Cooperative Governance and Traditional Affairs
- MP Public Works Roads and Transport
- ND Environmental Affairs
- ND Mineral Resources
- ND Science and Technology
- WC Economic Development and Tourism

4.1.3 Logistics management
- ND Environmental Affairs
- ND Mineral Resources
- ND Science and Technology
- ND State Security Agency

4.1.4 Disposal management
- FS Treasury
- GP Health
- GP Social Development
- GP Sports Arts Culture and Recreation
- GP Treasury
- KZN Education
- KZN Human Settlements
- LP Cooperative Governance Human Settlement and Traditional Affairs
- LP Department of Agriculture
- LP Premier
- MP Economic Development Environment and Tourism
- MP Finance

- MP Social Development
- ND Communication
- ND Environmental Affairs
- ND Government Communication and Information System
- ND Home Affairs
- ND Independent Police Investigative Directorate
- ND Labour
- ND Mineral Resources
- ND National Treasury
- ND Public Enterprises
- ND Public Service and Administration
- ND Public Service Commission
- ND Science and Technology
- ND Statistics South Africa
- ND International Relations and Cooperation
- WC Community Safety
- WC Education
- WC Health
- WC Transport and Public Works
- WC Treasury

4.2.1 Management of cash flow and expenditure vs. budget
- FS Social Development
- GP Education
- GP Finance
- GP Premier
- GP Social Development
- KZN Premier
- KZN Transport
- KZN Treasury
- LP Department of Agriculture
- LP Premier
- MP Agriculture Rural Development and Land Administration1
- MP Finance
- ND Defence
- ND Environmental Affairs
- ND Government Communication and Information System
- ND National Treasury
- ND Science and Technology
- ND Tourism
- ND Trade and Industry
- WC Education
- WC Local Government
- WC Premier
- WC Transport and Public Works

4.2.2 Payment of suppliers

- FS Police Roads and Transport
- GP Finance
- GP Local Government and Housing
- LP Premier
- ND Mineral Resources
- ND National Treasury
- ND Tourism
- ND Trade and Industry
- WC Economic Development and Tourism
- WC Local Government
- WC Transport and Public Works

4.2.3 Management of unauthorised, irregular, fruitless, and wasteful expenditure

- GP Finance
- KZN Education
- KZN Premier
- LP Premier
- ND Defence
- ND Environmental Affairs
- ND Government Communication and Information System
- ND Public Service and Administration
- ND Public Service Commission
- ND Science and Technology
- ND The Presidency
- WC Agriculture
- WC Education
- WC Health
- WC Local Government
- WC Transport and Public Works
- WC Treasury

THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION

NATIONAL DEPARTMENTS

SYNOPSIS OF MANAGEMENT PERFORMANCE ASSESSMENT

TOOL RESULTS

2012/13

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Abbreviations

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Gov and Acc: Governance and Accountability
HR Mgt: Human Resource Management
Fin Mgt: Financial Management

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2.3.2 Account (Audit Comm):	2.3.2 Assessment of accountability mechanisms (Audit Committee)
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3.1.1 HR Planning:	3.1.1 Human Resource Planning
3.1.2 Org Design:	3.1.2 Organisational Design and Implementation
3.1.3 HR Dev Plan:	3.1.3 Human Resources Development Planning
3.2.1 Pay sheet cert:	3.2.1 Pay sheet certification
3.2.2 Recruit and reten:	3.2.2 Application of recruitment and retention practices
3.2.4 Mgt diversity:	3.2.4 Management of diversity
3.3.1 Level 1-12 PMDS:	3.3.1 Implementation of Level 1-12 Performance Management System
3.3.2 SMS PMDS (ex HODs):	3.3.2 Implementation of SMS Performance Management System (excluding HODs)
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4.1.1 Demand Mgt:	4.1.1 Demand Management
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4.2.1 Cash flow:	4.2.1 Management of cash flow and expenditure vs. budget
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Departments:

ND A&C:	Department of Arts and Culture
ND AFF:	Department of Agriculture Forestry and Fisheries
ND BE:	Department of Basic Education
ND CG:	Department of Cooperative Governance
ND Comm:	Department of Communication
ND CS:	Department of Correctional Services
ND Def:	Department of Defence
ND EA:	Department of Environmental Affairs
ND ED:	Economic Development Department
ND Energy:	Department of Energy
ND GCIS:	Government Communication and Information System
ND HA:	Department of Home Affairs
ND Health:	Department of Health
ND HET:	Department of Higher Education and Training
ND HS:	Department of Human Settlements
ND IPID:	Independent Police Investigative Directorate
ND IRCO:	Department of International Relations and Cooperation
ND J&CD:	Department of Justice and Constitutional Development
ND Labour:	Department of Labour
ND MR:	Department of Mineral Resources
ND MV:	Department of Military Veteran
ND NT:	National Treasury
ND PALAMA:	Public Administration Leadership and Management Academy
ND PE:	Department of Public Enterprises
ND PME:	Department of Performance Monitoring and Evaluation
ND Pres:	The Presidency
ND PSA:	Department of Public Service and Administration
ND PSC:	Public Service Commission
ND PW:	Department of Public Works
ND RD&LA:	Department of Rural Development and Land Affairs
ND SAPS:	South Africa Police Service
ND SARSA:	Sports and Recreation South Africa
ND SD:	Department of Social Development
ND ST:	Department of Science and Technology
ND Stats:	Statistics South Africa
ND T&I:	Department of Trade and Industry
ND TA:	Department of Traditional Affairs
ND Tourism:	Department of Tourism
ND Trans:	Department of Transport
ND WA:	Department of Water Affairs
ND WC&PD:	Department of Women Children and Persons with Disabilities

1   Background

The Management Performance Assessment Tool (MPAT) is one of several initiatives to improve the performance and service delivery of national and provincial departments. MPAT is a structured, evidence-based approach to the assessment of management practices. Underpinning MPAT is the logic that improved management practices is key to improving government performance and service delivery.

In October 2010, Cabinet mandated the Department of Performance Monitoring and Evaluation (DPME) to lead the development and piloting of an assessment tool, working collaboratively with the Department of Public Administration (DPSA), the National Treasury and the Offices of Premier. Independent bodies, namely, the Auditor-General of South Africa (AGSA) and the Office of the Public Service Commission also contributed to the development of MPAT.

DPME officially launched MPAT in October 2011 and reported the MPAT 2011/12 self-assessment results to Cabinet in June 2012. A total of 30 national departments and 73 departments from eight provinces participated in the first MPAT assessment. DPME published the results of national departments on its website and held feedback sessions with departments and provinces.

In June 2012, Cabinet approved, inter alia, the implementation of MPAT for the 2012/13 financial year, in all national and provincial government departments. For the 2012/13 all (156) national and provincial departments participated in the MPAT assessment.

2   Purpose of the report

This report presents the MPAT results for the 2012/13 financial year for National Departments. Its purpose is to inform the departments about and contextualise the state of management practices at the national government level.

3   MPAT self-assessment process

The MPAT provides for a process of self-assessment which has various stages to ensure the quality thereof.

Departments were required to progress through the following stages:

Stage 1:   Pre-Internal Moderation
Departmental KPA Coordinators complete their departments' self-assessments and upload relevant evidence on the web-based system.

Stage 2:   Internal moderation
A department's Senior Management discusses and agrees on the completed self-assessments and evidence.

Stage 3:   Internal audit
Self-assessments and evidence are verified by departmental Internal Audit.

Stage 4:   HOD review and approval
HODs review and approve their departments' self-assessment and the process followed before submission thereof to the DPME.

All national departments submitted self-assessments and evidence.   Twenty-one national departments (50 per cent) submitted self-assessments and evidence that went through all the required stages. The submitted self-assessment scores and evidence of 26 national departments (62 per cent) were referred to Internal Audit for verification. The senior management of 35 national departments (83 per cent) discussed and agreed on the submitted self-assessment scores and evidence. Seven national departments (17 per cent) submitted evidence and self-assessment scores that were not discussed at senior management level.

The submitted self-assessments were subjected to a moderation process where the supporting evidence was scrutinised, resulting in the confirmation or adjustment of self-assessment scores.

Based on the findings of the moderation process, the DPME facilitated engagements with departments to provide clarity and to obtain further substantiation for self-assessment scores.

The agreed scores emanating from this engagement process were considered the final scores and used in this report.

4   RSA MPAT 2012/13 results

The 2012/13 MPAT results for all national and provincial departments (RSA Results) in the South African government, varies substantially among the four MPAT Key Performance Areas (KPAs).

From Graph 1 (RSA Results) it is clear that the meeting of Strategic Management (KPA 1) requirements is widespread, with 76 per cent of all scores meeting levels 3 and 4 requirements. The inverse is observed with Human Resource Management (KPA 3), where 73 per cent of all departments' scores did not meet the level 3 and 4 requirements.

Sixty per cent of departments' Governance and Accountability (KPA 2) scores fell below the level 3 and 4 requirements. Departments performed slightly better in Financial Management (KPA 4), where 54 per cent of departments' scores met the level 3 and 4 requirements.

Graph 1:   2012/13 MPAT scores for RSA departments across the KPAs
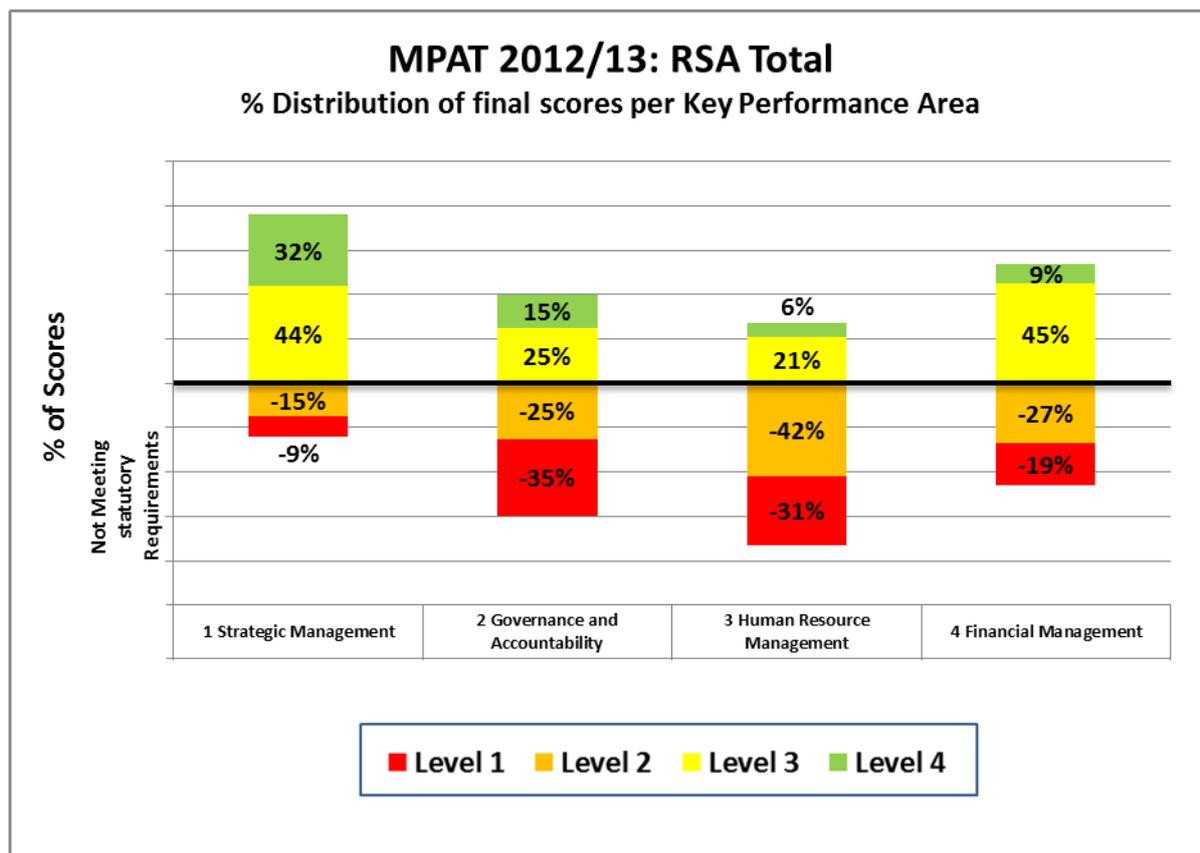
5   National departments' MPAT 2012/13 Results

The 2012/13 MPAT results for all the national departments also vary among the four MPAT Key Performance Areas (KPAs).

MPAT 2012/13 Final Scores
% of Scores of national departments per KPA
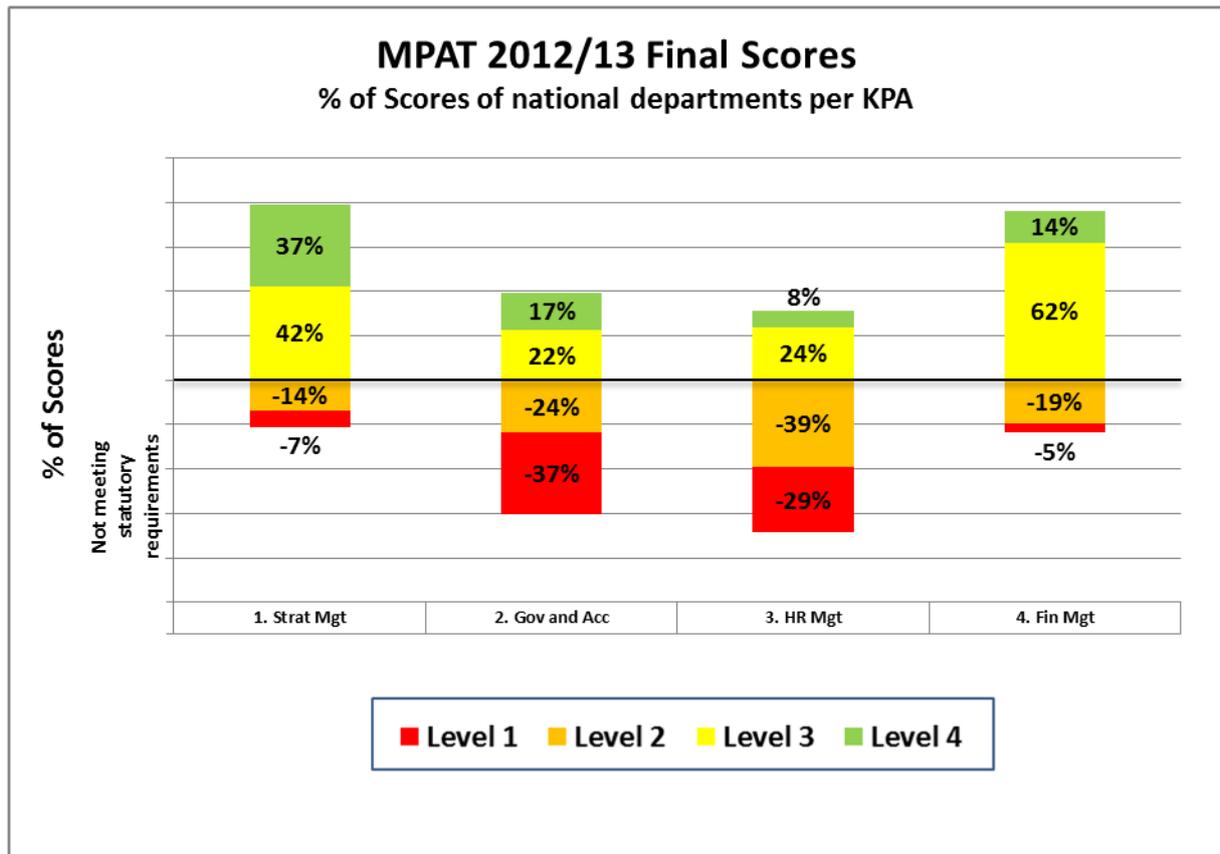
Graph 2 indicates that the 79 per cent of Strategic Management scores at levels 3 and 4, achieved by national departments, are similar to the RSA scores (Graph 1). The main difference is in the higher proportion of level 4 scores achieved by national departments.

On Governance and Accountability, national departments had only 39 per cent of their scores at levels 3 and 4. This is similar to the RSA scores.

In terms of Human Resource Management, the scores of national departments are similar to that of all RSA departments, but achieving marginally more level 3 and 4 scores.

Seventy -six per cent of the Financial Management scores of national departments were meeting the level 3 and 4 requirements. This is significantly better than the 54 per cent for all RSA departments. It is important to note that the proportional difference is due to more level 4 scores and fewer level 1 scores.

5.1   Strategic Management

Strategic management is the comprehensive collection of on-going activities and processes to systematically coordinate and align resources and actions with mission, vision and strategy throughout the organisation. It goes beyond the development of a strategic plan – strategic management is the deployment and implementation of the strategic plan throughout the organisation, and the measurement and evaluation of results. Effective strategic management involves using information on the organisation's performance to update the strategic plan.

MPAT assessed the extent to which strategic planning is based on sound information and analysis, alignment with national and/or provincial strategic priorities and Delivery Agreements, and whether departments review their performance against their plans.

This KPA comprises the following standards that were crafted to determine the extent to which managers use strategic management activities as tools for effective management in their departments:

- Strategic Plans
- Annual Performance Plans
- Integration of monitoring and evaluation into performance and strategic management

Graph 3:   Number of scores of national departments per KPA 1 standard
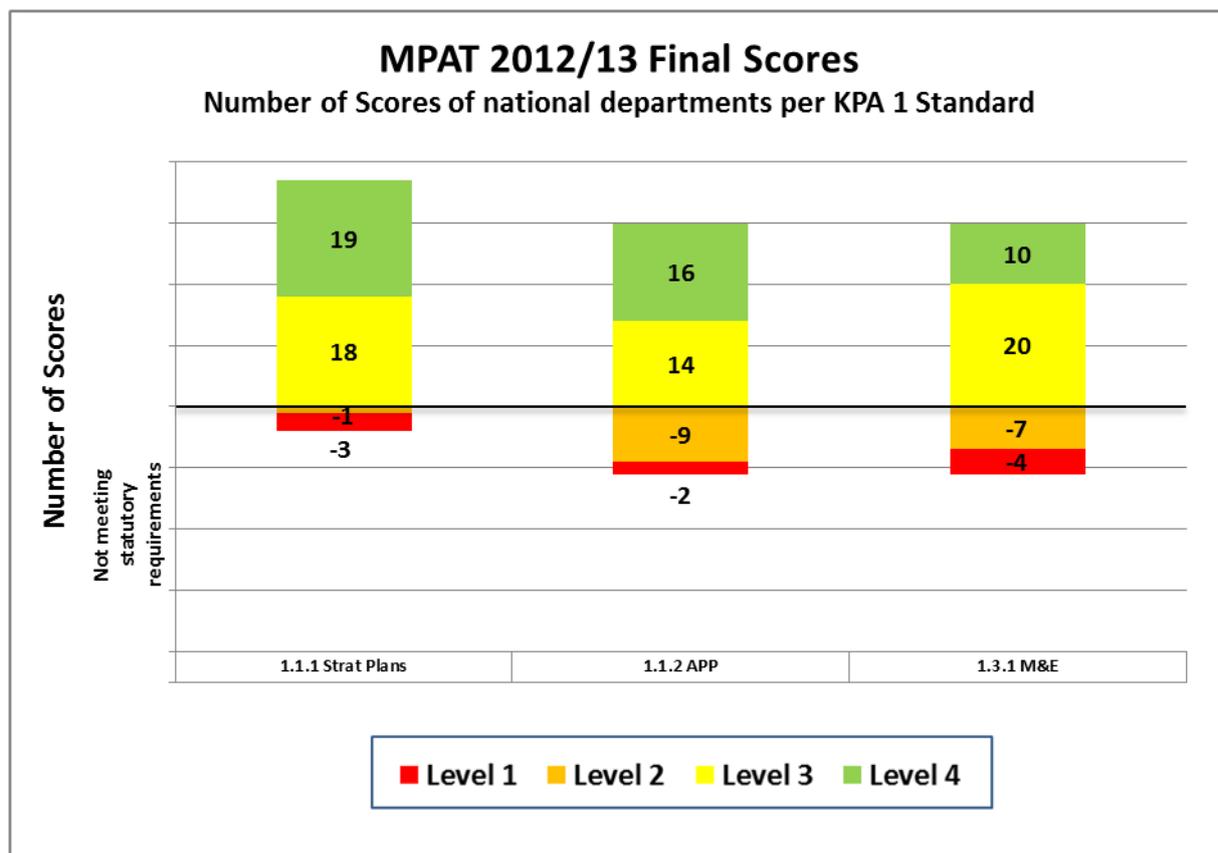
Graph 3 indicates that 37 departments (90 per cent) scored level 3 and 4 on the standard on Strategic Plans. Of this number, more than half operated at level 4.

In both Annual Performance Plans (APPs) and Monitoring and Evaluation (M&E) standards, 30 departments (73 per cent) met the level 3 and 4 requirements. In respect of Annual Performance Plans, the main reasons for 27 per cent of departments not meeting the levels 3 and 4 requirements are due to some departments having challenges related to:

- Indicators contained in the APPS not meeting the "SMART" principles;
- Inadequate alignment of the APPs to their Strategic Plans, National Outcomes, the Medium Term Strategic Framework, and/or Delivery Agreements; and

- Situational analyses are not adequate in terms of either content or not having been reconsidered and amended to reflecting the, then current, external and/or internal demands and capabilities.

The challenges with M&E are attributed to 11 departments (27 per cent) not having standardised mechanisms for the collection, management and storage of monitoring data. In addition, 4 of these departments (10 per cent) did not have an M&E Framework and/or Performance Information Policy that formalise M&E throughout the organisation.

When considering the performance of individual national departments on KPA 1 standards, according to Graph 4, 23 departments (56 per cent) obtained level 3 and 4 scores for all the strategic management standards. Six departments (15 per cent) are working smartly on all aspects of Strategic Management. These are:

- ND EA;
- ND GCIS;
- ND PALAMA;
- ND Presidency;
- ND PSC; and
- ND Tourism

The following 7 departments stand out as experiencing challenges:

- ND CS;
- ND Health;
- ND HET;
- ND PW;
- ND Stats SA
- ND TA; and
- ND WA

The ND Health had a challenge with providing evidence of Strategic Plans, which also impacted on its score for APPs.

Graph 4: Percentage of KPA 1 scores per national department

MPAT 2012/13 Final Scores
% of KPA 1 Scores per national department

Legend: Level 1, Level 2, Level 3, Level 4
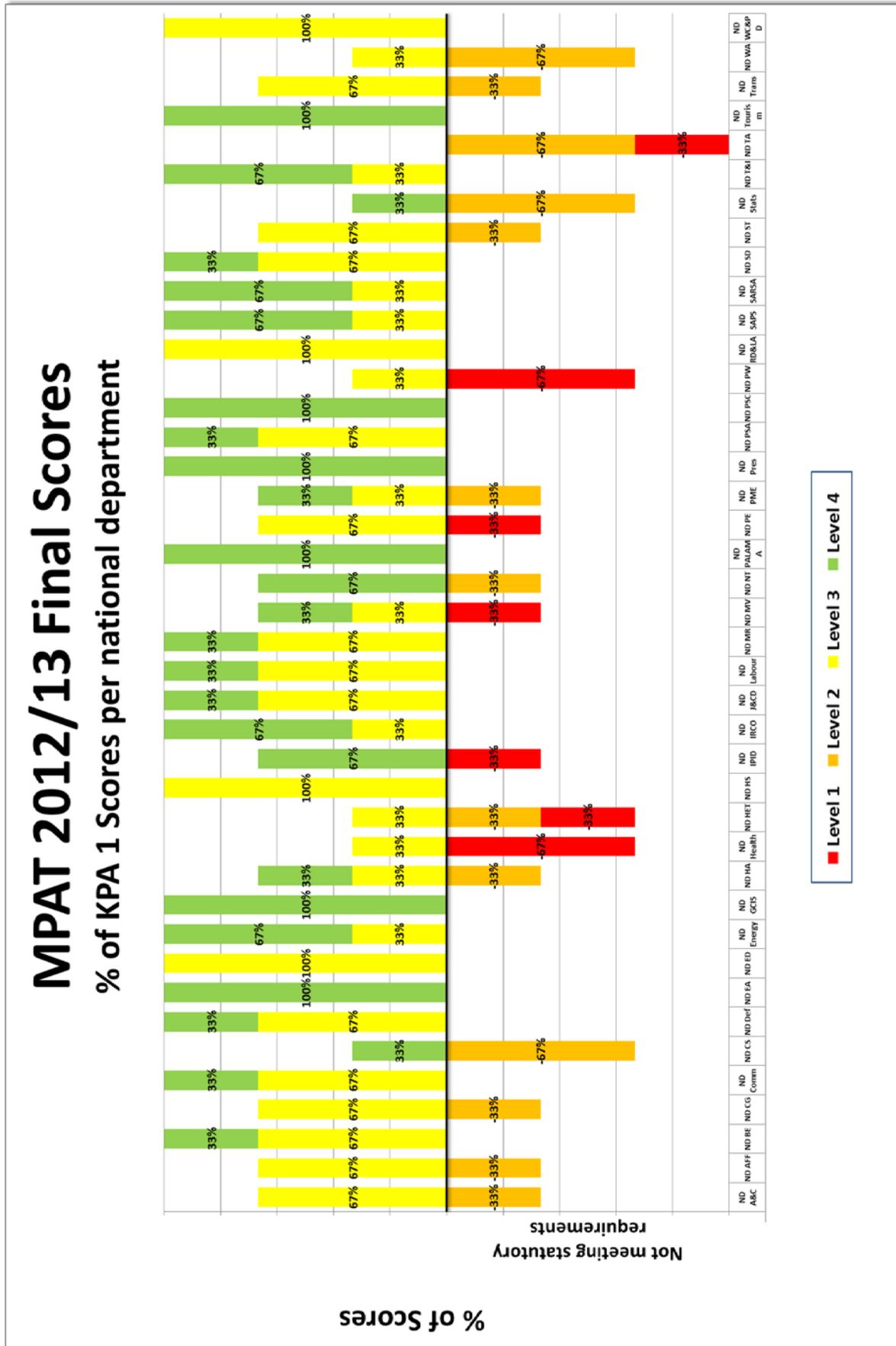
Interventions to address these issues should be initiated from within the departments. Considering the high number of departments that perform well on Strategic Management, the basis of knowledge and skill that can be tapped into is vast.

5.2   Governance and Accountability

Good governance and accountability is pivotal to a well-functioning public service.

This Key Performance Area in MPAT comprises the following standards that were crafted to determine the extent to which managers ensure good Governance and Accountability in departments:

- Service delivery improvement mechanisms
- Functionality of management structures
- Assessment of accountability mechanisms (Audit Committees)
- Assessment of policies and systems to ensure professional ethics
- Fraud prevention
- Assessment of internal audit arrangements
- Assessment of risk management arrangements
- Approved Executive Authority and Head of Department delegations in terms of the Public Service Act and Public Service Regulations
- Approved Head of Department delegations in terms of the PFMA
- Corporate governance of ICT (not included in final results)
- Compliance with PAJA (not included in final results)

Graph 5 shows widespread challenges of national departments on Governance and Accountability. This is similar to all RSA departments (Graph 1 on page 7).

It is important to note that, with the exception of Service Delivery Improvement Mechanisms, all Governance and Accountability standards had departments that met level 4 requirements. In fact, on 3 of the 9 standards, about 22 per cent of departments worked smartly and on another 4 of the 9 standards, approximately 15 per cent of departments met the level 4 requirements.

National departments have challenges with all aspects of Governance and Accountability, with more than 50 per cent of departments operating below the minimum statutory requirements on 7 of the 9 standards. It is only on Management Structures and Accountability (Audit Committee) that 22 departments (54 per cent) and 26 departments (62 per cent) respectively met the levels 3 and 4 requirements.

The standards related to Service Delivery Improvement Mechanisms as well as Professional Ethics are the most challenging, with more than 60 per cent of departments only achieving level 1.

MPAT 2012/13 Final Scores
Number of Scores of national departments per KPA 2 Standard
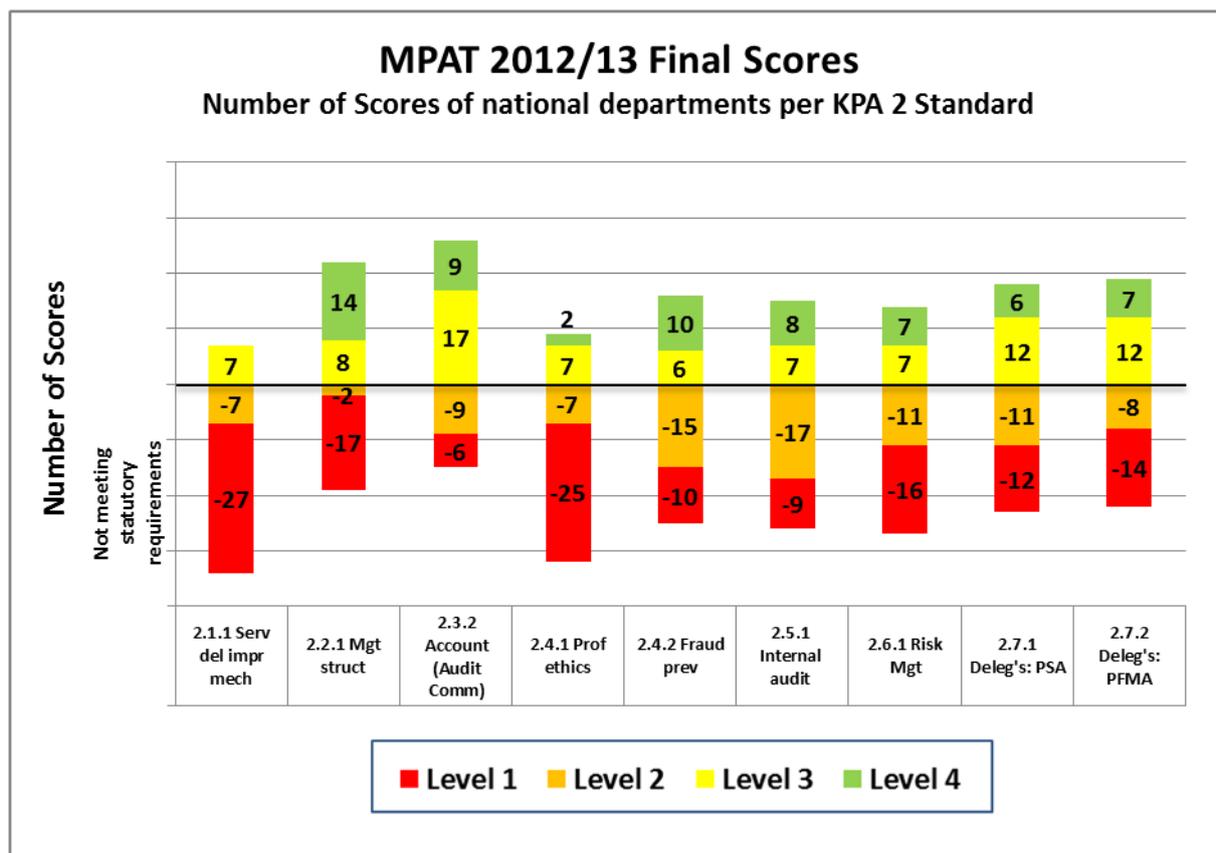
At a departmental level, Graph 6 indicates that more than half the scores of 26 departments (63 per cent) did not meet the minimum statutory requirements. Five departments did not meet any of the minimum statutory requirements. These are:

- ND A&C;
- ND ED;
- ND HS;
- ND IPID; and
- ND MV

In contrast, there are pockets of Governance and Accountability excellence. Departments that excel are:

- ND T&I;
- ND PME;
- ND GCIS;
- NS SD;
- ND EA; and
- ND J&CD

More than 77 per cent of these departments' scores met the levels 3 and 4 requirements. A third of the scores of 11 departments met the level 4 requirements. The ND T&I is the only department that met all the statutory requirements for Governance and Accountability measured in MPAT1.2.

Graph 6: Percentage of KPA 2 scores per national department

MPAT 2012/13 Final Scores

% of KPA 2 Scores per national department

Legend: Level 1, Level 2, Level 3, Level 4

As stated earlier, the performance of national departments is similar to that of all RSA departments. On Management structures, 21 national departments (51 per cent) performed better than the average RSA department and 17 (41 per cent) on Professional Ethics and Delegations PSA respectively.

Although national departments experience similar challenges with Service Delivery Improvement Mechanisms, Professional Ethics and Risk Management, some departments have particular challenges with:

- Accountability (Audit Committee);
- Fraud Prevention;
- Internal Audit; and
- Delegations PFMA

All aspects of Governance and Accountability need to be addressed. Considering the widespread low performance, national departments need to initiate improvement interventions and could seek guidance from centre of government.

5.3   Human Resource Management

This Key Performance Area comprises of the following standards that were crafted to determine the extent to which managers ensure the management of human capital.

- Human resource planning
- Organisational design and implementation
- Human resource development planning
- Pay sheet certification
- Application of recruitment and retention practices
- Management of diversity
- Implementation of Level 1-12 Performance Management System
- Implementation of SMS Performance Management System
- Implementation of HOD Performance Management System
- Management of disciplinary cases

Graph 7 indicates the widespread low performance of national departments on Human Resource Management. This is similar to that of all RSA departments (Graph 1 on page 7). Operating smartly is isolated, although 10 national departments (24 per cent) excel at the implementation of performance management systems for post Levels 1-12.

National departments have challenges in all aspects of Human Resource Management, with more than 50 per cent of departments operating below the minimum statutory requirements on 8 of the 10 standards. It is only on recruitment and retention as well as the implementation of performance management systems for post Levels 1-12 and HODs that 51 per cent and more departments operated at levels 3 or 4. This is consistent with the performance of all RSA departments. The standards related to the Management of Diversity as well as Disciplinary Cases are the most challenging, with more than 68 per cent of the departments only achieving level 1.
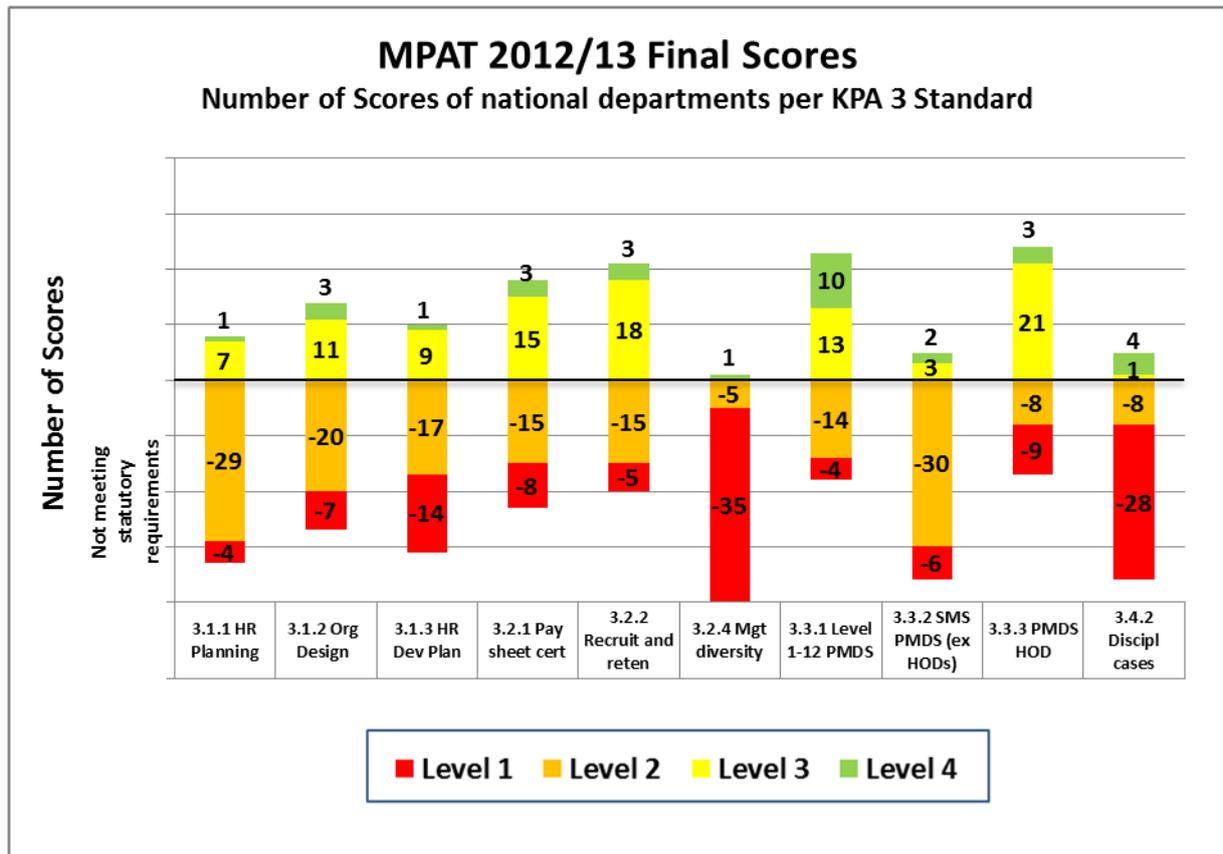
From Graph 8 can be observed that more than half of the Human Resource Management scores of 35 national departments (85 per cent) did not meet the minimum statutory requirements. Five departments did not meet any of the minimum statutory requirements. These are:

- ND MV;
- ND PW;
- ND TA;
- ND WA; and
- ND WC&PD

ND ST and ND PME performed best, with 90 per cent and 80 per cent respectively of their scores at levels 3 and 4. ND ST operated smartly on 50 per cent of the Human Resource Management standards.

A third of national departments performed slightly better than the average RSA department on Organisational Design and Implementation as well as 18 departments (44 per cent) on Pay Sheet Certification. Half of all national departments performed higher on Recruitment and Retention.

Graph 8: Percentage of KPA 3 scores per national department

MPAT 2012/13 Final Scores
% of KPA 3 Scores per national department

Legend: Level 1, Level 2, Level 3, Level 4

Although national departments experience similar challenges with the Management of Diversity as well as Disciplinary Cases, some departments have particular challenges with:

- Organisational Design and Implementation;
- Human Resource Development Plans;
- Implementation of performance management systems for post Levels 1-12;
- Implementation of performance management systems for SMS (excluding HODs); and
- Implementation of performance management systems for HODs.

All aspects of Human Resource Management in national departments need to be addressed. Considering the widespread low performance, national departments need to initiate improvement interventions and could seek guidance from the DPSA.

5.4   Financial Management

This Key Performance Area comprises of the following standards that were crafted to determine the extent to which managers ensure effective, efficient and economical use of public funds:

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal management
- Management of Cash flow and Expenditure vs. Budget
- Payment of Suppliers
- Management of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The effective, efficient and economical use of public funds is essential for growth and development of the country. Graph 9 indicates that the majority of national departments meet the level 3 and 4 requirements for Financial Management standards. This is significantly better than the performance of RSA departments. Operating smartly is, however, isolated. Fourteen national departments (34 per cent) excel at Disposal Management.

National departments not meeting the minimum statutory requirements are infrequent. It is in Demand Management, Payment of Suppliers and the Management of Unauthorised, Wasteful, Fruitless and Irregular Expenditure that between 32 and 42 per cent of departments do not comply.

Graph 10 shows that 11 national departments (27 per cent) failed to meet more than 43 per cent of the minimum statutory requirements for Financial Management. Two departments, namely ND HET and ND WC&PD, did not meet any of the minimum statutory requirements.

MPAT 2012/13 Final Scores
Number of Scores of national departments per KPA 4 Standard
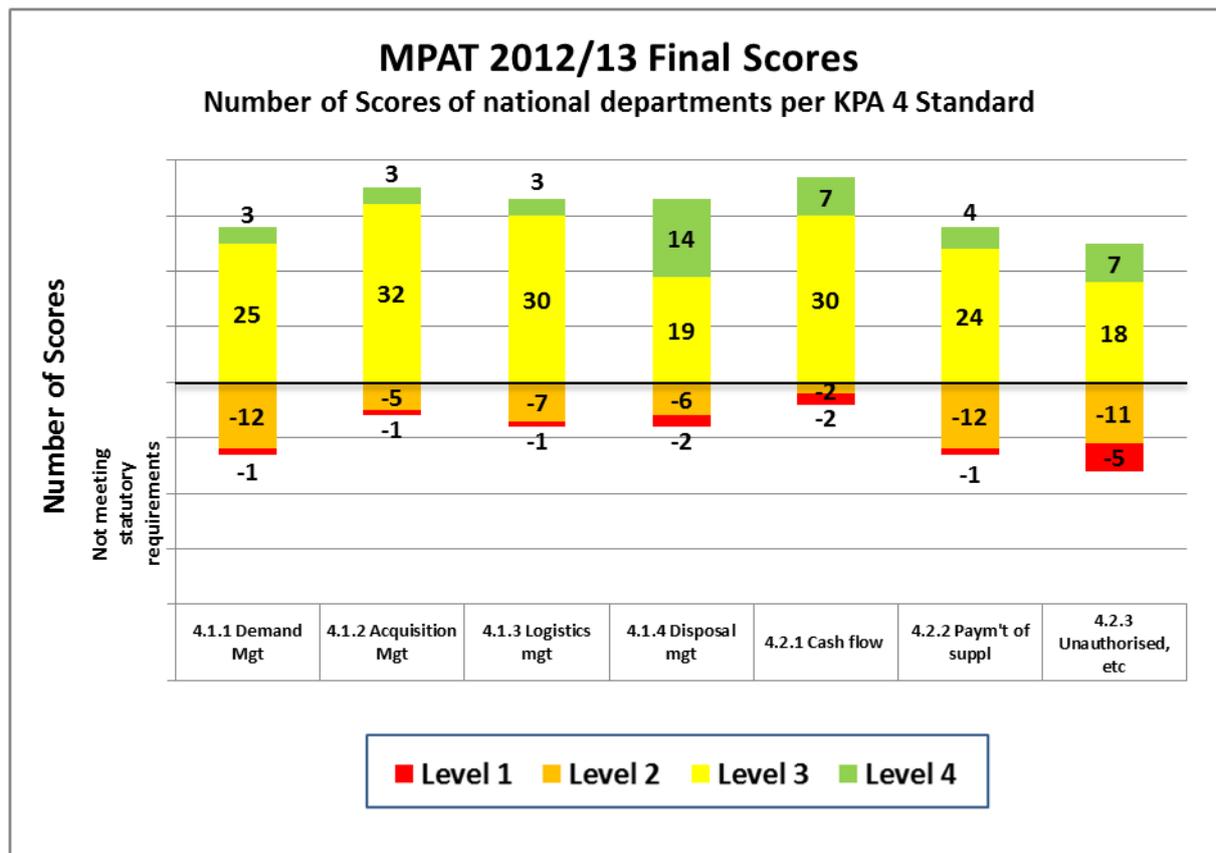
Sixteen departments (39 per cent) met all the statutory requirements for Financial Management as measured by MPAT 1.2.

Eighty-six per cent of the Financial Management scores of ND ST were at level 4.

Despite the better performance of national departments on Financial Management relative to all RSA departments, some national departments experienced particular challenges with:

• Payment of Suppliers;
• Acquisition Management;
• Logistics Management; and
• Disposal Management.

When comparing the performance of national departments on the Management of Unauthorised, Wasteful, Fruitless and Irregular Expenditure to that of all RSA departments, it is striking that 61 per cent of national departments met the minimum statutory requirements versus the 40 per cent of all RSA departments.

Challenges with Financial Management in national departments are specific and limited to individual departments. Focussed interventions are to be initiated by departments to address the specific challenges they experience. More comprehensive interventions are needed for departments that have high levels of non-compliance to statutory requirements.

Graph 10:   Percentage of KPA 4 scores per national department

MPAT 2012/13 Final Scores
% of KPA 4 Scores per national department

Level 1   Level 2   Level 3   Level 4

5.5   Departmental view

National departments vary significantly in their meeting of minimum statutory requirements.

From Graph 11 it can be seen that 18 departments (44 per cent) meet less than half of the level 3 requirements. Of these, 7 national departments met less than 25 per cent of the level 3 requirements. These are:

- ND A&C (24 per cent);
- ND WA (24 per cent);
- ND PW (21 per cent);
- ND HET (20 per cent);
- ND TA (20 per cent);
- ND WC&PD (14 per cent); and
- ND MV (13 per cent).

Four national departments (10 per cent) stand out in respect of their meeting of level 3 and 4 requirements. These are:

- ND EA (76 per cent);
- ND PME (83 per cent);
- ND ST (83 per cent); and
- ND T&I (83 per cent).

Graph 11:   Percentage of all KPA scores per national department

MPAT 2012/13 Final Scores
% of all KPA Scores per national department

Level 1   Level 2   Level 3   Level 4

6   Conclusions

Challenges on Strategic Management are limited to individual national departments, indicating that interventions to address these challenges should be initiated from within the departments. Considering the high number of departments that performed well on Strategic Management, many examples of good practice exist that can be drawn upon for improvement.

The performance of national departments on Governance and Accountability as well as Human Resource Management stand in stark contrast with the relatively good performance on Strategic Management. The low levels of compliance to the statutory requirements indicate that all the standards related to these key performance areas require urgent attention. National departments need to initiate improvement interventions and could seek guidance from DPSA.

Challenges with Financial Management in national departments are specific and limited to individual departments. Focussed interventions are to be initiated by departments to address the specific challenges they experience. More comprehensive interventions are needed for departments that have high levels of non-compliance to statutory requirements.