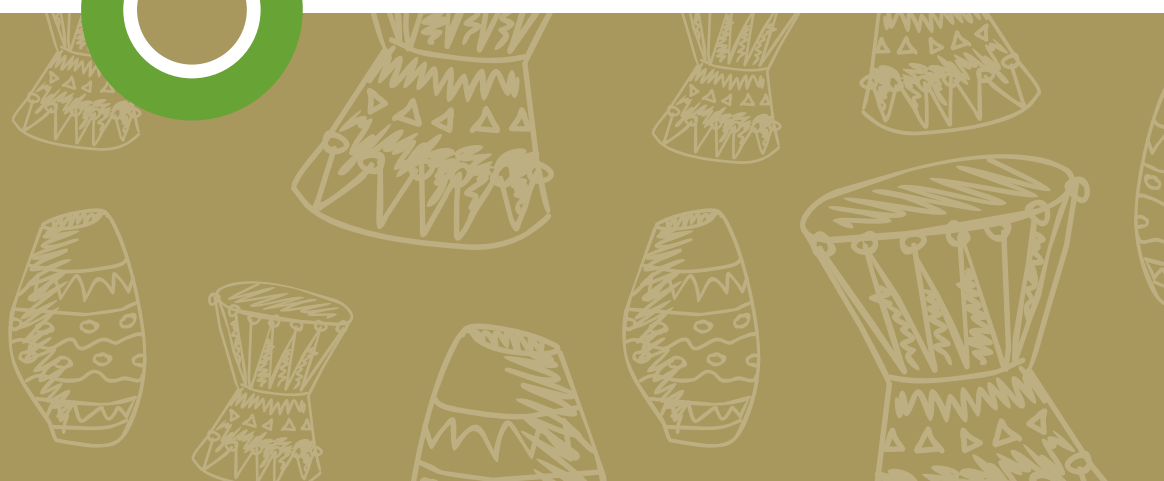




# OVERSIGHT AND ACCOUNTABILITY

*Induction Handbook for  
Members of Parliament and Provincial Legislatures*

A publication of the South African Legislative Sector



# **OVERSIGHT & ACCOUNTABILITY**

## **Induction Handbook for Members of Parliament and Provincial Legislatures**

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## FOREWORD

In the fourth parliamentary term (2009-2014), the South African Legislative Sector under the leadership of the Speakers' Forum pioneered professional development programmes for members of Parliament and provincial legislatures. These programmes were designed to ensure systematic development of members to enable them fulfil their constitutional responsibilities as representatives of the people of South Africa.

Over time, the Sector has successfully developed and implemented accredited programmes, tailor-made to meet the development needs of members. This has been achieved through partnerships with various institutions of higher learning.

To enhance the learning experience of members, we present a series of seven (7) Induction Handbooks which have been crafted by the South African Legislative Sector committed to building stronger Legislatures through collaboration.

On behalf of the Speakers' Forum of the South African Legislative Sector, we trust that all new and returning Members will find the information contained in the Members' Induction Handbooks a useful guide over the next five years.

Capacitated Parliaments are stronger Parliaments and this is good for our democracy. When you know more, you do more.

**M.V. Sisulu, MP**

**Chairperson: Speakers' Forum of South Africa**

**June 2009 – May 2014**

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## PREFACE

The Induction Programme is the first step in a series of the broader South African Legislative Sector Capacity Building Programmes. It lays a solid foundation for other subsequent programmes and is based on the work that members are expected to carry out as part of their overall responsibility to the South African people. The Capacity Building Programmes enable members from different education and development backgrounds to enter at various levels and have an opportunity to exit at Post Graduate Level.

This is one of the seven (7) Induction Handbooks focusing on core business areas of the South African Legislative Sector:

Module 1: Rules, Practice and Procedure in the House

Module 2: Legislative Process

Module 3: Committee Procedures, Practice and Systems

Module 4: Oversight and Accountability

Module 5: Financial Oversight

Module 6: Public Participation

Module 7: International Relations and Protocol

A sincere word of gratitude is extended to the members of the Speakers' Forum for their vision, unwavering support and political guidance, my colleagues in the Reference Group of the Speakers' Forum on Capacity Building (Mr M Mthimkhulu, Mr K Phala and Ms B Tunyiswa) for their dedication and insight in the development and implementation of the broader Capacity Building Programme.

This would not have been possible without the involvement in content development by Secretaries of Parliament, National Assembly, National Council of Provinces and Provincial Legislatures organised through Secretaries Association of Legislatures of South Africa (SALSA). We thank the Legislative Sector Support for ensuring that this vision is realised in the design and development of the handbooks and implementation of the broader Capacity Building Programme.

We hope this handbook will add value to your role as you navigate the Legislative Sector environment.

**M.A. Tsopo, MPL**

**Chairperson: Speakers' Forum Reference Group on Capacity Building**

**June 2009 – May 2014**

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**Ms Sandisiwe Schalk**  
**Executive Director and Project Leader**

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## ACRONYMS

AG	Auditor-General
AENE	Adjusted Estimates of National Expenditure
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
BC	Budget Cycle
CGE	Commission for Gender Equality
CoC	Chairperson of Committees
CRL	Commission for the Promotion and Protection of the Rights of Cultural, Religious; and Linguistic Communities Rights Commission
DPME	Department of Monitoring and Evaluation
FFC	Financial and Fiscal Commission
FIS	Focused Intervention Studies
GDP	Gross Domestic Product
ICASA	Independent Communications Authority of South Africa
IDP	Integrated Development Plans
IPAPA2	Industrial Policy Action Plan
IPID	Independent Police Investigative Directorate
MEC	Member of Executive Committee
MTBPS	Medium Term Budget Policy Statement



MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NA	National Assembly
NCOP	National Council of Provinces
NGP	New Growth Path
PAC	Public Accounts Committee
Pansalb	Pan South African Language Board
PFMA	Public Financial Management Act
PSC	Public Service Commission
PSOM	Public Sector Oversight Model
PP	Public Protector
SCOPA	Standing Committee on Public Accounts
SISD	State Institutions Supporting Democracy
SOM	Sector Oversight Model
SONA	State of the Nation Address
SAHRC	South African Human Rights Commission



## CONCEPTS DEFINED

Generic concepts that relate to the context of this framework are detailed below and specific core concepts are defined within the sections that pertain to them.

### **Vision**

A vision is an inspiring picture of a preferred future. It is not time-bound and serves as a foundation for all policy development and planning, including strategic planning. It should be specific to the institution but linked to the overall vision of a particular sector or cluster.

### **Mission**

A mission statement sets out the reason for an institution's existence based on its legislative mandates, functions and responsibilities. The mission should succinctly identify what the institution does, why and for whom. In the budget documentation, the stated mission of the department should be the same as the Vote aim.

### **Values**

Values identify the principles for the conduct of the institution in carrying out its mission. Institutional values are derived in conjunction with the institution's mission. These values should define a citizen-oriented approach for producing and delivering government services in line with the Batho Pele principles.

### **Strategic Outcomes Oriented Goals**

Strategic outcomes oriented goals identify areas of institutional performance that are critical to the achievement of the mission. They should

stretch and challenge the institution, but must be realistic and achievable. Strategic outcomes oriented goals should focus on impacts and outcomes, but in exceptional circumstances may deal with other aspects of performance. A strategic outcomes oriented goal should ideally be written as a statement of intent that is specific, measurable, achievable, relevant and time-bound (SMART).

### **Budget Programmes and Purposes**

Every institution must in consultation with the National Treasury develop a budget programme and sub-programme structure that is aligned to the main areas of service-delivery responsibility within the institution's mandate. A budget programme is a main division within a department's budget that funds a clearly defined set of objectives based on the services or functions within the department's legislative and other mandates. It also constitutes a management unit established within a department responsible for the delivery of that defined set of services and functions. The term "programme" relates to the functional divisions created within the context of the budget and designated as a "programme" in the budget estimates, that is, main division in terms of Section 27(3)(b) of the PFMA.

A sub-programme is a constituent part of a programme that defines the services or activities which contribute to the achievement of the objective(s) of the programme of which it forms a part. Some of the defined services or activities could include key projects identified by a department. A programme purpose, as captured in the annual budget, is a statement that sets out in broad terms the main areas of delivery for which funds are allocated. Such purposes are not strictly linked to strategic outcomes oriented goals or strategic objectives, but rather focus on the legal mandate behind the expenditures reflected in the programme or sub-programme. Once an institution has an appropriate budget programme structure in place, it should only change in response to a specific expansion or contraction in the institution's mandate, and preferably not in response to changes in priorities or organisational structure.

### **Strategic Objectives**

Strategic objectives should clearly state what the institution intends doing (or producing) to achieve its strategic outcomes oriented goals. The objectives should generally be stated in the form of an output statement, although in exceptional circumstances institutions might specify them in

relation to inputs and activities or outcomes. Each objective should be written as a performance statement that is SMART and must set a performance target the institution can achieve by the end of the period of the Strategic Plan. The baseline and targets must be expressed in terms of numbers. If a percentage is used, then the absolute numbers must be presented as well.

Strategic objectives set in the Strategic Plan must span five years, while the performance targets set in relation to those strategic objectives in the Annual Performance Plan must cover the present budget year and the MTEF. In most sectors, strategic objectives are likely to remain stable over time. Each strategic objective must describe things that the institution is directly responsible for doing or delivering under its respective programmes and sub-programmes. Institutions are advised to set fewer rather than more strategic objectives. The aim is to make strategic choices. However, departments can have more strategic objectives within their internal databases.

### **Programme Performance Indicators**

An institution is expected to identify a set of programme performance indicators and targets in its Annual Performance Plan to track its on-going performance. These indicators should also reflect equity concerns and value for money in the use of resources. Specific attention should be given to developing indicators related to outputs; economy, efficiency and equity. Institutions should consult with key stakeholders to identify and include indicators that they have a direct interest in tracking.

Programme performance indicators that are reliable, well defined, verifiable, cost effective, appropriate and relevant should be sought, with baseline information and targets expressed in terms of actual numbers. The institution must have the management processes in place to collect the information required to track performance against each indicator. Programme performance indicators are likely to be applicable to measuring performance over longer periods, although targets set in the Annual Performance Plan and spanning the present budget year and the MTEF, might be shorter term.

The key performance indicators should be aligned to the national outcomes indicators that will be monitored and this may involve negotiations with the line department and the Presidency. These indicators will be linked to

line department and the Presidency. These indicators will be linked to existing budget baselines of departments. National departments should take into account the Development Indicators currently utilised by the Presidency. The National Treasury, provincial treasuries and the relevant national departments need to work with provincial departments in each sector to define core indicators. Provincial departments are free to include additional indicators. Public entities need to develop their programme performance indicators in consultation with their respective parent departments.

### **Baselines and Targets**

Institutions are expected to state the present baseline in respect of each strategic objective and programme performance indicator. In most instances, the baseline is the level of performance recorded in the year prior to the planning period. Institutions are required to set targets relating to the budget year and the Medium Term Expenditure Framework (MTEF) in respect of the strategic objectives and programme performance indicators contained in their Annual Performance Plans. The annual targets for the budget year should be broken into quarterly targets, except if this is not appropriate.

### **Efficiency**

Within the context of oversight, efficiency is defined as the extent to which a Department or a Legislative Division, in its programme implementation, maintains a particular level of outputs with fewer resources or increases in outputs with a less than proportionate increase in the resources used. Therefore, efficiency refers to doing things in a right manner. Efficiency is all about focusing on the process with emphasis on the 'means' to do the selected task.

### **Effectiveness**

Within the context of oversight, 'effectiveness' means that a Department or a Legislature achieved its set outputs as measured against indicators and targets or outcomes. Effectiveness therefore refers to doing the right things. It measures if the actual output meets the desired outputs as stated in the Departments' or Divisions' Annual Performance Plan. Effectiveness therefore focuses on achieving the 'end' goal.

### **Economy**

Within the context of oversight, 'economy' means the sparing use of resource

(being capital or operational) inputs to achieve maximum yield in terms of services delivered. An example would be economies of scale<sup>1</sup> attained by purchasing high volumes or certain resources.

### **Capital and Current Expenditure**

The government must be very careful to strike the right balance between capital and current expenditure.

Government expenditure (like expenditure by private sector firms) can be categorised into either 'capital expenditure' or 'current expenditure'. **Capital expenditure (Capex)** is spending on assets. It is the purchase of items that will last and will be used time and time again in the provision of a goods and/or services. In the case of the government, examples would be the building of a new hospital, the purchase of new computer equipment or networks, building new roads and so forth.

This money/funds are also used to acquire; upgrade or maintain fixed, physical non-consumable assets; such as property, land, buildings and/or equipment. These are usually expenses incurred to create future benefits, i.e. acquisition of assets of which the value increases and will have a useful life beyond the tax year. This is meant to have the effect of increasing the capacity or efficiency of an institution (government) for more than one accounting period, also referred to as capital spending. The process effectively allows for money spent with the intent of initiating future cash flow and investing in new initiatives that foster future growth.

**Current expenditure** is recurring spending - or, in other words, spending on items that are consumed and only last a limited period of time. These are items that are used in the process of providing a goods and/or services. In the case of the government, current expenditure would include wages and salaries, utilities, maintenance, repairs and expenditure on consumables - stationery, drugs for health service, bandages and so forth. Minor expenditure on items of equipment below a certain cost threshold, is also

1 Economies of scale are the cost advantage that arises with increased output of a product. Economies of scale arise because of the inverse relationship between the quantity produced and per-unit fixed costs; i.e. the greater the quantity of a good produced, the lower the per-unit fixed cost because these costs are shared over a larger number of goods. Economies of scale may also reduce variable costs per unit because of operational efficiencies and synergies.

reported as current spending. This is also referred to as **Operational expenditure (Opex)** which is effectively the day-to-day costs of an institution that turn inventory into throughput.

### **The Oversight Variables<sup>2</sup> Defined**

When doing an analysis of a budget (or other submission), the researcher would have to consider the interrelated variables and/or changeable features of oversight and inform the Committee via a briefing, based on:

- (i) Priorities (**P**);
- (ii) Inputs (**I**: **K** (capital) and **c** (current/operational));
- (iii) Outputs (**S**); and
- (iv) Outcomes (**R**).

This means that the research analysis must reflect all the variables/changeable features used in oversight, and Committees must ensure that this happens.

### **Priorities and Outcomes explained**

The variables (priorities and outcomes) of oversight, relate to 'programme evaluation' and effectiveness, e.g. whether the service delivery needs of the population are being met as well as the impact thereof. Accountability centres on outcomes but also outputs in the first instance as these variables are logically related. Reporting by Departments and the subsequent Committee recommendations as converted into House resolutions, seek to secure accountability by the Department and MEC throughout the budget cycle. This should be the primary, but not exclusive concern to the Legislature's oversight Committees.

### **Inputs explained<sup>3</sup>**

Inputs can be split into 'capital' components, and 'current' (operational) components. A relationship exists between the two, as the amount of authorised total share of capital (capital stock) that is at the disposal of any Department or Division will determine the amount of current expenditure on

<sup>2</sup> In the case of Oversight, a variable is a characteristic or changeable feature that increases or decreases over time. It can also assume different values in different situations.

<sup>3</sup> Adapted From Besdzik and Youash (Undated).

personnel, administration and operations that can sustainably be attached to that capital stock base<sup>4</sup> (also see 'desired equilibrium').

- If, for example, more police personnel are employed than can be sustained by the capital base, the increased erosion thereof and an accelerated decline of its operational life could be expected. There could also be a resultant increase in the capital budget to provide for more police stations/upgrade of existing police stations to accommodate their increased utilisation.
- If the capital asset base<sup>5</sup> on the other hand is larger than the number of police personnel that are required to staff it, one could expect to see a reduction in capital spending to bring the capital base in line with the reduced current requirements, or an increase in current spending to ensure the optimal utilisation of the capital asset base.

### **Outputs explained**

A relationship between capital and current (inputs) and outputs would imply that the resources allocated in a budget will result in a desirable quantity of outputs. Any decline in outputs without resultant declines in inputs (capital + current) indicates that outputs are being less efficiently delivered. Conversely, any increase in outputs over and above the desirable quantity associated with an allocation in capital + current (inputs) would indicate a more efficient delivery of outputs.

The Committee, at the budget juncture, needs to determine if a “desired equilibrium”, attached to targets and performance measures (see below) is evident. In so doing, it can help ensure true performance budgeting, i.e. the efficient and effective application of resources. This will also mitigate against wasteful and fruitless expenditure.

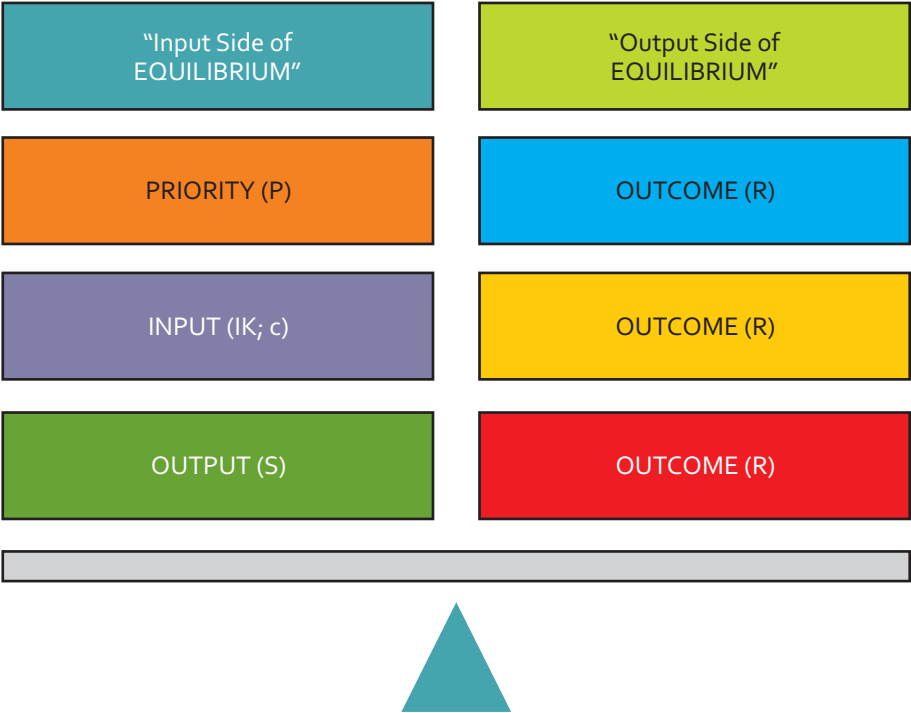
4 Capital stock base refers to the total of initial capital used to secure all the assets currently contained.

5 The asset base refers to the underlying value of the assets. The asset base is not fixed, it will appreciate or depreciate according to market forces. The value of a home might increase or decrease over time, affecting the underlying collateral in a mortgage. Examples of asset bases may include buildings and equipment.



**Figure 1: Oversight - The Desired Equilibrium<sup>6</sup>**

The desired equilibrium could be explained as a state in which opposing forces or influences are balanced. Also, signifying a state of rest or balance due to the equal action of opposing forces. This state of balance is thus desirable.



**Table 1: Programme Evaluation and Budget Analysis – Knowledge Testing<sup>7</sup>**

Statement	True	False
1. When a Department delivers all its set outputs despite using less resources (inputs), this is a sign of effectiveness		
2. When a Department delivers all its set outputs as per its targets, this is a sign of efficiency		
3. According to the PFMA, an outcome is the amount of money a Department has spent		
4. A prosperous, safe and secure community is an example of an output		
5. A priority is what a Department sets out to address through its service delivery program		
6. The various phases of the budget cycle and oversight variables are theoretically unrelated		
7. Program evaluation is concerned with Departmental effectiveness		
8. Budget analysis is concerned with Departmental efficiency		

Source: Sector Oversight Model, 2011



## 1. INTRODUCTION

Parliaments and Legislatures perform three basic functions in democratic countries. They perform a representative function, a legislative function and an oversight function, hereby keeping government accountable for their plans, policies and programmes.

Legislatures play this crucial role in ensuring government accountability by performing two complementary tasks. In consideration of the principle of separation of powers, government is allowed to plan and deliver accordingly with minimal interference from a legislature. The interest of a legislature would be to ensure that the plans of government are in line with the priorities of government. This is where oversight begins, and this process is followed by monitoring to ensure that the plans of government are implemented accordingly.

The executive presents policy proposals to legislatures and, in turn, more information could be requested. Therefore, legislature may play a direct role in the making, shaping, reshaping, modifying, and transforming the government policy proposal. The legislature has the authority to amend the policy proposals presented by the executive and has the authority to approve government's policy proposals, after considering whether they are in line with government priorities. It is understood that while the executive has a constitutional mandate to initiate the policy making process, no policy can be adopted and implemented without the approval of a legislature. This type of preventive control on government activity has been defined in various ways. It is sometimes defined as *foresight, scrutiny, ex ante oversight or simply oversight*.

The second set of tasks that a legislature must perform to ensure accountability is conducted after a government plan is adopted and implemented. The legislature, in order to keep the government accountable, requests the government to provide information on the implementation of the approved policy, how the policy was implemented, whether it worked as the drafters had hypothesised, whether it produced the expected results, and whether the implementation costs were consistent with the funds that had been appropriated. This type of duty which the legislature performs to keep the government accountable is defined as *oversight*.

Foresight is an important component of oversight. The importance of foresight, of what it was alternatively defined as preventive control, is due to two complementary reasons: First, foresight is important because it can actually contribute to improving the quality of the policies/programmes initiated by the executive. Second, foresight is important because as the government policy proposals are assessed, debated, possibly amended and eventually ratified by the legislative branch, they acquire greater legitimacy. In other words, by improving the quality of the policies and by enhancing the legitimacy of the individual policies and of the policymaking process as a whole, these activities make a significant contribution to the promotion of good governance and the quality of democracy.

*Oversight* is essential in assessing whether the executive branch of government is properly executing the instructions it received from the legislature as highlighted in the previous paragraph. By performing its oversight function, a legislature monitors the quality of the policy making, ensures that the executive does not betray the will of the legislature, and controls how the public moneys are spent. In other words, the adequate performance of the oversight function is essential to both improving the quality of democracy and reducing corruption.

Since a legislature's ability to keep the government *accountable* for its action depends on whether and how well a legislature oversees what the government does, there is no limit to what can be overseen by a legislature. In other words, each and every aspect of the government activity can be scrutinised and/ overseen by a legislature. For instance, parliamentary or legislative questions can be asked on nearly all areas of government activity<sup>8</sup>.

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8 Pelizzo, 'What can be overseen by a legislature'. (Undated).

This document serves as Module 4: Oversight and Accountability, which is part of the Comprehensive Induction Programme Handbook for Members of Legislatures (i.e. Parliament and Provincial Legislatures). All matters pertaining to Oversight and Accountability as well as related concepts are clearly defined.

### **1.1 Learning Objectives and Structure of the Module**

After the presentation of this Module, Members should:

- Have a thorough understanding of the function of Oversight and Accountability in Parliament and Provincial Legislatures.
- Be able to clearly understand their role in order to enable them to do their work effectively and efficiently.

The Module is divided into four (4) Units which provide for a logical sequence. All aspects of Oversight and Accountability derives from the Constitution of the Republic of South Africa:

- **Unit 1**, defines *Oversight and Accountability* and also examines the underpinning *Constitutional Provisions*.
- **Unit 2**, discusses *Government Priorities* which includes the *National Development Plan and Medium-Term and Strategic Planning Documents*.
- **Unit 3**, deals with *Oversight in the House and Committees*.
- **Unit 4**, details the *Functions of Accountability* and the various *Roles and Responsibilities*, including the relevance of *Institutions Supporting Democracy*.

The accompanying Figures and Annexure provides for practical and applied illustrative material. It is also important to note that the Legislative Sector is also a source of some good material for these purposes.



## UNIT 1: OVERSIGHT AND ACCOUNTABILITY

### 2. Definition of Oversight

Although this was discussed earlier, succinctly '*Oversight*' is the *proactive interaction initiated by a legislature with the executive and administrative organs...that encourages compliance with the constitutional obligation on the executive and administration to ensure delivery on agreed-to objectives for the achievement of government priorities.*

The concept of oversight contains many aspects which include political, administrative, financial, ethical, legal and strategic elements. The functions of oversight are:

- To detect and prevent abuse, arbitrary behaviour or illegal and unconstitutional conduct on the part of the government and public agencies while protecting the rights and liberties of citizens.
- To hold the government to account in respect of how the taxpayers' money is used by detecting waste within the machinery of government and public agencies, and improve the efficiency, economy and effectiveness of government operations.
- To ensure that policies announced by government and authorised by Parliament and Provincial Legislatures are actually delivered. This function includes monitoring the achievement of goals set by legislation and the government's own programmes.
- To improve the transparency of government operations and enhance public trust in the government, which is itself a condition of effective policy delivery.

### 3. Definition of Accountability

*Accountability is the social relationship where an actor (an individual or an agency) feels an obligation to explain and justify his or her conduct to some significant other (the accountability forum, accountee, specific person or agency)<sup>9</sup>.*

Accountability means 'to give an account' of actions or policies, or 'to account for' spending and other actions. Accountability can be said to require a person to explain and justify - against criteria of some kind - their decisions or actions. It also requires that the person goes on to make amends for any fault or error and takes steps to prevent its recurrence in the future.

A condition of the exercise of power in a constitutional democracy is that the administration or executive is checked by being held accountable to an organ of government distinct from it.

Oversight is a function of a legislature which flows from the separation of powers and the concept of responsible government, like law-making, which entails certain powers. Foremost among these is the power to hold the executive accountable. Monitoring the implementation of legislation goes to the heart of the oversight role. The manner in which the oversight function is carried out will vary according to the circumstances<sup>10</sup>.

Accountability is also designed to encourage open government. It serves the function of enhancing public confidence in government and ensures that the government is responsive to the people it governs. If the values of accountability and oversight and the purposes they serve in a constitutional democracy are realised, members of the executive will more willingly submit to them, thereby fostering and enhancing the principle of co-operative government contained in the Constitution.

The requirement that the executive must justify its policies and decisions to Parliament is only one mechanism for ensuring accountability. The requirements that officials provide reasons for their decisions (section 33(2) of the Constitution), that freedom of information legislation be drafted, and judicial review of administrative action are all other means of making the executive accountable for the exercise of its powers<sup>11</sup>.

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16 9 Gutto, sourced from a Committee Enquiry (Undated).

10 Corder, 1999.

11 Corder, 1999.

Section 92(2) entrenches the doctrine of ministerial responsibility. Particular ministers are individually responsible for the conduct of that part of the executive of which they are in charge. The collective responsibility of the Cabinet implies that Ministers are in the end jointly responsible for the conduct of government and obliged to support government policy.

#### 4. Constitutional Provisions for Oversight and Accountability

The following relevant constitutional provisions refer directly and indirectly to oversight and accountability:

<p>Section 42 (3) &amp; (4)</p>	<p>(3) The National Assembly is elected to represent the people and to ensure government by the people under the Constitution. It does this by choosing the President, by providing a national forum for public consideration of issues, by passing legislation and by scrutinising and overseeing executive action.</p> <p>(4) The National Council of Provinces represents the provinces to ensure that provincial interests are taken into account in the national sphere of government. It does this mainly by participating in the national legislative process and by providing a national forum for public consideration of issues affecting provinces.</p>
<p>Section 55 (2)</p>	<p>The National Assembly must provide for mechanisms -</p> <p>(a) to ensure that all executive organs of state in the national sphere of government are accountable to it; and</p> <p>(b) to maintain oversight of -</p> <p>(i) the exercise of national executive authority, including the implementation of legislation; and</p> <p>(ii) any organ of state.</p>
<p>Section 55 (2)</p>	<p>The National Assembly must provide for mechanisms to ensure that all executive organs of state in the national sphere of government are accountable to it; and to maintain oversight of-</p> <p>(i) the exercise of national executive authority, including the implementation of legislation; and</p>



	(ii) any organ of state.
Section 56	The National Assembly or any of its committees may - (a) summon any person to appear before it to give evidence on oath or affirmation, or to produce documents; (b) require any person or institution to report to it; (c) compel, in terms of national legislation or the rules and orders, any person or institution to comply with a summons or requirement in terms of paragraph (a) or (b); and (d) receive petitions, representations or submissions from any interested persons or institutions.
Section 59	(1)The National Assembly must facilitate public involvement in the legislative and other processes of the Assembly and its committees, and conduct its business in an open manner, and hold its sittings, and those of its committees, in public, but reasonable measures may be taken to regulate public access, including access of the media to the Assembly and its committees.
Section 66	The National Council of Provinces may require a Cabinet member, a Deputy Minister or an official in the national executive or a provincial executive to attend a meeting of the Council or a committee of the Council.
Section 69	The National Council of Provinces or any of its committees may - (a) summon any person to appear before it to give evidence on oath or affirmation, or to produce documents; (b) require any person or institution to report to it; (c) compel, in terms of national legislation or the rules and orders, any person or institution to comply with a summons or requirement in terms of paragraph (a) or (b); and (d) receive petitions, representations or submissions from any interested persons or institutions.

<p>Section 70 (1)</p>	<p>The National Council of Provinces may - determine and control its internal arrangements, proceedings and procedures; and make rules and orders concerning its business, with due regard to representative and participatory democracy, accountability, transparency and public involvement.</p>
<p>Section 92 and (3)</p>	<p>(3) Members of Cabinet must... provide Parliament with full and regular reports concerning matters under their control. (2) Members of the Cabinet are accountable collectively and individually to Parliament for the exercise of their powers and the performances of their functions; (3) Members of the Cabinet must: (a) act in accordance with the Constitution; and (b) provide Parliament with full and regular reports concerning matters under their functions.</p>
<p>Section 100 (2)</p>	<p>If the national executive intervenes in a province by assuming responsibility for the relevant executive obligation which that province cannot or does not fulfil, the national executive must submit a written notice of the intervention to the National Council of Provinces within 14 days after the intervention began. The intervention must end if the Council disapproves the intervention within 180 days after the intervention began or by the end of that period has not approved the intervention. The Council must, while the intervention continues, review the intervention regularly and may make any appropriate recommendations to the national executive.</p>
<p>Section 114 (2)</p>	<p>A provincial legislature must provide for mechanisms to ensure that all provincial executive organs of state in the province are accountable to it; and to maintain oversight of- (i) the exercise of provincial executive authority in the province, including the implementation of legislation;</p>

	and (ii) any provincial organ of state.
Section 115	A provincial legislature or any of its committees may- (a) summon any person to appear before it to give evidence on oath or affirmation, or to produce documents; (b) require any person or provincial institution to report to it; (c) compel, in terms of provincial legislation or the rules and orders, any person or institution to comply with a summons or requirement in terms of paragraph (a) or (b); and (d) receive petitions, representations or submissions from any interested persons or institutions.
Section 116 (1)	A provincial legislature may - determine and control its internal arrangements, proceedings and procedures; and make rules and orders concerning its business, with due regard to representative and participatory democracy, accountability, transparency and public involvement.
Section 118	(1) A provincial legislature must facilitate public involvement in the legislative and other processes of the legislature and its committees, and conduct its business in an open manner, and hold its sittings, and those of its committees, in public, but reasonable measures may be taken to regulate public access, including access of the media to the legislature and its committees.
Section 125 (4)	Any dispute concerning the administrative capacity of a province in regard to any function must be referred to the National Council of Provinces for resolution within 30 days of the date of the referral to the Council.
Section 133 (3)	(3) Members of the Executive Council of a province must provide the provincial legislature with full and regular

	reports concerning matters under their control
Section 139 (2)	If a provincial executive intervenes in a municipality which cannot or does not fulfil an executive obligation by assuming responsibility for the relevant obligation in that municipality the provincial executive must submit a written notice of the intervention to the Cabinet member responsible for local government affairs, the relevant provincial legislature and the National Council of Provinces within 14 days after the intervention began. The intervention must end if the Cabinet member responsible for local government affairs disapproves the intervention within 28 days after the intervention began or by the end of that period has not approved the intervention; or the Council disapproves the intervention within 180 days after the intervention began or by the end of that period has not approved the intervention. The Council must, while the intervention continues, review the intervention regularly and may make any appropriate recommendations to the provincial executive.
Section 139 (3)	When the relevant provincial executive intervenes in a municipality which cannot or does not fulfil an executive obligation by dissolving the Municipal Council, the provincial executive must immediately submit a written notice of the dissolution to the Cabinet member responsible for local government affairs; and the relevant provincial legislature and the National Council of Provinces. The dissolution takes effect 14 days from the date of receipt of the notice by the Council unless set aside by that Cabinet member or the Council before the expiry of those 14 days.
Section 139 (6)	When the relevant provincial executive intervenes in a municipality which cannot or does not approve a budget or any revenue-raising measures necessary to give effect to the budget; or which, as a result of a crisis in its

	<p>financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments, or which admits that it is unable to meet its obligations or financial commitments, the relevant provincial executive must submit a written notice of the intervention to the Cabinet member responsible for local government affairs; and, the relevant provincial legislature and the National Council of Provinces, within seven days after the intervention began.</p>
Section 154	<p>The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.</p>
Section 155 (6)	<p>Each provincial government must establish municipalities in its province in a manner consistent with the applicable national legislation and, by legislative or other measures, must-</p> <ul style="list-style-type: none"> <li>(a) provide for the monitoring and support of local government in the province; and</li> <li>(b) promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.</li> </ul>
Section 155 (7)	<p>The national government, subject to section 44, and the provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority.</p>
Section 231 (2)	<p>(2) An international agreement binds the Republic only after it has been approved by resolution in both the National Assembly and the National Council of Provinces, unless it is an agreement referred to in subsection.</p>

*Note: This is not an exhaustive list of provisions of the Constitution.*

These sections of the Constitution confirm that, in the South African context, oversight and accountability are constitutionally mandated functions of the legislatures to scrutinize and oversee executive action and any organ of state.

#### **4.1 The Public Financial Management Act (PFMA) (Act 29 of 1999)**

The Public Financial Management Act (PFMA) (Act 29 of 1999) is important to the oversight function of Parliament and Provincial Legislatures as it regulates how government departments should account to the legislative authorities monthly, quarterly and annually. The Act clarifies the responsibilities of the head of a Department (the accounting officer) and the political head (called the 'Executive Authority', i.e. Minister or MEC) as follows:

- The Executive authority is responsible for *policy choices/priorities and outcomes*; and
- The accounting officer implements the policy and achieves the outcomes by taking responsibility for delivering the outputs defined in the Departmental budget.

In so doing, the Act empowers accounting officers by unambiguously conferring on them a clear set of responsibilities. Therefore,

- The Accounting Officer prepares the Departmental budget (specified in terms of measurable objectives) for the Minister or MEC to approve and present to the Legislature for voting;
- The Accounting Officer is consequently responsible for the implementation and management of the budget;
- However, the Minister or MEC is constitutionally and politically accountable to the Legislature for both:
  - their policies and actions; as well as
  - the actions/conduct of their Departments and officials.

In keeping with the above, the PFMA differentiates between:

- Measures of efficiency and economy (typically cost, time and quantitative items that can be measured accurately); and
- Indicators of effectiveness, i.e. whether programme delivery has been successful and responsive to the policy priorities. This can, inter alia, be determined through surveys of recipient satisfaction as well as

comparison with key performance indicators/measures as set-out in service delivery and budget implementation plans.

*Committee oversight on effectiveness /-/ efficiency is therefore about the relationship between inputs and outputs and how well a Department is expected to 'convert' money into value for money.*

The Sector Oversight Model (SOM<sup>12</sup>) and Public Sector Oversight Model (PSOM) are closely aligned with the above distinctions and *Committee Chairpersons* would need to ensure that Committees and researchers pay equal attention to the above. Considering many research analyses, there is a view that researchers focus too much on over/under-spending (efficiency) – often relying too much on the Department's submission – and without really linking spending allocations to performance, targets, indicators and backlogs. Consequently, Committee oversight reports also reflect this shortcoming and turn out too descriptive, when they should be *highly analytical* and derived from *independent and robust analysis and scrutiny*.

To clarify further, the PFMA draws a distinction between the following processes and associated variables, which are relevant from a *technocratic* and *political* perspective, respectively:

- Policy and associated priorities (political imperative to be overseen): These are identified by the Province's Executive as a means to guide the strategic goals of the province. The MEC and their Departmental staff generate the outputs to give effect to the strategic vision.

*"This Act assumes that the political head of a Department (Cabinet Minister or a Provincial MEC) is responsible for policy matters and outcomes; this includes seeking Parliamentary (or provincial Legislature) approval and adoption of the Department's budget vote"<sup>13</sup>.*

This is where proactive 'contracting' by the Committee with the Department comes into the picture (more on this later).

<sup>12</sup> The Sector Oversight Model was adopted by the SA Legislative Sector in 2011, and is being implemented to various degrees, except in Parliament. Parliament has adopted its own Oversight and Accountability Model in 2009. However, the two models are not in conflict with each other, and the best aspects of the two models are utilised for this Module on Oversight and Accountability.

<sup>13</sup> PFMA 1999, vii.

- Inputs and Outputs (technocratic imperative of efficiency) to be overseen: Each programme/sub-programme is a response to the strategic goal that echoes the Departments' mission. A distinction can be drawn between capital inputs (such as infrastructure, e.g. number of emergency response vehicles) and current/operational inputs (e.g. salaries). Outputs concern themselves with: "how much"? "when"?; and "at what cost"? Throughputs on the other hand, are the number of received government services. It, however, doesn't tell much about the quality or quantum of service that a beneficiary would have received.

#### 4.1.1 PFMA Performance Budgeting

The last decade has seen many governments' attempting to establish a results-oriented (or performance-based) budgeting approach. South Africa adopted the same principles of performance-based budgeting with the following components or variables:

**Outputs** are products and services that result from processing inputs through programmes, projects and other activities. They are a marker of effectiveness ('doing the right things') even though they are situated on the input ('efficiency') side in terms of the PSOM. The *input* → *output* → *outcomes*' progression should be overseen as a dotted line of interrelated propositions and not as being situated in 'little boxes'.

*"The head official (Director-General of a national Department or a provincial head of Department) is responsible for outputs and implementation, and is accountable to Parliament or provincial Legislature for the management of the implementation of that budget. This echoes the (then) new Public Service regulations, which rely on a performance-driven system based on measurable outputs"* (PFMA 1999, vii).

**Outcomes:** (political imperative of effectiveness to be measurable). Outputs, ideally produce the expected outcomes and the satisfaction of the strategic objectives (based on the policy priorities). Access to, usage and stakeholder satisfaction from goods and services generated by projects and programmes are measures of results or effectiveness. As signs of effectiveness, Outputs can be readily measured against indicators and targets which must be clearly



spelled out in the Departmental Annual Performance Plan (APP) and subjected to oversight and scrutiny.

**Impacts:** Although not strictly part of the performance budgeting and evaluation process (as per the PFMA), it would be useful for Committees to keep the impact of government programmes in mind. Impacts are the result of the *combined* effect of outcome activities. They are often more subjective, perceptual and qualitative and may be harder to define or measure. Through their interpretations and subsequent actions/responses, beneficiaries can also contribute to the impacts – either positively or negatively.



## UNIT 2: GOVERNMENT PRIORITIES

Government priorities are important to the oversight function of Parliament and Provincial Legislatures, as they serve as the main source of information. When conducting oversight, it is essential for Parliament and Provincial Legislatures to always ensure that Government plans and performance are always in line with the priorities as expressed in the following strategic documents.

### 5. National Development Plan

The National Development Plan (NDP) is the latest reform in government planning and was introduced by the Executive Arm of Government during the 4th term. It is equally important to the oversight function of the Legislative Arm of Government as it is one of the primary sources of information. It offers a long-term vision for the country (until 2030) and *'aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and the reduction of inequality'*. The plan is to be implemented through nine (9) pillars, namely:

- Creating jobs;
- Expanding Infrastructure;
- Transition to a low carbon economy;
- Transforming urban and rural spaces;
- Education and training;
- Providing quality health care;
- Building a capable state;
- Fighting corruption; and
- Transformation and Unity.

The National Development Plan (NDP) offers a long-term perspective and identifies national priorities and roles different sectors of society should play in reaching South Africa's developmental goal. The plan is based on four overriding implementation objectives, which are:

- Providing overarching goals for what is to be achieved by 2030
- Building consensus on the key obstacles for achieving these goals and identifying what needs to be done to overcome these obstacles.
- Providing a shared long-term strategic framework within which more planning can take place in order to advance the long term goals set out in the NDP
- Creating a basis for making choices about how best to employ limited resources.

### **5.1 Implementation of the National Development Plan**

The planning processes carried out by departments and other government entities will play a vital role in bringing the NDP to effect. It is critical for legislative authorities to incorporate the NDP targets into their oversight mechanism. The intention is for the NDP proposals are being incorporated into the existing activities of departments and broken down into the medium and short-term plans of government at national, provincial and municipal level.

Since the 2013/14 financial year, government departments made a commitment to align the long term plans and annual budgets of departments with the NDP and to identify areas where policy change is required to ensure consistency and coherence. Each government programme will have to be backed by detailed implementation plans which clearly set out actions that need to be undertaken.

Key steps to facilitate this integration include:

- The National Planning Commission and the Department of Performance Monitoring and Evaluation in the Presidency are leading the formulation of the 2014-2019 MTSF (Medium Term Strategic Framework) in consultation with departments.
- The Presidency and National Treasury will work with departments to clarify roles and responsibilities, ensure that plans and budgets are aligned, and develop clear performance indicators for each programme.

- Departmental strategic plans, annual performance plans and programme plans will need to be evaluated by the Presidency to determine alignment with the NDP prior to submission to Parliament.
- Monitoring and evaluation will be used to identify obstacles to implementation, to facilitate reflection on what works, and to continuously improve implementation.

In this regard, implementation of the NDP in government requires a process of breaking down the plan into key manageable outputs and activities to be implemented by individual departments or groups of departments.

There is a positive correlation between the NDP priorities and the current 12 priority outcomes, and such correlation will enable government to maintain continuity in the planning and monitoring and evaluation processes of government. Government will therefore continue with the focus on outcomes in the 2014-2019 Medium Term Strategic Framework.

The effective implementation of the Plan depends on the country's ability to build unity in action through the following principles:

- **Broad ownership** - The Plan enjoys wide support from all sections of society. The best way to sustain this support is by ensuring broad engagement at every level of implementation. It is important that the implementation phase builds on this sense of broad ownership by enabling different sectors and individuals to contribute their skills, resources and expertise.
- **Continuous capacity building** - Capacity building needs to be treated as an on-going process. It requires that all sectors constantly strive to improve their own performance. This includes measures to strengthen the capacity and developmental commitment of the State.
- **Policy consistency** - Many successful reform initiatives have policy consistency and stability of leadership as common features. The Plan is designed to bring about change over a period of nearly two decades and this requires a degree of policy consistency. Policy changes must be approached cautiously based on experience and evidence so that the country does not lose sight of its long-term goals.
- **Prioritisation and sequencing** - Not all proposals will be implemented at once. Priority will be given to policies that need to be implemented immediately because other actions cannot be implemented until these

steps have been taken; policies and plans that have long-term implications and lock in future choices; areas where the core objective is to improve the implementation of existing policies; areas where the first task is to build consensus, improve trust, build capacity or agree on the division of responsibilities before implementation can take place. Particular attention will be given in the initial stages to the three objectives that the NPC has identified as being especially important for the success of the Plan: (a) improving the quality of learning outcomes, (b) creating jobs and promoting inclusive growth, and (c) strengthening the capacity and developmental commitment of the state.

- **Clarity of responsibility and accountability** - The Plan calls for the tightening of the accountability chain. An important step towards this is to ensure that all activities necessary to implement a programme are clearly spelt out including the timeframe and responsibility for implementation, as well as oversight and monitoring mechanisms that will help identify blockages.
- **Continuous learning and improvement** – It is important to figure out how to make things work before trying to implement at a large scale. Implementation needs to be a learning process, so that plans can evolve based on the experience of departments and the results of evidence-based monitoring and evaluation.
- **Coordinated action** - The NDP provides an overarching policy framework to bring greater coherence to the work of government. However, many coordination problems relate to implementation and in these areas issues will need to be resolved through regular day-to-day interactions.

## 5.2 Role of the Provincial Government

The Plan identifies the task of improving the quality of public services as critical to achieving transformation. This objective will require provinces to focus on identifying and overcoming challenges to achieve desired outcomes. The provincial planning process should therefore focus on the proposals that are made in areas of core provincial competencies.

## 5.3 The Role of the Local Government

The Plan highlights the need to strengthen the ability of local government in

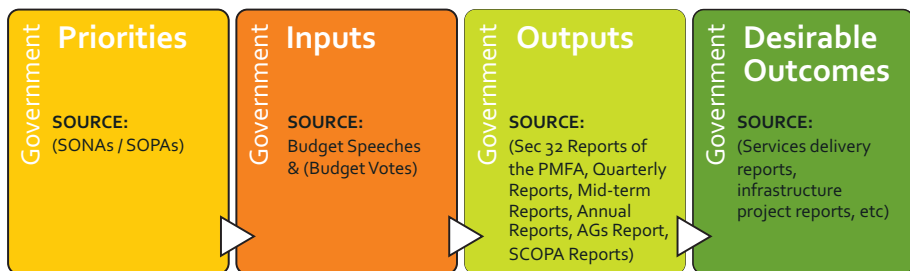
the fulfilment of its developmental role. Municipal Integrated Development Plans (IDPs) need to be used to focus attention on critical priorities in the NDP that relate to the mandate of local government. This would allow the IDP process to become more manageable and the participation process more meaningful.

#### 5.4 Monitoring and Reporting

Planning and implementation should be informed by evidence-based monitoring and evaluation. There are already monitoring and reporting processes in place for government priorities, plans and policies. Integration of the NDP into these plans will enable implementation of the Plan to be monitored through existing processes. The Department for Performance Monitoring and Evaluation (DPME) has responsibility for overseeing progress against many of these objectives through the outcomes approach, and will have overall responsibility for monitoring progress.

It is also important that government is able to keep track of all progress against the NDP as a whole. This includes identifying unforeseen circumstances that may hamper progress or identifying serious blockages that need to be addressed. This will require a more strategic and high-level form of monitoring that will be carried out by the NPC drawing on data that is already collected by DPME and other sources so as to minimise the reporting burden.

**Figure 2: A Framework for Government Planning to Outcomes**



## **6. Medium Term Strategic Framework (2009 – 2014)**

The basic thrust of the 2009 – 2014 MTSF is to improve the conditions of life of all South Africans and contribute to building a better Africa and a better world. The central objective and mission is to set the country on a higher and sustainable growth trajectory by the end of the mandate period (2014) with an expanded and more diversified economic base, with unemployment and poverty having been halved (compared to 2004) and with greater equity and social cohesion. This includes universal access to electricity, water and sanitation in decent community settlements. The 2009-2014 Medium Term Strategic Framework identified the following objectives:

- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality;
- Improve the nation's health profile and skills base and ensure universal access to basic services;
- Improve the safety of citizens by reducing incidents of crime and corruption;
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia.
- Halve poverty and unemployment by 2014;

The priority areas to give effect to the above strategic objectives include:

- Inclusive economic growth, decent work and sustainable livelihoods;
- Economic and social infrastructure;
- Rural development, food security and land reform;
- Access to quality education;
- Improved health care;
- The fight against crime and corruption;
- Cohesive and sustainable communities;
- Creation of a better Africa and a better world;
- Sustainable resource management; and
- A developmental state including improvement of public services.

### **6.1 Strategic Priorities and Programmes**

The strategic priorities and programmes that are outlined in the tables below were priorities identified in the 4th term (2009-2014) Medium Term Strategic Framework. It should be noted that these strategic priorities and programmes may change in the 5th term of the democratic parliament.

**Table 2: Strategic Priorities and Programmes**

Strategic Priority	Target
<p>Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.</p>	<p>The main objective is to respond appropriately, promptly and effectively so that growth in decent employment and improvements in income security are reinforced, and investment sustained to build up national economic capability and improve industrial competitiveness. This must be conducted in an environment of a stable macro-economy which provides conditions for higher rates of investment and creation of decent jobs.</p>
<p>Strategic Priority 2: Massive programme to build economic and social infrastructure</p>	<p>Continued implementation of the infrastructure investment programme aimed at expanding and improving social and economic infrastructure, transportation, energy, water, sanitation and information and communications infrastructure to increase access, quality and reliability of public services and to support economic activities while also considering environmental sustainability and pursuing maximum employment impact. The aim is to ensure sustained investment growth over the medium-term in order to achieve the target of a fixed investment ratio above 25% of GDP by 2014. In addition, government will continue with programmes to provide and maintain health, education, library, sporting, recreation and other social infrastructure.</p>
<p>Strategic Priority 3: Comprehensive rural</p>	<p>Government's approach to spatial development aims to encourage policy</p>



Strategic Priority	Target
<p>development strategy linked to land and agrarian reform and food security</p>	<p>actions that are responsive and conducive to the requirements of the different contexts prevailing in each territory, primarily levels of economic potential and location of poverty.</p> <p>Within the framework of spatial diversity, the overall objective is to develop and implement a comprehensive strategy of rural development that transcends the false dichotomy between rural and urban and that will meet the needs of improving the quality of life of rural households, enhancing the country's food security through a broader base of agricultural production, and exploiting the varied economic potential that each area enjoys.</p>
<p>Strategic Priority 4: Strengthen the skills and human resource base</p>	<p>Recognising the importance of skills and education to enable every member of society to realise her/his potential and participate in social and economic life – and thus contribute to the reduction of inequality – the objective is to focus the country's skills and education system towards the delivery of quality outcomes.</p>
<p>Strategic Priority 5: Improve the health profile of all South Africans</p>	<p>Improving access to health services and achieving better clinical and patient outcomes from the public health system is a central goal of government's health care services. The 2009-2014 MTSF aimed to transform the public health system in order to reduce inequalities in the health system, improve quality of care and public facilities, boost human resources and step up the fight against HIV and AIDS, TB and other</p>

Strategic Priority	Target
	communicable diseases, as well as lifestyle and other causes of ill-health and mortality.
Strategic Priority 6: Intensify the fight against crime and corruption	In the light of critical weaknesses in the functioning of the Criminal Justice System (CJS) including lack of integrated implementation, the shortage of critical skills and suboptimal use of resources leading to huge case and workloads for the police, courts and correctional centres, the less than satisfactory accountability systems and the disappointing levels of citizen involvement and community mobilisation in the fight against crime; government adopted a plan to revamp and improve the efficiency of the criminal justice and security system so that public morale is not eroded, the social fabric is not strained, trust in the legitimacy and credibility of the State is not shattered and the economy is not negatively affected.
Strategic Priority 7: Build cohesive, caring and sustainable communities	Social cohesion is impacted and prohibited by inequalities of condition (wealth, income, education, health) and inequality of opportunity and a general absence in society of being part of a common enterprise, facing shared challenges and belonging to the same democracy with a shared destiny. The 2009-2014 MTSF aimed to halve poverty and unemployment by 2014 and in conjunction with other priorities (education, health, housing, etc.); to strengthen human capabilities and promote shared values and social solidarity and strive to reduce overall inequality. The

Strategic Priority	Target
	values enshrined in the Constitution were to serve as the principal foundation of the shared value system.
Strategic Priority 8: Pursuing African advancement and enhanced international cooperation	Pursuant to the 2004-09 MTSF, government committed itself to pursue the objective of contributing to and promoting the creation of a better Africa and a better world. The main goal of government for the medium-term was to ensure that our foreign relations contribute to the creation of an environment conducive for economic growth and development in Africa and other developing countries.
Strategic Priority 9: Sustainable Resource Management and use	South Africa, like the rest of the world, is vulnerable to the impacts of climate change, biodiversity loss and diminishing water resources. In this regard, government aimed to encourage sustainable resource management and use by focusing on various interventions, including the diversification of the energy mix in pursuance of renewable energy alternatives and promotion of energy efficiency; adopting waste reduction practices by encouraging the re-use of waste outputs as productive inputs; enforcing zero tolerance approach to illegal and unsustainable exploitation of resources; improving air and atmospheric quality for health and well-being of citizens; supporting local and sustainable food production; sustainable water use and preserving quality of drinking water and enhancing biodiversity and the preservation of natural habitats.

Strategic Priority	Target
Strategic Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions	The main objective for the medium term was to further strengthen the capacity of the State to enable it to improve the delivery and quality of public services; to promote a culture of transparent, honest and compassionate public service; to build partnerships with society for equitable development; and to strengthen democratic institutions.

## 6.2 The Outcomes Approach

The Outcomes approach is designed to ensure that government is focused on achieving the expected real improvement in the lives of all South Africans. The outcomes approach clarifies what is expected to be achieved, the process of how it will be achieved and monitoring and evaluation of whether the targets are met or not. This is done in order to assist spheres of government to ensure that the services delivered by government result in the improvement of the lives of citizens rather than carrying out functions that will not translate to outcomes changing the lives of people.

**Outcomes planning** means planning backwards from the outcomes that have to be achieved and to work out how these will be achieved. The outcomes that have to be achieved have to be identified; thereafter the outputs that will ensure that those outcomes are achieved must also be determined. Activities that contribute to the outputs must be identified and resources needed to achieve the activities allocated accordingly.

**Focusing on outcomes** clarifies which role players need to be involved to ensure that the outcome is achieved. Plans will involve identifying what outputs are needed to achieve the outcome. These plans will be implemented by a government entity responsible for the area of work each of the outputs involves. Every Rand spent must contribute to an improvement in people's lives.

***Monitoring and evaluation of outcomes creates the basis for accountability and learning.*** Assessment of what impacts and outcomes were achieved will enable decision makers to assess what works and assists in identifying where areas for improvements are.

The following description of terms is imperative to understand the link between inputs, activities, outputs, outcomes and impact:

- **Inputs:** Measure what is put into the process. These are all resources that contribute to the production and delivery of outputs. They include finance, personnel, equipment and buildings.
- **Activities:** These are the processes or actions that use a range of inputs to produce the desired outputs, and ultimately outcomes.
- **Outputs:** Measure direct products of a particular programme or project. The final products, or goods and services produced for delivery. For example, the number of beneficiaries receiving a particular good or service.
- **Outcomes:** Measure the results of the policy or programme. The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to the department's strategic goals and objectives set out in its strategic plans and annual performance plans. For example, increased health, educational levels, availability of time.
- **Impact:** These are the results of achieving specific outcomes, such as reducing poverty and creating jobs.

Managing for outcomes requires attention to the full delivery chain. The chain starts with the outcome that has to be achieved and then define the output measures that must be used to check if delivery is on track. The chain then describes the key activities that need to be successfully carried out to achieve the outputs and closes by listing the crucial inputs.

### **6.3 Government priorities - Outcomes**

The Government has identified twelve outcomes based on the election manifesto and the Medium Term Strategic Framework (MSTF). The outcomes reflect the desired development impacts that will be achieved given government's policy priorities. Each outcome is clearly articulated in terms of measurable outputs and key activities to achieve outputs. The twelve key outcomes that have been identified and agreed to by Cabinet are:-

- Improved quality of basic education.
- A long and healthy life for all South Africans.
- All people in South Africa are and feel safe.
- Decent employment through inclusive economic growth.
- A skilled and capable workforce to support an inclusive growth path.
- An efficient, competitive and responsive economic infrastructure network.
- Vibrant, equitable and sustainable rural communities with food security for all.
- Sustainable human settlements and improved quality of household life.
- A responsive, accountable, effective and efficient local government system.
- Environmental assets and natural resources that are well protected and continually enhanced.
- Create a better South Africa and contribute to a better and safer Africa and World.
- An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

#### **6.4 Outcome Performance System**

The purpose of the outcome performance system is not limited to measuring outcomes and outputs. It serves as a mechanism to guide the direction of policy implementation and ensuring that what is done is what matters most. The system will serve to assess individuals' and collectives of people, to evaluate an institution's effectiveness and even to assess the validity of a policy<sup>14</sup>.

Political principals have the responsibility of ensuring appropriate outcomes, and the public service have the responsibility of ensuring outputs. The approach taken by the Presidency is guided by three imperatives learnt from international experience. These are:-

- The need for prioritisation.
- Outcome based planning.
- Performance management with a focus on a few priorities.

The following table illustrates the mechanism or working of the performance management system using two examples, which are Basic Education and Environmental Sustainability.

**Table 3: Examples of Outcomes Implementation**

The Process	Basic Education	Environmental Sustainability
<b>Politically agreed outcomes</b>		
<p>1. The MTSF is converted into 12 main outcome indicators, approved by Cabinet. They are a simple and clear way of expressing the mandate of Government.</p>	<p>Outcome: to "Improve the quality of basic education".</p>	<p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced.</p>
<b>Outcome measures</b>		
<p>At this stage, Outputs that will contribute to the Outcome of improving basic education must be identified.</p>	<p>Improve the pass rate for Grade 3 literacy and numeracy to 65%; Grade 6 mathematics and literacy to 75%; and grade 9 mathematics and English to 80% over the five year term.</p>	<ul style="list-style-type: none"> <li>• Enhanced quality and quantity of water resources</li> <li>• Reduced greenhouse gas emissions, climate change and improved air and atmospheric quality</li> <li>• Protected biodiversity</li> <li>• Indicators (for output on protected biodiversity) include:               <ul style="list-style-type: none"> <li>• % of land mass under conservation</li> <li>• % of coastline</li> </ul> </li> </ul>

The Process	Basic Education	Environmental Sustainability
<b>Outcome measures</b>		
		prohibiting fishing or any form of harvesting or extraction <ul style="list-style-type: none"> <li>• Recovery of key fisheries (hake, abalone and rock lobster stocks)</li> </ul>
<b>Key activities</b>		
The key activities that will be required to achieve the outputs will be listed.	<ul style="list-style-type: none"> <li>• Teachers in class on time teaching 7 hours a day.</li> <li>• National workbooks distributed to 80% of the schools.</li> <li>• Curriculum coverage must be 100% of the workbooks and be measured once a year in every school.</li> </ul>	Key activities (for output on protected biodiversity) <ul style="list-style-type: none"> <li>• Declaration of priority areas for expansion of protected areas</li> <li>• Strengthen compliance and enforcement and institute patrols in protected areas</li> <li>• Expansion of fresh water and marine aqua-culture</li> </ul>
<b>Inputs</b>		
The essential inputs are identified: only those that form part of the delivery chain for the outputs.	<ul style="list-style-type: none"> <li>• For grades 1, 2, 3 two workbooks (English, numeracy) uniformly distributed to 80% of schools by</li> </ul>	Inputs required (for output on protected biodiversity) <ul style="list-style-type: none"> <li>• Conservation scientists and planners</li> <li>• Finance,</li> </ul>



The Process	Basic Education	Environmental Sustainability
<b>Inputs</b>		
	national Department. <ul style="list-style-type: none"> <li>• For grade 4, 5, 6, 7 workbooks in five core areas uniformly distributed to 0% of schools by national Department.</li> <li>• For grades 10, 11, 12 seven core textbooks. Independent moderated tests for grade 3, 6 and 9.</li> </ul>	technology and capacity building support <ul style="list-style-type: none"> <li>• Finalisation and implementation of the Integrated Fisheries Security Strategy</li> </ul>

To attain an outcome, all key partners that contribute to achieving the outcome must be involved. Delivery agreements, which are collective agreements that in most cases involve all spheres of government and a range of partners outside government, must be signed. These agreements will reflect government's delivery and implementation plans for its foremost priorities.

## 7. Industrial Policy Action Plan (IPAP2)<sup>15</sup>

The main aim of the IPAP2 is to promote long-term industrialisation and industrial diversification beyond reliance on traditional commodities and non-tradable services in the country. One of its objectives is the promotion of labour-absorbing industrialisation. It is also meant to increase participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy. It is estimated that IPAP2 will result in the creation of 2.4 million direct and indirect jobs by 2020.

Through the IPAP<sup>2</sup>, the focus is on improving growth in key manufacturing sectors notably, the traditionally tradable sectors such as agriculture and mining, with the main thrust being the need to create sustainable employment. These two sectors are highly labour intensive in nature. Special focus will be on agro-processing that will be linked to food security and contributing to rural development.

## 8. The New Growth Path (NGP)<sup>16</sup>

The aim of the NGP is economic growth through enhancing growth, employment creation and equity. The policy's principal target is to create five million jobs by 2020. Critical to this employment target is the importance of social dialogue where both the social partners and government work together to address key structural challenges in the economy. Furthermore, central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy.

The NGP has identified five job drivers in which government will prioritise efforts to support employment creation. The NGP proposes unlocking the employment potential in the following key sectors:

Infrastructure development: through massive expansion in the transport, energy, water and housing sectors and communications capacity; underpinned by a strong focus on domestic industries to supply the components for the building programmes, which means that jobs will be created in the construction industry.

- **Green Economy:** jobs will be created through investment in green energy. Expansions in construction and the production of technologies for solar, wind and bio-fuels will be supported by the draft Energy on Integrated Resource Plan. Clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade.
- **Agriculture:** jobs will be created in the agricultural value chain, with a focus on expanding farm-output, increasing the agro-processing sector and employment. This entails addressing the high input costs and up scaling processing and export marketing. Support for small holders will include access to key inputs. Government will explore ways to improve working and living conditions for the country's farm workers. The growth path also commits the Government to unblocking stalled land transfers,

which constrain new investment.

- **Minerals and beneficiation (Mining):** jobs will be created in the mining value chain, with a particular focus on mineral beneficiation as well as on increasing the rate of minerals extraction and improving infrastructure and skills development. It focuses support for beneficiation on the final manufacture of consumer and capital goods, which can create large-scale employment. It foresees the establishment of a State mining company concentrating on beneficiation and enhanced resource exploitation in competition with a strong private mining sector.
- **Manufacturing:** The manufacturing sectors, which are also included in IPAP 2, call for re-industrialisation in the South African economy based on improving performance through innovation, skills development and reduced input costs in the economy. The document targets a doubling of South Africa's research and development investment to 2% of Gross Domestic Product (GDP) by 2018.
- **Tourism and other high-level business services:** these services hold employment potential and the framework calls for South Africa to position itself as the higher education hub of the African continent.

The New Growth Path rests upon a developmental package consisting of macroeconomic strategies, microeconomic measures and stakeholder commitments that can lead South Africa to a new growth trajectory and achieve a higher, sustainable expansion in decent work opportunities and in output based on our common efforts. A crucial issue to consider regarding the measures is their inter-relationship and the key trade-offs they manage. The ten areas to be impacted by macro-and micro-economic policy are:

- Industrial policy
- Rural development policy
- Competition policy
- Education and skills development
- Enterprise development
- Broad-based Black Economic Empowerment (BBBEE)
- Labour policies
- Technology policy
- Developmental trade policies
- Policies for African development

## 9. State of the Nation Address

The State of the Nation Address is an address to the nation by the President of the Republic of South Africa. The address is delivered at a Joint Sitting of the National Assembly (NA) and the National Council of Provinces (NCOP) of Parliament. It focuses on the current political and socio-economic state of the nation. The State of the Nation Address usually takes place in February. However, when general elections are held, two addresses take place: the first to mark the final session of the outgoing Parliament and the second after the elections, when the new President and Parliament are acknowledged.

In the address, the President highlights the achievements and challenges experienced over the past year and presents the programme for the year ahead. The address covers political, economic and social matters, and considers the general state of South Africa. It reflects on South Africa's domestic affairs as well as its relations in Africa and abroad.

The State of the Nation Address is an important means of accounting to Parliament and the South African public for how the government has performed over the past year, and to involve the public in the political agenda of the coming year.

Public participation is an integral part of the State of the Nation Address ceremony. Members of the public are invited to participate in the ceremony as invited guests of Parliament. Furthermore, the State of the Nation Address forms an important part of Parliament's oversight function, because in it the President takes the pulse of the nation and sets out policy objectives and deliverables for the year ahead. It is against these objectives and planned deliverables that the Minister of Finance introduces the Budget for the coming year, usually towards the end of February. The policy objectives and key deliverables form the basis of what government will have to do in the coming year. The State of the Nation Address and the Budget are the main benchmarks by which Parliament holds government accountable to the people for what it delivers, and for how money that is allocated is spent.

After the State of the Nation Address is delivered, it is debated by the two Houses of Parliament. Political parties have an opportunity to comment and

raise questions on matters addressed in the speech. Issues of concern are raised and areas of critical importance to the nation are highlighted. The public is invited to attend and observe these debates as is the case with all sessions of Parliament. In turn, the President responds to the points raised and questions arising during the debate in his reply.

Each year Parliament identifies a theme which is informed by Parliament's strategic focus. The theme speaks to Parliament's vision statement which is "to build an effective people's Parliament that is responsive to the needs of the people and that is driven by the ideal of realising a better quality of life for all the people of South Africa". This vision is underpinned by:

- The creation and sharing of knowledge that will ensure an informed citizenry that is able to participate in the processes that impact on them and the wellbeing of the country.
- The creation and availing of development opportunities with the aim of "realising a better quality of life for all".

SONA not only provides Members of Parliament with an opportunity to familiarise themselves with challenges facing South Africa, but also explores those areas in which exceptional achievements were reported. It offers Parliamentary committees an opportunity to evaluate SONA and provide an in-depth report of the activities of all of South Africa's Government departments.

## **10. The Medium-Term Expenditure Framework (MTEF)**

The traditional approach to budgeting is that it is done on an annual basis. Such an approach has the potential to isolate the budget cycle from macroeconomic factors, expectations on future revenue, long-term needs of programmes and government's spending priorities. Any approach to budgeting which has the achievement of allocative efficiency, fiscal discipline and operational efficiency would follow a multi-year budgeting approach. In a multi-year budgeting approach, the current financial year informs the budgetary decisions for the upcoming budget year, and the estimates of the budget year provide an indication of longer term estimates for the outer years. Under a single year budgeting system, the current financial year is linked with the upcoming budget year through adding increment to the current year's figures. In this way the estimates for the upcoming budget year

are calculated.

In 1997, South Africa shifted from a single budget year to a multi-year budget framework referred to as the Medium-Term Expenditure Framework (MTEF). The MTEF is an integrated planning and budget formulation process where the Executive's administration, government departments and provincial administrations establish credible outputs, projects and programmes for allocating public resources to achieve strategic priorities. The main objectives of the MTEF are to set fiscal targets over a 3-year period and to allocate resources to strategic priorities within these fiscal targets.

The MTEF essentially equates the time frame of budgets with the time frame for strategic plans, i.e. three years. Medium-term budgeting is broader than numbers – it concerns prioritisation, planning and budgeting for service delivery. The MTEF is therefore a tool for linking planning, policy and budgeting over a multi-year period. The practice of linking planning, policy and budgeting is necessary for the efficient and effective use of resources. Under the MTEF, government publishes 3-year budgets, but only one year has definite budget figures. While the MTEF covers a period of three years; it is the first year of the specific MTEF that speaks to the next budget. The other two years represent estimates which are subject to changes. The two outer years' budgets are used as a baseline for the next year's budget. The MTEF consists of the following three elements:

- A top-down resource envelope consistent with macroeconomic stability and policy priorities.
- A bottom-up estimate of the current and medium term cost of existing programmes and activities.
- An iterative process of decision-making, matching costs and new policy ideas with available resources over a rolling 3-5 year period.

In order to be applied effectively, the MTEF must meet certain requirements. These requirements are:

- A clear framework of national policies, programmes and priorities.
- Realistic medium-term resource projections.
- A comprehensive budget that enables the budget system to relate results and accountabilities to resource inputs.
- A budget and programme classification that can be linked to national and sectoral objectives.

- Monitoring indicators of inputs, final and intermediate outputs and outcomes.

In addition to these requirements, the MTEF offers the following advantages:

- Introducing the MTEF generates awareness of the need to look beyond the immediate urgencies.
- It can help improve the link to policy and budget transparency.
- With its implicit emphasis on results of expenditure, the MTEF can spur greater attention to efficiency and effectiveness of public spending.
- It fosters an improvement in line ministries' capacity, and their eventual empowerment and accountability.

The MTEF also has several disadvantages including lack of predictability, it is time consuming and can be too rigid. The MTEF cannot result in improved spending and service delivery in isolation. For the MTEF to have a meaningful role in this regard, it needs to be integrated with and complemented by improvements in other public policy and management processes.

### **10.1 Strategic Planning**

Treasury Regulation 5.1.1 makes provision for the annual preparation of departmental strategic plans. This provision specifically requires the Accounting Officer of an institution to prepare a strategic plan for the forthcoming MTEF period for approval by the relevant Executive Authority. Once the departmental strategic plan has been prepared, it must be tabled in Parliament or the relevant provincial legislature at least seven days prior to the discussion of the departmental budget vote. In other words, by linking the MTEF with strategic planning, departments are essentially conducting their annual rolling strategic planning process in tandem with preparing medium-term budgets.

The departmental strategic plan forms part of a cycle linking plans, budgets and reports. This cycle begins with strategic planning, in which a department's strategic plan is prepared for a three to five year period and updated annually. The strategic plan provides an indication of budget information that is to be presented in the forthcoming budget. This includes information on measurable objectives, performance indicators and service delivery targets. In other words, information in the strategic plans is taken

into consideration when budget allocations are discussed. Both the strategic plan and the budget cover the critical areas within a specific department.

An essential link exists between the strategic plan, budget and annual report. The annual report provides detailed information on performance against the departmental budget and strategic plan. In preparing annual reports, departments need to review the performance or service delivery results of the previous period, undertake an assessment of service delivery or performance targets and re-examine departmental strategic objectives against broader government priorities.

Following the reporting on performance through the annual report, an annual review is conducted by departments, which will inform the updated annual strategic plan. This review focuses on environmental changes affecting the department, expenditure outcomes and new budget allocations, and any strategic direction changes. The departmental strategic plan therefore represents the first phase of a cycle that ends with an annual review.

In effect, planning is the first phase in the service delivery chain after policy development that aims to bridge the gap between policy making and budgets. Two pieces of legislation provide a framework for the requirements underlying the preparation of strategic plans. These are:

- Regulations issued in terms of the Public Service Act, (No. 103 of 1994).
- Regulations issued in terms of the Public Finance Management Act (No. 1 of 1999).

Part III (B) of the Public Service Regulations (2001) requires the Executive Authority of a government department to prepare the strategic plan of that department. In preparing the strategic plan of the department, the Executive Authority must take cognisance of the inclusion of the following aspects:

- Stating the department's core objectives, based on Constitutional and other legislative mandates, functional mandates and the service delivery improvement programme mentioned in regulation III C.
- Describing the core and support activities necessary to achieve the core objectives, avoiding duplication of functions.
- Specifying the functions the department will perform internally and those it will contract out.



- Describing the goals or targets to be attained in the medium term.
- Setting out a programme for attaining those goals and targets.
- Specifying information systems that:
  - enable the executing authority to monitor progress made towards achieving those goals, targets and core objectives;
  - support compliance with the reporting requirements in regulation III J and the National Minimum Information Requirements, referred to in regulation VII H; and
  - Complying with the requirements in paragraphs 5.1 and 5.2 (annual preparation of strategic plans; and the submission and contents of strategic plans) of the Treasury Regulations.

In addition to the legislative requirements of the Public Service Regulations (2001), the Treasury Regulations also make prescriptions regarding the strategic plans of departments. The Treasury Regulations (2007) state that the strategic plans of departments must include:

- Information that covers a period of three years and be consistent with the institution's published medium-term expenditure estimates.
- Specific constitutional and other legislative, functional and policy mandates that indicate the output deliverables for which the institution is responsible.
- Policy developments and legislative changes that influence programme spending plans over the three-year period.
- Measurable objectives, expected outcomes, programme outputs, indicators and targets of the institution's programmes.
- Details of proposed acquisitions of financial assets, as well as capital transfers and plans for the management of financial assets and liabilities.
- Details of proposed acquisitions of fixed or movable capital assets, planned investments, as well as rehabilitation and maintenance of physical assets.
- Multi-year projections of income and projected receipts from the sale of assets;
- Details of the Service Delivery Improvement Programme.
- Details of proposed information technology acquisition or expansion in reference to an information technology plan.

Having listed the key requirements in terms of the preparation of departmental strategic plans, it would be useful to consider the implications

of the above requirements for the budget and subsequent service delivery in terms of performance on governance related matters.

Both pieces of legislation emphasise core objectives and measurable objectives. It may be inferred from this that departmental operations should be measured in terms of economy, efficiency and effectiveness. According to the Public Service Regulations (2001), an executing authority shall publish an annual statement of public service commitment which will set out the department's service standards. These performance standards present government with indicators against which the achievement of objectives will be measured. In addition to the performance standards highlighted by the Public Service Regulations (2001), the Treasury Regulations also relate to the measurement of performance. In terms of the extract from the Treasury Regulations, departments must specify the following in their strategic plans:

- Expected outcomes.
- Outputs.
- Indicators and measures.
- Service delivery targets.

The focus of Strategic Plans must be on issues that are strategically important, linked to and flowing from various plans developed within institutions to fulfil their mandates, especially Performance Agreements between the President and Ministers and Service Delivery Agreements entered into in terms of the broad strategic outcomes. Operational issues such as an institution's finances, supply chain management, information systems or human resources can be considered strategic priorities if they have to be addressed to facilitate improved performance. Similarly, if an institution delivers services inefficiently, improving productivity would be a legitimate strategic priority. Nevertheless the primary focus should be on the outputs the institution produces, and the outcomes and impacts it seeks to achieve.

## **10.2 Annual Performance Plans (APP)**

The Annual Performance Plan (APP) details the specific performance targets that the institutions will aim to achieve in the budget year and the outer (next two) years of the MTEF in pursuit of strategic outcomes oriented goals and objectives set out in its Strategic Plan. It presents the institution's

programme performance indicators together with targets.

### **10.3 Medium-Term Budget Policy Statement (MTBPS)**

The MTBPS is essentially a declaration of the intended economic policies of Government over the next three years. The Medium Term Budget Policy Statement contains the macro-economic assumptions underpinning the government's fiscal policy, and the overall aims and objectives for the outer three years. Further, it details projected revenue and expenditure for the outer three years, the division of revenue among the spheres of government, the proposed substantial adjustments to conditional grants and the review of actual spending by each national department for the first half of the financial year. This "pre-budget" provides a good indication of how the Government intends allocating resources in the upcoming budget, to be tabled in February of the following year, as well as the budget outlook in the outer years.

The MTBPS is tabled by the Minister of Finance at least three months prior to the tabling of the budget to improve transparency and to ensure that debates about the budget are informed. It is also tabled immediately after the BRR reports are tabled in the House. It provides a good indication of how the government intends allocating resources in the upcoming budget. The Medium Term Budget Policy Statement also contains a summary of government's goals and objectives, as well as information about how the government expects the economy to perform over the next three years.

### **10.4 Adjusted Estimates of National Expenditure (AENE)**

Section 30 of the PFMA provides that the Minister may table an adjustments budget in the National Assembly as when necessary. The Minister tables the Adjusted Estimates of National Expenditure in the National Assembly in October each year to allow departments to apply for adjustments to their budgets that are not allowed within the first six months of the financial year. Therefore, it is important for Members of Parliament to monitor these budget adjustments as part of their budgetary oversight responsibilities.

Section 76(J) of the Public Finance Management Act 1 of 1999 (PFMA) also requires that National Treasury must make regulations or issue instructions applicable to departments, concerning:

- Decrease of money due to the Revenue Fund; and
- Refund of revenue and payments from the National Revenue Fund.

The National Treasury does not give money to departments; however departments submit the proposals through the Cabinet to Parliament for approval of funding. Treasury is given the power to issue instructions and regulations. The nature of the instructions is the clarification.



## UNIT 3: OVERSIGHT IN THE HOUSE AND COMMITTEES

The oversight function of Parliament and Provincial Legislatures is exercised by parliamentarians over government action or priorities. In terms of the Constitution and in exercising their legislative powers, Parliament and Provincial Legislatures must provide for mechanisms to maintain oversight over the executive arm of government. Parliament and legislatures have established mechanisms for facilitating oversight of government during house sittings where all Ministers and MECs account for their performance against government priorities.

### 11. Oversight in the House

Joint oversight between the National Assembly (NA) and National Council of Provinces (NCOP):

In four specific situations the Constitution anticipates that the NA and NCOP will share the responsibility for oversight. This is an overview which is discussed in more detail in *Module 1: Processes and Procedure*.

#### 11.1 Oversight of Security Services (Parliament)

Section 199(8) of the Constitution provides that multi-party parliamentary committees must have oversight of all security services in a manner determined by national legislation or the rules and orders of Parliament in order to give effect to the principles of transparency and accountability.

#### 11.2 State of National Defence (Parliament)

Section 203 of the Constitution provides that the President may declare and

approve a state of national defence in certain circumstances. This is done to ensure that the Executive does not abuse its executive control over the armed forces.

### **11.3 International Agreements (Parliament)**

Section 231(2) provides for an international agreement which binds the Republic only after it has been approved by a resolution in both the NA and the NCOP, unless it is an agreement referred to in a sub-section.

### **11.4 Plenary debates**

Plenary debates are a further means to bring important information to the attention of the Executive regarding specific government programmes and legislation that are required to improve service delivery.

### **11.5 Notices of motion**

Motions are one of the mechanisms available to members of all political parties which can be used to help fulfil their oversight responsibilities in Parliament by bringing issues to Parliament for debate.

### **11.6 Motions without notice**

Motions which require notice may be moved without notice provided no single member present objects. It is therefore common practice for parties to be consulted before the House meets when seeking to move a motion without notice, and to inform the Presiding Officer of the intention to do so.

**Due to Members representing provinces in the NCOP**, decisions on motions are taken in terms of section 65 of the Constitution, i.e. each province has one vote which is cast on behalf of the province by the head of its delegation. The question is agreed to when at least 5 provinces vote in favour of the question.

### **11.7 Members' Statements**

This is the process whereby members of Parliament are afforded the opportunity to make statements on any matter in the House. The National

any matter and for Ministers to respond to such statements. However, the NCOP Rules do not make provision for Members Statements. It however makes provision for explanation by members.

### **11.8 Statements by the Executive**

A Cabinet member may make a factual or policy statement relating to government policy on any executive action or other similar matter of which a Legislature should be informed. A Member of the Executive in question may ask the Speaker for an opportunity to make a statement.

### **11.9 Questions**

Section 92 of the Constitution stipulates that members of the Cabinet are accountable collectively and individually to Legislatures for the exercise of their powers and the performance of their functions.

## **12. Oversight in Committees**

As in the house, Parliament and legislatures also have established mechanisms for facilitating oversight of government during committee meetings where all Ministers and MECs account for their performance against government priorities.

### **12.1 Budget Information Matrices (BIM) / Data Categories**

The following are utilised when preparing and analysing Oversight:

- **SONA and Premier's Opening Address:** All relevant statements (usually priorities, outcomes and sometimes outputs) made by the
- **Finance MEC Speech:** All relevant statements by the Finance MEC with respect to the Portfolio.
- **Portfolio MEC's Speech:** Breakdown MECs' speech into its component parts.
- **Resolution Tracking Document:** Containing Committee-specific Resolutions taken by the House for purposes of monitoring implementation by the Executive
- **Budget Presentation:** The Department's budget presentation to the portfolio Committee on their budget is captured in the matrix. All

priorities, outputs, outcomes, targets and performance indicators are to be placed in the matrix.

- **Projected Outputs:** The Department's projected outputs from the budget presentation are explicitly drawn out and captured in the matrix.
- **Budget/Adjustment (White Book Format) Figures:** The excel spreadsheet, electronic format of the budget is captured in the matrix.\)
- **Charts:** Simple Expenditure, Percentage Share, Percentage Change vs. Inflation Rate, Estimated to Actual Expenditure, Budget Change in Constant Terms, Capital vs. Current Expenditure etc.
- **Department Annual Report:** Department's Annual Report is captured in the matrix in its component parts.
- **Legislation, Policy Papers:** Any legislation and policy papers that were released during the financial year in question are placed as links in the electronic matrix for quick referencing.
- **Departmental Statistics:** Any statistics provided by the Department are captured in the matrix; allowing access to the environmental information used in the formulation of Priorities and programmes.
- **External Statistical Resources:** Statistical material provided by relevant stakeholders and experts or expert organisations are also captured to be cross-referenced against the Department's figures.
- **Policy Literature:** Any material gathered by the support staff (especially the information officer) in the form of books, journal articles or other sources are listed.
- **Expert's Database:** A list of experts, institutes, organizations that produce work related to the issues in the portfolio. Contact details are also provided.
- **Stakeholder Database:** A list of CBOs, NGOs and experts that are concerned with the issues in the portfolio or do research on it.

## 12.2 The Appropriation Bill/Departmental Vote

It is at the Appropriation Bill/Departmental Vote stage at the outset of every financial year, in which every variable of oversight is debated. This is the only stage in any single budget year that applies this rulee. Each committee therefore, has the opportunity to formulate its most comprehensive report in terms of each component of oversight for the coming year.

Of most significance, at this first stage, is the formal negotiation between a committee and a department about the desirable outcomes that might be



expected from the policy priorities and resource allocations indicated in the budget under consideration. This refers to the negotiated equilibrium between a department's priorities; its projected inputs and outputs, and its projected outcomes required in terms of the logic of oversight. This equilibrium cannot be negotiated as intensively at any other stage in the cycle of one financial year.

### **12.3 The Role of Quarterly Performance Reports**

When a government is voted into office, an inevitable contract of accountability is entered into between government and the citizens it serves. It is therefore incumbent on government to inform the citizens and legislatures on what it intends to achieve by way of predetermined objectives. These predetermined objectives are reflected in:

- Performance agreements between a Minister/MEC and the head of the department;
- Service delivery improvement programmes;
- Strategic plans;
- Annual performance plans;
- Quarterly performance reports and
- Estimates of expenditure.

Performance information indicates how well an organisation is performing against its aims and objectives. Good performance information helps identify what policies and processes work and why they work. Making the best use of available data and knowledge is critical to improving the performance of government as a whole; and is essential for effective management, including business planning, monitoring and evaluation. Moreover, performance information allows effective accountability by facilitating more effective monitoring and oversight by external institutions such as Parliament, members of the public and other stakeholders due to the availability of quality information. Performance information therefore plays a crucial role in:

- Indicating progress against objectives;
- Prompting an external focus by public institutions on transparency, accountability, and progress on service delivery;
- Ensuring the best results for citizens;
- Identifying gaps between policy formulation and policy implementation;
- Enhancing strategic planning processes; and

- Reflecting the level of institutional capacity to actually deliver services to citizens.

Departmental budgets increasingly contain non-financial information on outputs and outcomes. Effective programme performance management requires a performance management system that links planning for programme performance and resource management with performance monitoring and programme evaluation.

- Strategic planning links what is to be achieved with how it is to be done by focusing the attention of managers on meeting government's objectives and identifying appropriate programme management structures and strategies for the cost-effective delivery of services to achieve desired outputs and outcomes.
- Annual Performance planning determines what is expected to be done, usually annually (forward estimates could extend this to three to five years), in order to achieve the programme objectives determined in the strategic planning process.
- All Accounting Officers must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action. Provincial Treasuries should play a role in this process.
- Role of line managers in provincial departments - Section 45 of the PFMA details the responsibilities of officials of departments, trading entities and constitutional institutions by stating that: "An official in a department ... -
  - must ensure that the system of financial management and internal control established for that department, trading entity or constitutional institution is carried out within the area of responsibility of that official;
  - is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
  - must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure and any under-collection of revenue due; ..."

In effect, this implies that each line manager is responsible for the use of financial resources or inputs in a particular programme.

Strategic objectives must be submitted for each main division (programme) within the department's vote (section 27(4)) and therefore line managers may also be held accountable for the outputs generated within that programme. Furthermore, the reporting requirements of departments (section 40(3) (a) (b)) require that annual reports and financial statements must fairly represent:

- The state of affairs of the department;
- Its business;
- Its financial results;
- Its performance against predetermined objectives;
- Its year-end financial position; and
- Particulars of any material loss and unauthorised, irregular, fruitless or wasteful expenditure.

An important issue for line managers arising from the above is that of reporting performance against predetermined objectives. This means that performance targets (objectives) should be set in the budget *ex ante*. These should then be monitored during the implementation process and then evaluated *ex post* in the annual report. It is thus crucial to implement a system for monitoring performance on an ongoing basis. This system would include determining objectives, defining performance measures and performance indicators, and monitoring progress against performance targets. At this point, it is worth defining the difference between performance measures and performance indicators.

Performance measures define the relationship between inputs and outputs. In other words, performance measures measure how successfully outputs are produced by using various inputs. In effect, they measure the productivity of resource use. Performance indicators, on the other hand, define the relationship between outputs and outcomes. Thus, performance indicators measure the impact on broader society of the outputs of a particular programme. Developing performance measures is easier than developing performance indicators, as there is normally a well-defined relationship between inputs and outputs that is generally tangible and measurable. On the other hand, the relationship between outputs and outcomes is more suggestive, as there may be other exogenous factors which could influence

outcomes on society.

Performance measures and indicators also define the distinction between political and managerial accountability. As highlighted in the PFMA, political heads are accountable for outcomes, whereas department heads are accountable for outputs. In terms of Treasury Regulation 5.3.1 all accounting officers must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action.

Quarterly Reports from departments provide a committee with the information needed to monitor effective programme implementation, variables Input and Output of oversight. The information contained in the Quarterly Reports must indicate present expenditure on a month-to-month basis against planned expenditure. It is also in the legislature's interests to ensure that more than just financial data are delivered in these reports. Relevant environmental data should be included with some degree of commentary/narrative by the department. This must be achieved without overly burdening departments.

The information contained in the Quarterly Reports provides the first threshold for the analysis of departmental performance. Any variance between planned and realised expenditure should raise the alarm that a programme, sub-programme or project is not materialising as projected. A committee must then ascertain whether unforeseeable circumstances have impeded a department's work; whether there was a problem of inadequate planning by managers/implementers; or if department staff and those they may contract are failing to deliver for other reasons. This investigation must be done with a view to producing recommendations that will assist a department in moving ahead with successful delivery.

Quarterly Reports from departments provide a committee with the information needed to monitor effective programme implementation, variables Input and Output of oversight. The information contained in the Quarterly Reports must indicate present expenditure on a month-to-month basis against planned expenditure. It is also in the legislature's interests to ensure that more than just financial data is delivered in these reports. Relevant environmental data should be included with some degree of commentary/narrative by the department. This must be achieved without

overly burdening departments.

## **12.4 Performance Management Reporting**

### **12.4.1 Operational Planning**

Operational planning usually involves the listing of activities to be undertaken or services to be provided by the departmental units to achieve programme/sub-programme objectives; identification of alternative expected activity levels dependent upon final resource allocations; as well as identification of performance responsibilities and measurement criteria<sup>17</sup>.

Programme management structures should reflect the purpose and objective(s) of each programme as determined in the strategic and or annual planning process and thereby form the basis for the monitoring and evaluation of performance. To this effect, programme/sub-programme objectives should identify:

- Why the programme/sub-programme is expected to be beneficial (i.e. outcome, result required);
- Who the direct or indirect customers (beneficiaries) are; and
- What is to be produced or provided (i.e. output/process in customer terms)?

### **12.4.2 Resource Management**

Effective resource management is essential to programme performance management. Strategic, annual and operational plans are translated into short-term functional plans by agency budgets, which allocate available resources to individual programmes and sub-programmes. Budgets should formally communicate the commitment of resources (inputs) to achieve specified performance (outputs) and the division(s) responsible for such performance, in accordance with the priorities, structures, and activities identified during the strategic and operational planning processes.

Effective resource management requires that budgets provide the basis for monitoring and controlling actual against budgeted performance in both financial and non-financial quantifiable data. Performance management systems should incorporate the budget data to enable managers to systematically monitor inputs against outputs and implement corrective

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**62** 17 Such as setting of performance targets, benchmarks and best practices, customer service standards, project timetables, expected costs, etc..

action as required.

### **12.4.3 Programme Performance Management: Monitoring and Evaluation**

Programme performance management links what is being done to what is being achieved. It focuses attention on the effectiveness and efficiency of achieving government policy objectives, meeting community needs, and satisfying statutory and ethical accountabilities. In the public sector, programme performance management helps to offset the absence of the discipline imposed by market forces. Programme performance management involves the timely collection and assessment of financial information (e.g. costs) about programme activities and outputs, non-financial information about the quantity and quality of programme outputs (e.g. volume, standards), and measures of programme outcomes (e.g. customer satisfaction, behavioural changes) in order to assess issues such as:

- The extent to which programmes are reaching their target population,
- The quality and efficiency of service delivery and customer satisfaction, and
- The level and pattern of resource utilisation.

### **12.4.4 Programme performance management are performance monitoring**

Performance information is used by decision makers both within and outside agencies to form judgments about the value for money (in terms of relevance, effectiveness, and efficiency) being received from programmes and hence their relative claims on available resources. Performance monitoring is an ongoing process based on information collected to measure and evaluate outcomes, outputs, and activities in terms of:

- Actual performance against plans (i.e. predetermined goals, targets, budgets, standards, etc.),
- current performance against past performance (i.e. trend analysis), and
- Performance against internal and/or external benchmarks.

Performance indicators are a key element of the performance-monitoring process. Performance indicators should be developed for both internal and external use and may be qualitative as well as quantitative, particularly those relating to programme effectiveness. Performance indicators can be derived

from and/or compliment other performance information, such as monthly budget and activity reports, benchmarks, customer surveys, etc., to provide the data which managers require to measure, evaluate, and improve the performance of their area of responsibility.

Performance indicators should measure what is done in terms of effectiveness (i.e. satisfaction of purpose), efficiency (i.e. input/output relationships), and workload (i.e. levels of activity or service delivery). Effectiveness and efficiency indicators also should address customer service standards (the quality of the service to the client) and cost effectiveness (the relationship between inputs and outcomes). Programme evaluation involves the systematic, rigorous review of:

- The relevance of a programme, in the light of current circumstances, to the needs or problems that it is designed to address;
- The extent to which the stated objectives of a programme are, or have the potential of, being achieved;
- The full cost of meeting the programme objectives and any secondary benefits or unintended
- Adverse consequences deriving from the programme; and
- Whether there are more cost-effective ways (e.g. outsourcing) in which the programme objectives can be met.

The type of evaluation undertaken depends upon the purpose and the stage reached in a programme's life cycle, both factors being important in determining the nature of preliminary negotiations with stakeholders, the scope of the data collection exercise, and the types of issues to be explored in depth.

## **12.5 The Quality of Performance Data**

Performance information must be correctly calculated and reliable. Systems for collecting and validating performance data are likely to be more robust when departments define the quality of the data in advance. Performance information can be costly to produce; therefore departments must consider how data will be used and the cost of collection, and to strike an appropriate balance between cost and the comprehensiveness and reliability of data. Departments should also establish clear performance measure definitions. In this regard, the source of the data and the arrangements for their collections and analysis have been shown to facilitate a common understanding

between those designing information systems and reporting performance and those collecting the data.

Departments should also designate a responsible manager to be accountable for performance data. Experience shows that data is more likely to be reliable when managers are assigned responsibility for data collection and reporting. Where managers actively monitor performance information, they are able to identify variations in performance which call for examination.

Managers must conduct reviews to assure themselves that the department's performance information systems are a reliable basis for capturing and reporting performance information. They must also develop and implement effective controls over the collection of data. Performance data may be collected from the department's information systems, surveys and external sources. It is important to establish controls that will ensure the reliability of data. The controls will vary depending on the source of the data. Predetermined checks need to be undertaken with regard to the collection, review and verification of performance information. Establish and implement clear guidelines for the validation of performance data.

### ***12.5.1 The use of non-financial data to cost activities***

One of the most essential elements of performance or results based budgeting is the costing of activities. Non-financial data should be used in costing exercises which leads to realistic numbers being used to formulate budget allocations. Linking the costs of services and performance information is crucial for improving accountability and service delivery. Accountability is a relationship based on the obligation to demonstrate and take responsibility for performance in light of agreed expectations. Clearly, performance information rendered for accountability purposes is greatly enhanced when it includes information on the costs of government services. High quality performance information leads to a better costing approach and ultimately, better accountability agreements based on this information.

### ***12.5.2 First Quarterly Report***

The First (1st) Quarterly Report provides a committee with the preliminary indicators on the implementation of the programme. The committee will check to ensure that the use of resources allocated to the programme,



financial; human; and capital; is consistent with projections made earlier in the year. The committee will strive to ensure, three months into the financial year, that 10 safety teams have been trained in the first quarter. Evidence for this will, for example, be in expenditure on training material, training venue hire and associated costs.

If it comes to the committee's attention that at the end of the first quarter, the department's expenditure on the project is 20 percent less than what was projected, the committee will focus particular attention on the implementation of the project, and thereby may choose not to dedicate greater scrutiny to projects that are on track in terms of projected outputs and expenditure.

It should be noted that the committee cannot assume that this is an indication of immediate failure. It may be that the departmental staff found a way to make the process cheaper. Nevertheless, the committee does not want to assume that lower costs have no impact on the quality of delivery and therefore, will also want to reassure itself that quality has not been compromised.

If the committee finds that they under-spent as a result of failure to hold the training workshops, a host of questions will arise. If two workshops were not held, what implications does this have for the full realisation of 40 teams by the end of the year? Will the department be able to make up for the two missed training workshops in the coming financial quarters? Is the department in a position to table a plan before the committee to explain how to resolve the problem? The committee will examine the chain of events as they unfolded over the past three months to ascertain the reasons for the failure to deliver. This is with a view to ensuring that the mistakes are not repeated, in order to determine whether the committee may be able to help directly, and to ultimately ensure that all 40 of the schools have a safety team in place by the end of that year.

Oversight alerts us to any failure in *current* expenditure, in *input* and that the likelihood of realising *outputs* is fundamentally jeopardised. At the first Quarterly Report stage, it is still too early to establish whether the project is adequately structured to address the priorities for which it was formulated. Scrutiny of the first Quarterly Report is an exercise in the technical analysis of implementation and planning. Although the focus rests on variables *inputs*

and *outputs*, the committee must understand that if failures in inputs result in the failure to establish safety teams, the result is potentially the worsening of the priority the project was designed to address. This is because one more year, at least, will have elapsed before the government might apply itself to the situation. As the situation worsens, it is also probable that it will require more resources to produce the desired reduction of school-based violence.

### **12.5.3 Second Quarterly Report**

The Second (2nd) Quarterly Report remains focused on the implementation of a project or sub-programme, with the obvious exception that more of the project will have unfolded. Once again, the committee will concentrate its attention on the status of the project in relation to the projections at the start of the year. At the same time, it may be possible to begin assessing the state of affairs around the priority which the project or sub-programme is designed to address. This means once again, being briefed on the environmental policy information and a re-appraisal of the relationship between the sub-programme and the priority/priorities it hopes to satisfy.

The importance of this stage is that 6 months have passed since the initiation of the project. It cannot, therefore, be assumed that the same conditions exist that led to its formulation. The committee will already want to determine whether the 10 existing safety teams are having an impact in the schools where they were established in the first financial quarter.

Although at the juncture of the 2nd Quarterly Report there will be a greater ability to relate the development of the programme to the other variables of the SOM model, and to understand a greater spectrum of implications, the committee will still be unable to visit, in any substantive way, the project's impact on the original priority, poor school safety, and the outcome thereof, improved school safety. It is not likely that safety conditions will have noticeably improved by the second quarter, but second quarter measures are needed to continue to determine the value of the project. This will help a committee in deciding whether or not there are no grounds for revisiting the planning/design of the safety team project.

If a pattern of continued under-spending from the 1st quarter is found, the committee will again want to ascertain the reasons for this. If it is discovered that the project implementers have realised massive savings through

efficiency, the committee will want to see how these savings will be used in the department. If it is discovered that the department is falling behind in the establishment of safety teams, it will once again investigate the root of the problem by examining the financial/resource management of the department and the specific directorates/units that are involved in the direct delivery of the project. This allows the committee to assess causal linkages between planning and implementation.

#### **12.5.4 Third Quarterly Report**

At the stage of the Third (3rd) Quarterly Report, the committee will still be focused on the relationship between *inputs* and *outputs*. This means that the committee must continue to satisfy itself with the use of resources in the programme implementation process, and the achievement of its outputs. At this stage, 30 of the 40 safety teams should be in place.

However, by the time of the third Quarterly Report, the committee should have the opportunity to apportion significantly, more time for analysis of the impact of the safety teams and the experience of the individual schools with the safety teams. The first 10 safety teams will have been in place for at least 6 months, and another 10 will have been in place for 3 months, but have benefited from possible implementation reforms based on the experience of the establishment of the first 10 safety teams. Any identified efficiencies or inefficiencies must be discussed with the department.

It is at this juncture that the committee may begin to devote some time to the other variables of oversight. While analysis of inputs and outputs takes precedence in the Quarterly Reports, which emphasise resource usage and recent delivery details, the committee may already begin to assess the outcomes realised from the presence of safety teams in up to 20 schools. This might be done in conjunction with a re-examination of the requirements that informed the policy environment (priorities) at the outset of the programme.

The committee cannot take for granted that a project is still grounded in the environmental realities that existed at the start/inception of the project. It will have to receive input from its support team to assist it in re-evaluating the state of school safety in the province. This will enable the committee to assess the nascent outcomes of school safety teams in contrast to the state of school safety.

### **12.5.5 Fourth Quarterly Report**

The fourth Quarterly Report is most pertinent in that it arrives in close proximity, to the next budget tabled by the executive. As a result, the momentum generated by the work done over the last three quarters not only prepares a committee to issue a judgement on the success/value of the project, but to do so in conjunction with its consideration of the next financial year's budget. It effectively becomes a key verification mechanism for the committee in relation to the sound planning of the department.

If a project has failed to deliver, the committee can first ascertain whether the department is about to run the same project, with the same staff, in the same manner. The committee will also want to assess whether other interdependent programmes have incorporated the ramifications of the failure of this project into their planning process.

If a project was successful, and the initial outcome assessments are positive, the committee will want to see where and how the success is being capitalised on in relation to other projects and follow-ups. In effect, the committee looks for discrepancies between the upcoming budget and the Fourth Quarterly Report. At this stage, the steps taken for variable Input will have been completed, and the realisation of output should be evident, in terms of the example. In reality, the realisation of output will take place over the period of a number of years.

### **12.5.6 The Annual Report**

Consideration of a department's Annual Report requires the committee and its support team to take into account every aspect of oversight. The analysis of the Annual Report should give a comprehensive indication of where a department truly finds itself in terms of the priorities it has been pursuing in the current financial year. Of significance at the Annual Report stage, is the concurrence between the tabling of the Annual Report and the Auditor-General's Reports at a legislature. Since the application of the PFMA, there is greater correspondence between the timeframes under review in the audit reports and those in the Annual Reports. Previously, audit reports reflected developments three years in arrears.

Oversight and the Budget Cycle (BC) demand that portfolio committees only process departments' Annual Reports subsequent to the Public Accounts Committee (PAC) process. The model, capitalising on the tenets of performance budgeting that inform the PFMA, has at its core, the relationship between expenditure and performance. Thus, it is essential that the financial management details that arise in the PAC are thoroughly investigated and inform the considerations of departments' Annual Reports.

The budget item, personnel expenditure, illustrates the utility of the Budget Cycle (BC) layout. When personnel costs are not reconciled adequately, and discrepancies arise, it is often the case that a department cannot provide the exact state of its personnel expenditure.

The conceptual model allows the legislature to scrutinise the relationships between personnel and capital expenditure, in an effort to ensure a proper balance between the two. If the Public Accounts Committee (PAC), also known as the Standing Committee on Public Accounts (SCOPA) in some legislatures (SCOPA), affirms that the state of personnel expenditure is in doubt, then the portfolio committee for the department concerned can pursue the matter in its analysis of the department's work. This will ensure that the committee has a better understanding of the extent of the resources being used for the realisation of departmental outputs and to better evaluate its efficiency and effectiveness.

The consideration of an Annual Report will assist a committee to formulate its ideas for the coming budget. The committee will be able to develop an idea of the state of affairs for a given priority and to make recommendations on how best this priority should be resourced and approached during the next financial year.

## **12.6 Oversight Visit Work**

Oversight Visit Work and/or Focused Intervention Studies (FIS) can take place whenever a committee decides. For the most part, FIS will also provide the impetus for committees' oversight visits. The Budget Cycle prescribes at least two per financial year. The first FIS should take place just after a committee deals with a departmental vote and before the arrival of the first Quarterly Report. The Budget Cycle demands another FIS after the Auditor General's and Annual Report processes but before the arrival of the Third Quarterly Report.

The FIS does not lend itself to analysing one variable of oversight over another. A committee may decide to conduct an FIS that focuses on one, all, or various degrees of each variable. The basis of a committee's decision on what will be the nature of a particular FIS will have to do significantly with the positioning of the FIS stage in the Budget Cycle.

The subject of the first Budget Cycle-prescribed FIS will be informed by a department's budget vote. During the departmental vote stage, a committee is likely to confront concerns that are not satisfactorily addressed. A committee may be convinced that a specific sub-programme or project is not sufficiently funded capital and current expenditure and therefore may fail in its objectives.

Likewise, it may not be convinced that one matter should be prioritised over another (*priority*). A committee may even discover that the basis of an entire programme is poorly grounded and therefore should be extensively reviewed, requiring a detailed application of *Priorities-Input-Output-Outcomes*.

Yet, in as much as a committee will have just dealt with a department's budget, it may want to give priority to those programmes that are fundamental, resource intensive in relation to other issues, and where the FIS may have a profound impact at the earliest stages in helping to ensure the departments' success. Thus, the variable for inputs should be given greater priority over other variables. It may seem that the variable for priorities would be the logical choice but a legislature must be careful in the extent to which it pursues that variable at the FIS stage of the Budget Cycle.

While it is not explicitly excluded, it should only be pursued in the FIS stage where there are substantial grounds to question the prerogative of the executive in its priorities. Instead, a committee should focus on where it can assist a department in the task of service delivery directly; where it can be assured of having a positive impact.

The subject of the second Budget Cycle-prescribed FIS will be informed by the Auditor-General's and Annual Reports. As with the first FIS, the subject is not strictly prescriptive and can range from exclusive variables, several variables, or all of the variables.

The positioning of this FIS in the Budget Cycle allows a committee to juxtapose the work of the completed financial year against the mid-point of the current financial year. This will invariably emphasise the outputs of a department. The committee will be able to assess the actual outputs and implementation processes against what was presented at the start of the current financial year and therefore assess the actual state of service delivery. Therefore, it is recommended that variable outputs receive greater priority at this stage.



## UNIT 4: FUNCTIONS OF ACCOUNTABILITY

This section on accountability covers four areas, i.e. the functions of accountability, accountability in the House, Ministerial responsibility, accountability in committees, and the roles and responsibilities of accountability.

### 13. The Functions of Accountability

The functions of accountability include the following:

- To enhance the integrity of public governance in order to safeguard government against corruption, nepotism, abuse of power and other forms of inappropriate behaviour.
- As an institutional arrangement, to effect democratic control.
- To improve performance, which will foster institutional learning and service delivery.
- In regard to transparency, responsiveness and answerability, to assure public confidence in government and bridge the gap between the governed and the government and ensure public confidence in government.
- To enable the public to judge the performance of the government by the government giving account in public.

#### 13.1 Accountability in the House

This refers to the process in which:

- Ministers answer or give an account and submit to scrutiny. Ministers (the executive) must provide Parliament with information about their policies and the activities of their departments. Thus section 92(3)



Ministers must 'provide Parliament with full and regular reports concerning matters under their control.'

- The flow of information from the executive to the legislature about its activities goes to the core of oversight and accountability<sup>18</sup>. The duty to answer or explain is captured by the notion of 'explanatory accountability', which requires the giving of reasons and the explanation for action taken.
- An element of explanatory accountability is the duty to provide financial accounts demonstrating the regularity of government expenditure. If accountability hinges on the receipt of information then financial information is crucial. Power over expenditure is vital for the system of representative and responsible government.

### 13.2 Accountability and Ministerial Responsibility

Accountability can be thought of in two ways:

- In a technical sense it refers to the duty of the head of a Department to account as 'accounting officer' to his or her Minister, the Auditor-General, and finally the Public Accounts Committee. Here, accountability refers to giving an account of actions and spending. This definition is aligned with the PFMA notion of administrative accountability of officials.
- A wider understanding of accountability requires Ministers or MECs to explain and justify, against criteria of some kind, their decisions or actions. It also requires that the person goes on to make amends for any problems or failures and takes steps to prevent its recurrence in the future.

A condition of the exercise of that power in a constitutional democracy is that the administration or Executive is overseen by, and held accountable to an organ of government distinct from it. This is echoed by the notion of 'separation of powers', which provides for checks and balances in respect to the exercise of Executive power, thus making the Executive more accountable to an elected Legislature.

Taking the aforementioned point further, some elements are seen to be necessary for political. Accountability, as required by the Constitution, to work:

- Persons who have the power to make decisions and put them into effect;
- Objectives or standards that are to be attained by those persons;

- An authority to whom the decision-maker is answerable; and
- Some means of calling those responsible for decisions to account.

### **13.2.1 Informatory Responsibility**

“Informatory responsibility” is the obligation of the MEC/Minister to fully and openly inform the Legislature about the operations and performance of the Department and State Owned Enterprises (SOEs) in his/her portfolio. The MEC/Minister may not knowingly mislead the Legislature, i.e. tell a deliberate lie.

### **13.2.2 Redirectory Responsibility**

“Redirectory responsibility” is the obligation placed on a Minister/MEC to refer Committee queries to the (SOE's) for whom he/she is responsible. For researchers this means that the budget analysis must include information, for consideration by the Committee, regarding SOEs. It is on the basis of this information that the Committee can then engage the MEC and request responses.

### **13.2.3 Explanatory Responsibility**

“Explanatory responsibility” means that the Executive must give reasons and provide explanations for actions taken, as well as service delivery or operational problems or failures. This includes the duty to provide accounts and clarification on the regularity of government expenditure and the effective implementation of the budget to achieve.<sup>19</sup>

### **13.2.4 Amendatory Responsibility**

“Amendatory responsibility” means that the Executive and MEC admit that things have gone wrong in response to issues raised by Committees (whether or not they are personally culpable), and promise to have it rectified. The MEC defends his/her actions in good faith and mistakes should be admitted to.

<sup>19</sup> Adapted from Corder et al., 1996 and adapted from the Report of the Ad-hoc Committee on Ministerial Accountability, Gauteng Provincial Legislature. This report is a public document available at [www.gautengleg.gov.za](http://www.gautengleg.gov.za) and was informed by the scholarly input of Prof. Albert Venter and Rassie Malherbe (UJ) in 2002 and 2003.

Negligent or criminal behaviour is condemned and the necessary amends promised. Civil servants may be disciplined or prosecuted if they are found guilty of misconduct or illegal actions. Tracking of Executive responses to House resolutions and their evaluation to assess compliance are used to determine whether service delivery or operational problems/failures have been successfully remedied.

### **13.2.5 Accountability in Committees**

Committees interact with civil society organisations, organised business, experts and professional bodies as a way of enhancing accountability and call Members of the Executive and departmental heads to account on any issue relating to any matter over which they effect accountability.

## **14. Roles and Responsibilities in Oversight and Accountability**

### **14.1 The Speaker of NA/Legislatures and Chairperson of NCOP**

The roles and responsibilities of the Speaker of NA/ Legislatures and the Chairperson of the NCOP are:

- Oversee that the House fulfils its oversight role in terms of its constitutional mandate.
- The Speaker (Presiding Officers) must afford opportunity and space in the programme of the legislature to discuss reports and allow Members to pose questions to the executive.
- Tabling of reports to the PFMA by departments.
- Referral of reports to relevant Committees.
- Question time and Member's Statements.
- Rulings must be consistent - Digest of Rulings.
- The Legislatures ensure that legislation affecting provinces (Section 76 Bills), is dealt with in accordance with the procedures set out in the Constitution and the Rules.
- Provide political leadership and ensure the development of the annual joint parliamentary and programme framework.

### **14.2 House Chairpersons and Chairperson of Committees**

The roles and responsibilities of the House Chairperson and Chairperson of

Committees are:

- The Chairpersons must during planning and programming phase allow for regular meetings to conduct oversight.
- Schedule meetings with the State institutions and departments.
- Ensure preparation of pertinent questions to an institution to be responded to.
- Allow for questions that came as a result of responses to those pertinent questions.
- Ensure the programming of committee activities.
- Convene and chair the meetings of the Committee of Chairpersons.
- Consider and approve committees request for travel for purposes of oversight.
- Co-ordinate the oversight activities of Committees.
- Monitor compliance by the Executive with regard to recommendations set out in reports of a Committees.
- Ensure the compilation of the committee reports on oversight activities.
- Ensure that all committees are briefed on the Budget Votes by government departments and submit progress reports on such briefings to the Programme Committee.
- Ensure the implementation of the Oversight and Accountability Model;
- Ensure the implementation of policies relating to Members' Facilities such as members travel to interact with constituents.
- Monitor and report on planning and implementation of service delivery programmes, policies and laws by the three spheres of government.
- Monitor the processing of interventions in compliance with section 139 of the Constitution.
- Monitor the regular review of approved interventions and provide strategic advice when necessary.
- Ensure that recommendations on interventions are followed up acted upon by the relevant structures.
- Facilitate the participation of SALGA in the processes of the NCOP and its committees.
- Facilitate the consideration of issues emanating from SALGA.
- Assess and provide advice to the House on measures taken by national and provincial governments to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their functions.
- Facilitate implementation of new or interventionist initiatives.

### **14.3 Members of a Legislature**

- As elected office bearers and members of a legislature they represent their constituents.
- They must attend and engage with information before the House and committees.
- They must make use all provisions in the Rules and the Constitution.

### **14.4 Legislature Programming Committees**

- It is responsible for determining the annual programme of a legislature, including the legislative programme.
- It monitors and oversees the implementation of a legislatures' annual legislative programme and may set deadlines for the introduction of bills.
- It is also concerned with the functioning of joint committees and subcommittees.
- It takes decisions on prioritisation of business, and may set time limits for steps in the legislative process and timeframes for the passage of bills through Parliament.
- It is also responsible for fast-tracking of bills.
- It does not normally report to the Houses.
- In order to perform its task, the committee requires the Executive to provide it with a provisional legislative programme for the year, listing the bills the Executive intends introducing, together with timeframes showing when each bill is expected to be ready for introduction.

### **14.5 Leader of Government Business**

- Responsible for arranging the attendance of Cabinet/Executive members in respect of parliamentary business generally.
- Facilitate the timeous response to questions and other oversight mechanisms in place.

## **15. Institutions Supporting Constitutional Democracy**

Institutions supporting democracy have particular mandates as provided for in the Constitution and by Acts of Parliament that prescribe their functions and powers. The institutions are independent and subject only to the

Constitution and the law, and they must be impartial and must exercise their powers and perform their functions without fear, favour or prejudice. In terms of section 181(3) of the Constitution other organs of state, through legislative measures, have to assist and protect the aforementioned institutions to ensure their independence, impartiality, dignity and effectiveness. In terms of section 181(5) these institutions are accountable to the National Assembly and must report on their activities and the performance of their functions to the Assembly at least once a year. The institutions are:

### **15.1 The Auditor-General (AG)**

The Auditor-General (AG) is an independent supreme audit Institution of South Africa which carries out audits of government accounts in order to determine whether government did in fact implement the budget as appropriated by the Legislature and complied with the financial prescripts. Therefore, section 188(1) of the Constitution empowers the AG to audit and report on the accounts, financial statements and financial management of all national and principal state departments and administrations, all municipalities and any other institution or accounting entity required by national or provincial legislation to be audited by the AG. Section 188(3) of the Constitution prescribes that the AG must submit audit reports to any legislature that has a direct interest in the audit, and to any other authority prescribed by national legislation. Section 55(2) of the Constitution prescribes that the National Assembly must provide for oversight mechanisms to ensure that all organs of state in the national sphere of government are accountable to it and maintain oversight over the executive and constitutional institutions.

### **15.2 The Commission for Gender Equality (CGE)**

The Constitution of South Africa provides that the objective of the Commission for Gender Equality is to promote gender equality, and to advise and make recommendations to Parliament or any other Legislature with regard to any laws or proposed legislation which affects gender equality and the status of women.

Section 187 of the Constitution requires that the Commission for Gender Equality to:

- Promote respect for gender equality and the protection, development and attainment of gender equality.

Have the powers, as regulated by the Commission on Gender Equality Act 39 of 1996 (CGE Act), which are necessary for it to perform its functions, including the power to monitor, investigate, research, educate, lobby, advise and report on issues concerning gender equality.

### **15.3 The Public Protector (PP)**

The Public Protector is an office established by the provision of section 181(1) (a) of the Constitution Act 108 of 1996. It is mandated to investigate on the basis of a complaint or on its own initiative at any level of government. This includes national, provincial and local government, any public office bearer, any parastatal and any statutory body. Section 182(1) of the Constitution requires that the Public Protector investigates the state affairs of public administration in any sphere of government that is alleged or suspected to be improper or to result in any misconduct or prejudice, and report on that conduct, and take appropriate remedial action. The Public Protector may not investigate court decisions and must at any time submit a report to the National Assembly on the findings of a particular investigation if:

- He or she believes it is necessary;
- He or she deems it in the public interest;
- It requires the urgent attention of, or an intervention by, the NA, or requested to do so by the Chairperson of the National Council of Provinces (NCOP);
- Any report issued by the Public Protector must be open to the public unless exceptional circumstances require that a report be kept confidential.

The Public Protector is entrusted with the constitutional responsibilities to produce information and knowledge that is critical to the exercise of oversight over the executive by the Legislature.

### **15.4 The South African Human Rights Commission (SAHRC)**

Chapter 2 of the Constitution of South Africa contains a bill of rights which is meant to protect human rights. The Human Rights Commission is

established in terms of section 181(1) of the Constitution and Human Rights Commission Act of 1994. The constitutional functions of the Human Rights Commission are outlined in section 184 of the Constitution as follows:

- Promote respect for human rights and a culture of human rights;
- Promote the protection, development and attainment of human rights; and
- Monitor and assess the observance of human rights in South Africa.

The Human Rights Commission performs the above functions across all government departments and municipalities on social basic needs of the people of South Africa and produce valuable information and knowledge that is critical to proactive oversight by the Legislature.

#### **15.5 The Commission for the Promotion and Protection of the Rights of Cultural, Religious; and Linguistic Communities (CRL Rights Commission)**

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities aims to promote and develop peace, friendship, humanity, tolerance and national unity among and within cultural, religious and linguistic communities, on the basis of equality, non-discrimination and free association. The Constitution outlines the basic functions of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities as follows:

- Promote respect for the rights of cultural, religious and linguistic communities.
- Promote and develop peace, friendship, humanity, tolerance and national unity among cultural, religious and linguistic communities, on the basis of equality, non-discrimination and free association; and
- Recommend the establishment or recognition, in accordance with national legislation, of a cultural or other council or councils for a community or communities in South Africa.

The additional powers and functions of the Commission are regulated by National Legislation, which is necessary to achieve its fundamental responsibilities, including the power to monitor, investigate, research, educate, lobby, advise and report on issues concerning the rights of cultural, religious and linguistic communities. This information can be valuable for the



oversight function of the Legislature.

## **16. Other Statutory Institutions Supporting Democracy**

In addition to the commissions described in Chapter 9, the Constitution sets up other structures in South Africa to make sure that human rights are protected and a constitutional democracy is guaranteed. These are:

### **16.1 Financial and Fiscal Commission (FFC)**

The Financial and Fiscal Commission has the responsibility to advise and make recommendations to Parliament, provincial Legislatures, organised local government and other organs of State on financial and fiscal matters. Its primary role is to ensure the creation and maintenance of an effective, equitable and sustainable system of intergovernmental fiscal relations in South Africa. The Commission derives its mandate from Chapter 13 of the Constitution.

### **16.2 Pan South African Language Board (Pansalb)**

The Board was established according to the Constitution of the Republic of South Africa, 1996 in order to:

- promote, and create conditions for the development and use of official languages v the Khoi and San languages v sign language promote and ensure respect for all languages commonly used by communities in South Africa.

### **16.3 Public Service Commission (PSC)**

Section 196(1) of the Constitution requires that a single Public Service Commission be established for the Republic of South Africa. The Constitution prescribes that the Public Service Commission must be independent, impartial, and exercises its constitutional powers and performs its functions without fear, favour or prejudice in the interest of the maintenance of effective and efficient public administration and a high standard of professional ethics in the public service. The Public Service Commission monitors and evaluates the Department of Public Service and Administration which is mandated to foster good governance and sound administration in

the public service.

The Department is a state department which deals with public service personnel matters relating to conditions of service, management of compensation, human resources, labour relations, public service governance, service delivery, state information technology, capacity building and skills management. Therefore, the Department of Public Service and Administration has a technical oversight role on all state departments as they deliver a service to the people of South Africa. In that instance the Public Service Commission oversees the overseer of all state departments, therefore the Commission has a very important role and provides critical information to assist the Legislatures in facilitating proactive and effective oversight.

#### **16.4 Independent Communications Authority of South Africa (ICASA)**

The Independent Communications Authority of South Africa (ICASA) is the regulator for the South African communications, broadcasting and postal services sector. ICASA was established by an Act of statute, the Independent Communications Authority of South Africa Act of 2000, as Amended.

ICASA's mandate is spelled out in the Electronic Communications Act for the licensing and regulation of electronic communications and broad casting services, and by the Postal Services Act for the regulation of the postal sector.

#### **16.5 Independent Police Investigative Directorate (IPID)**

The aim of the Independent Police Investigative Directorate (IPID) is to ensure independent oversight over the South African Police Service (SAPS) and the Municipal Police Services (MPS), and to conduct independent and impartial investigations of identified criminal offences allegedly committed by members of the SAPS and the MPS, and make appropriate recommendations. The Legislature must make use of the Directorate's findings to hold the executive accountable (Provincial Departments of Community Safety, SAPS).

#### **16.6 Department of Performance Monitoring and Evaluation: The**

## **16.6 Department of Performance Monitoring and Evaluation: The Presidency, RSA**

As the custodian of Monitoring and Evaluation (M&E) in government, the Department of Performance Monitoring and Evaluation (DPME) coordinates the Government-wide M&E System. The Policy Framework is supported by three other frameworks, namely: The National Evaluation Policy Framework (NEPF) under DPME, the Framework for Managing Programme Performance Information (FMPPI) under the National Treasury and South Africa's Statistical Quality Assessment Framework (SASQAF) under Statistics South Africa (Stats SA).

## **16.7 M&E and Relevance to Legislative Oversight and Accountability**

It is extremely important and useful for Parliament and legislatures to access and utilise the valuable data as a source which is derived from the various mechanisms described above. Independent analyses should then be employed in tandem with the methodology and rollout of the newly developed M&E Framework.

Chapter 9 and other 'Statutory Institutions Supporting Democracy' are mandated to assist the Legislature in holding the executive to account. They do not and cannot be expected to enjoy the same independence as the judiciary. The National Assembly therefore plays an important role in the appointment of Commissioners and other office bearers. The nature of the work of Chapter 9 institutions requires them to work with the Legislature and, to some degree, with the executive. Secrecy is the enemy of accountability and Chapter 9 institutions are designed to ensure that public power is exercised in an open and transparent manner. They have a duty to reveal weaknesses and problems by collating and publishing information. They have powers to require answers or explanations from government and other actors. Ordinary citizens, in turn, can rely on this information to play their own role in holding the executive and legislative branches of government to account.



## ANNEXURE 1: RESOLUTIONS TRACKING FOR OVERSIGHT AND ACCOUNTABILITY

### 1. Framework for Resolutions Tracking<sup>20</sup>

#### 1.1 Resolutions Tracking Process

Once a Committee report is adopted by the House, the recommendations of the report which become resolutions of the House, are communicated to the Executive by the Proceedings Unit on behalf of the Speaker. In this communiqué, timelines for responses as set out in the report are also highlighted.

The Executive is expected to officially respond through the Speaker' Office and Proceedings should refer such responses to relevant committees. The Executive is also expected to provide their responses in both hard copy and electronic format. In situations where a Department fails to respond within the timelines set out in the report, it becomes the responsibility of an individual Committee to follow-up with the Department on the late or non-submission. The Proceedings Unit also needs to be copied in such communication. (This is done so that the Proceedings Unit could keep track of responses by the Executive and simultaneously address capacity challenges that the unit may face if it is expected to follow-up on non-submissions to individual Committees).

Once a Committee received responses, the responses must be evaluated by the Committee Co-ordinator using the Evaluation Guide. The response must also be analysed by the Researcher and such an analysis be presented to the Committee. The analysis must give a clear indication of the following:

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<sup>20</sup> This Framework on Resolutions Tracking is sourced from Gauteng Provincial Legislature and would be the ideal for all Legislatures.

- whether the response addresses a government priority issue and or the implications for the achievement of these priorities,
- whether it is on internal arrangements of the Executive or on service delivery issues;
- the implications for service delivery;
- whether it is a recurring matter;
- whether the resolution was adequately responded to and, lastly
- whether it may be closed or kept open for further follow-up with the Department.

It is preferable that resolutions which are kept open be concluded before the next oversight imperative is undertaken by a committee.

On a quarterly basis, a resolutions report must be drafted and presented to the Committee by the Committee Co-ordinator. This must be done in time to inform other reporting requirements of the Office of the Chairperson of Committees.

Furthermore, each Committee must also provide the office of the Chairperson of Committees (CoC) with a resolution tracking progress report on a quarterly basis. The office of the CoC must then provide Office Bearers with statistics on resolutions of all committees on a quarterly basis. The Chairperson of Committees must also be allocated a timeslot in the quarterly House Programme to report on performance of the Executive with regard to compliance to resolutions.

Resolution tracking must be a standard item on the agenda of all committees meetings. This is where updates on the status of resolutions tracking and compliance by the Executive must be provided.

Committee quarterly and annual oversight reports on departments must provide a clear account of the Executive's performance on the last resolutions passed in the House.

## **2. Timeframes**

- The Executive must submit responses to Committee resolutions within three month after it has been adopted by the House (unless a specific date for submission was explicitly indicated and forwarded to them by a

committee). Responses by the Executive should be received by the Office of the Speaker and referred to committees by the Proceedings Unit.

- The Office of the Chairperson of Committees must provide Office Bearers, on a *quarterly basis* with statistics on resolutions by all committees of the House.
- Resolutions tracking must be a standing item on the agenda of committees and an update be provided by the Committee Co-ordinators *each time* that a response is received from a Department.
- A resolutions report should be drafted and presented to the Committee by the CCs on a *quarterly basis*. This must be done in time to inform other reporting requirements of the office of the Chairperson of Committees.
- Researchers must conduct analysis of responses *within a month* of receipt and present it to the Committee. In so doing, the researcher must also indicate whether resolutions are linked to GPG priorities, service delivery or internal arrangements and processes of departments.
- *On an annual basis*, an in-depth research analysis should be conducted by Researchers on all the responses for the year which will assist the committee in identifying possible areas for oversight, to assess implementation of resolutions by the Executive and also to impact on departmental performance.

### **3. Reporting Requirements on Resolutions Performance**

Quarterly reports and annual reports of all portfolio committees on departments to include a clear account of concerned departments' performance on the last resolutions of the House.

- Office of the Chairperson of Committees report quarterly, at the beginning of each quarter, to Office Bearers on the efforts of committees of the House to get responses on resolutions and actual performance of the Executive in responding to resolutions.
- Office of the Chairperson of Committees report quarterly to meetings of chairpersons on the work of committees of the House, in the ending quarter on efforts to get responses to resolutions and actual performance of departments.
- The Chairperson of Committees be allocated time in the programme to report to the House on a quarterly basis on the performance of

departments with regards to response and/or compliance with resolutions of the House.

## **4. Roles & Responsibilities**

### **4.1 Office Bearers**

#### **4.1.1 *Speaker:***

As custodian of House business and all other outputs of the House, the Speaker is also the custodian of Resolutions Tracking. The elevation of the resolutions tracking function to this level, ensures that it is treated with the necessary authority. The Speaker may, however, delegate this function to the office of the Chairperson of Committees as custodian of committee processes that lead to generation of resolutions.

#### **4.1.2 *Chairperson of Committees:***

In terms of the location of the Resolutions Tracking function, the Committee on Ministerial Accountability recommended that Office Bearers (OB) and the Chairperson's Committee should track & aggregate resolution compliance. Therefore, resolutions tracking and aggregation of resolutions compliance should be done by the office of the CoC.

The office of the Chairperson of Committees must provide Office Bearers with statistics on resolutions of all committees on a quarterly basis.

On a quarterly basis, the Chairperson of Committees must be allocated time in the Programme to report to the House on the performance of the Executive with regards to response and/or compliance with resolutions of the House.

#### **4.1.3 *Committee Chairpersons:***

Each Committee Chairperson should ensure that a full list of resolutions is maintained so that general performance by Depts. on resolution compliance could be assessed.

### **4.2 Role of Support Staff**

#### **4.2.1 Proceedings Staff:**

- Referring resolutions to the Executive on behalf of the Speaker, highlighting timeframes for responses as set out in the report.
- Referring responses from the Executive to Committees and the Office of the COC for consideration and information respectively.
- Keep a record of responses by the Executive and on a quarterly basis report to Chairperson of Committees on the Executive's compliance rate.

#### **4.2.2 Committee Administrative Assistants:**

- Keep a record of all responses received from the Executive in hard copy.
- Keep a record on all engagements with Executive on resolutions.

#### **4.2.3 Committee Co-ordinators:**

- Ensure that resolution tracking reflects as an item on the agenda of each committee meeting and provide an update whenever a response is received from the Exec.
- Draft a resolutions tracking report and present it to the Committee on a quarterly basis.
- Submit the quarterly resolutions tracking report to the office of the CoC.
- Follow-up with Executive on responses when there is non-compliance to timeframes.
- Evaluate adequacy of responses using the Resolutions Adequacy Evaluation Guide.
- Ensure that resolutions are drafted in accordance with the SMART principle.
- Ensure that committees first deal with outstanding resolutions when they engage the Executive during the budget, annual report and quarterly report processes.

#### **4.2.4 Committee Researchers:**

- Analyse responses and present it to the Committee when received from the Executive.
- Conduct an annual analysis of resolutions passed and responses received for presentation to the Committee.



#### 4.2.5 Evaluation Guide for Committee Co-ordinators

- If the Department has merely 'noted' the resolution, rate the commitment to implement as "questionable" and flag for Committee to pursue with Dept.;
- If the Department has indicated that a resolution is receiving attention, rate response as "commitment to implement" but ensure Committee follows up with Dept.;
- If the Department's response shows a clear commitment/proof of correction of a service delivery or related matter, rate response as "effective" and inform the Committee. It need not pursue the matter further with the Department.
- If the Department has failed to respond to the resolution in spite of reminder and follow-ups, rate response as 'failure to comply' or 'ineffective' and flag for Committee to pursue with Dept.;
- If the Department is merely reporting back on a process, rate response as 'ineffective' notably at Annual Report stage and flag for Committee to pursue with Dept.;
- Furthermore, rate each resolution response as:
  - Specific or Vague;
  - Measurable or non-measurable;
  - Time bound (if Dept. has committed to a time-frame) or lacking in time-frame.

(The above will give the Committee a clue as to whether the Department may be dodging its responsibility).

**Table 4: Resolutions Tracking Template**

Dept.	Date of sitting	Date Resolution Send to Dept.	Date Reponse Received from Dept.	Time taken for Response	Does Resolution relate to Service Delivery or Internal Processes	Does Resolution relate to Gvnt. Priority	Was Response Analised	Was Analysis presented to the Committee



## ANNEXURE 2: THE DO'S AND DON'TS OF OVERSIGHT

### DO:

- Be analytical and display independent rigor. Doing oversight is a bit like being a detective, so do detect and remember: what is not there is at least as important as what is there! (Use other sources: remember the 'wider' oversight frame, which needs to go beyond the Departmental submission).
- Always ensure that your oversight report covers effectiveness; efficiency and economy, i.e. is money being put to good use ('value for money')? Is the cost per output reasonable, given economies of scale, etc.?
- Use public participation inputs and your own impressions from oversight visits when tackling a Departmental submission.
- Climb into your car and do regular fact finding trips to government service delivery areas.
- Take digital photos and share these with your fellow Members.

### DON'T:

- Be descriptive in your oversight work, unless this serves as supporting documentation. This also means: don't allow researchers to copy large chunks of the Departmental submissions. This may contribute to a situation where the Executive loses respect for the Legislature (and you as Chairperson), as oversight must be independent and scrutinising. Representing information from the Department in an oversight report without scrutiny and analysis doesn't qualify as independent monitoring and evaluation of Departmental performance. Frankly, it raises questions as to the role and benefit of Legislatures.

- Just do oversight on over/under-spending.
- Just analyse what is there (e.g. in a Dept. report). Look for what is NOT THERE and bring this to the Department's attention in the form of questions and recommendations!



## ANNEXURE 3: OVERSIGHT REPORT FORMAT

The following are guidelines and may need to be adapted by each of the Legislatures.

### 1. Title Page

- Legislature Logo;
- Name of the Committee, e.g. Eastern Cape Legislature Education Oversight Committee”;
- Name of the Report, e.g. “Adopted Committee Oversight Report on the Department of Education Annual Performance Plan and Budget”;
- Date.

### 2. Acronyms' page

- All acronyms used in the report must be described here.

### 3. Table of Contents Page

- To be generated last (when report is complete.)

### 4. Executive Summary Page

- To be generated once the report is complete / adopted.

## 5. Introduction to Report

- The Introduction is to contain the following, inter alia:
- Committee mandate;
- Purpose of the oversight report, e.g. oversight and scrutiny of the
- Department of Education Annual Performance Plan and budget (2012/13);
- Documents considered;
- Etc.

## 6. Process Followed

Example:

- The Committee first engaged the Department on its Annual Performance Plan (APP) and priorities in September 2011. Stakeholders were present at this juncture to make inputs on any concerns regarding the APP and budget for the 2012/13 financial year. The following stakeholders were in attendance and made oral/written submissions, e.g.
  - Legal Resources Centre;
  - WITS Education Policy Unit;
  - Section 27.org.za (a public interest law centre that uses and develops the law to advance human rights).
- The Committee again engaged the Department on its APP and budget in January/February 2012 to determine whether its issues and inputs have been addressed.
- The office of the Speaker referred the actual 2012/13 APP and Budget for the Department of Education in terms of Rule XX of the Standing Rules, to the Portfolio Committee on Education for consideration and reporting on 15 February 2012.
- On the 19th February 2012, the Committee Researcher made a budget analysis and programme evaluation presentation guided by the PFMA and SOM requirements.
- On the 23 February 2012 the Department presented its Budget and APP (2012/13) to the Committee. The MEC for Education, the Honourable YY, HOD ZZ and senior officials XYZ from the Department were present at the meeting.
- On the 05 March 2012, the Department presented its responses to the

Committee's written questions for clarification.

- On the 08th March 2012, the Committee Researcher presented the Committee's draft report on the Education Department's budget, followed by Committee deliberations.
- The Committee's oversight report on the Department's 2012/13 budget was adopted on 9th March 2012. It will be debated in the House on 11 March 2012.

## **7. Main Body of the Report**

### **7.1 Matters Arising: Recommendations and Resolutions**

Section contains (in table format):

- Recommendations/resolutions made by the Committee previously, including Annual Report, micro-priority contracting stage;
- Resolutions deemed satisfactory, based on researcher's analysis (can be taken off the Agenda);
- Resolutions not deemed satisfactory (qualitatively and/or failure by the Department to respond within the time-frame set by the Committee/House resolution) are:
  - raised by the Committee with the Department in writing for response, clarification and commitment to correct/remedy; and/or
  - re-iterated by way of new, but escalated recommendation(s) with very tight time-frames (under Recommendations section of Report). This is to ensure that the particular matters receive urgent attention.**NOTE:** Recommendations must be "SMART".

### **7.2 Department's Past Performance**

- Any issues, concerns and recommendations with a bearing on the next APP and budget.

### **7.3 Sectoral/provincial issues, policy overview, parity and continuity**

- Overview of sectoral issues and challenges as determined by the Committee;
- Oversight on policy parity: national (SONA) to provincial (e.g., State of the Province; finance MEC speech; Departmental MEC speech);

- Any issues, concerns and recommendations with a bearing on the next APP and budget.

#### 7.4 Public submissions

- Name of organisation/individual that made the submission and its mandate;
- Summary of submissions made (oral/written);
- Indication (for each) of how submission was utilised;
- Plan to give feedback to civil society organisation / individuals on the way forward regarding their submissions.

#### 7.5 Oversight Visit impressions

- The Committee provides short impressions of its recent oversight visits, using its own oversight visit report;
- Applies the impressions, issues and concerns from the visits (with researchers' input) to the current APP / budget before it;
- Raises any issues and concerns for inclusion under its "Concerns" and "Recommendations" sections of the Oversight Report.

#### 7.6 Budget Oversight

The sections on budget oversight must cover both the department and State Owned Entities (SOEs) for which the MEC needs to account:

#### 7.7 Programme Evaluation (Effectiveness)

- Specific attention to, and comment on, *outcomes* and associated performance measures (indicators) in the light of environmental realities/social/development conditions;
- Specific attention to, and comment on, *priorities* in the light of environmental realities/social/development conditions;
- Specific attention to programmes, sub-programmes and projects as to whether:
  - they are considered **applicable** in terms of the *outputs* and *outcomes* to be attained
  - they are considered to be **sufficient** to process the inputs toward the

- attainment of outputs;
- there exists continuity of programmes, e.g. whether programmes have been dropped; renamed or subsumed into others across financial years.
- the department continues to 'throw' money at programmes which have historically (i.e. based on the Annual Report of the previous financial year or sectoral realities) not been able to convert the inputs into outputs and outcomes.
- Some reference to international best practice and trends (as informed by information provided by the Info. Officer, or through the experience/international fact-finding missions undertaken by Members).

## 7.8 Budget Analysis (Efficiency/Economy)

- Specific attention to, and comment on, whether programmes / sub-programmes and projects are sufficiently funded: both *capital* and *current* inputs have to receive attention.
- Specific attention or at least reference to, and comment on *inputs* and specifically:
  - What are the key *inputs* (other than salaries) that the department uses in delivering on its mandate?
  - What is the ratio of personnel expenditure to expenditure on other key *inputs*? Has this ratio changed over the last three years? What are the implications for service delivery? Does the balance need to be changed going forward? What systems are in place in order to ensure the efficient utilisation of these inputs?
- Specific attention to, and comment on, outputs and whether:
  - they are considered sufficient, quantitatively and qualitatively to bring about a shift away from the current baseline conditions, e.g. backlogs;
  - *output* target *decreasing* even though inputs are increasing?
  - if *inputs* are *decreasing*, are *outputs/outcomes* targets also decreasing or are they increasing (efficiency!)?
  - they are responsive to, and aligned with, the policy priorities;
  - the time-frames set for their achievement are: (1) realistic; but also



- (2) reasonably swift given the magnitude of needs and demands (backlog);
- the stated *outputs* can be considered value for money<sup>28</sup> in terms of what the Legislature is 'buying' for the community through its approval of the budget.

### **7.9 Oversight Visits**

- Reference to/utilisation of, concerns/recommendations of Oversight Reports based on FISs to shed light on programmes/sub-programme and projects that remain on the Department's agenda but may not have shown to be effective. This would have been evidenced by a change or lack therefore, from baseline conditions, using the performance measures (this is based on an analysis of past performance).
- Generations of issues, concerns and recommendations for inclusion under the Oversight Report Recommendations' section.

### **7.10 Transversal Issues**

- The Committee (based on the researcher's input) raises issues and concerns around transversal issues (including their funding; as well as expected outputs and outcomes), given the expectations that these be mainstreamed by Departments.
- The Committee generates issues, concerns and recommendations for inclusion under the Oversight Report Recommendations' section.

### **7.11 Cooperation with other departments / stakeholders**

- The Committee raises issues and concerns on whether the Department's programmes, sub-programmes, projects, activities and its strategic objectives reflect agreements (MOUs/MOAs) with other Departments regarding service delivery. The objective is to gauge whether, in so doing, it will deliver services more responsively and swiftly; extract better value for money; mutually leverage resources and help government achieve its wider objectives.
- Concerns and recommendations are generated for inclusion under the Oversight Report Recommendations' section.

## **7.12 Performance measures**

This section of the Oversight Report must show:

- Any changes in the nature of performance measures or indicators, e.g. from the time of the annual report of the previous financial year to the tabling of the budget, are picked-up on. (Any 'shifting of the goalposts' would make it difficult for a Committee to assess departmental performance effectively, cast doubts on its claimed results and make a mockery of the oversight process).
- If performance (service delivery) targets keeping track with changing environmental realities. Are these delivery targets increasing in accordance with increases in funding?

## **8. Committee concerns section of the Report**

Under the "Concerns" section of the Report, the Committee:

- Places emphasis on the implications of the budget in terms of the political priorities; and required outcomes, bearing in mind social realities;
- Covers all its issues raised in the main body of the report;
- Ensures that the report doesn't suffer from 'structural blindness', i.e. that:
  - concerns reflected under the "Concerns" section were not covered in the reports' main body; and/or
  - that not all concerns set-out in the main body of the report were covered under the Concerns section.
- makes a determination/conclusions as to the quality of the Department's submission (referred to as the SOM "Information Level Test": see table below):

## **9. Committee Recommendations**

This section of the Oversight Report must reflect recommendations that:

- are fully comprehensive of all issues and concerns touched on in the main body of the report, including matters and concerns raised by members of civil society in attendance;
- are "SMART" (Specific; Measurable; Attainable; Realistic and Time-bound);

- seek to secure the 4 tiers of Executive accountability, viz.:
  - information;
  - redirection (applicable to SOEs);
  - explanation; and
  - most, importantly, urgent correction of service delivery problems and failures.

*This is most critical, as "SMART" recommendations and those that can be characterised as reflecting the 4 tiers of ministerial responsibility have the most significant impact as far as securing Executive accountability is concerned. (This can be gauged scientifically from an analysis of resolutions and Departmental responses and correlating these with Committee recommendations, in terms of "SMART-ness")*

## **10. Acknowledgments**

- Civil society;
- Department;
- Committee Support Staff;
- Members; etc.



## ANNEXURE 4: EXERCISE ON OVERSIGHT REPORT RECOMMENDATION 'SMART-NESS'

- The following are illustrative Legislature Committee Oversight Report Recommendations to a Department.
- **Determine if each of the recommendations is 'SMART' (motivate):**
  - **Specific;**
  - **Measurable;**
  - **Attainable;**
  - **Realistic;**
  - **Time-bound.**

RECOMMENDATIONS/RESOLUTIONS	SMART-NESS			
	Specific?	Measur-able?	Attain-able?	Realistic?
<p>1) The Provincial Cabinet should consider increasing the budget allocation for the Gauteng Department of Housing to enable the achievement of time-bound projects and also take into consideration the effects of in-migration, high cost of land and the increasing.</p>				
<p>2) The Dept. should provide detailed reporting in both its Quarterly and Annual reports on the progress made towards the Economic Empowerment of People living with disabilities, Women and Youth in compliance with Section 2(1)(d)(i) of the Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA).</p>				
<p>3) The Department should make a concerted effort towards the recruitment of People living with Disabilities in line with the Employment Equity targets and provide the Committee with a progress report by 31 April 2008.</p>				
<p>4) The Department should provide the Committee with a progress report on the Gauteng Housing Fund by 31 March 2008.</p>				

RECOMMENDATIONS/RESOLUTIONS	SMART-NESS			
	Specific?	Measur-able?	Attain-able?	Realistic?
5) The Department should provide the Committee with the progress report on the eKhaya System by 31 March 2008.				

### **GUIDELINES ON HOW TO RATE "SMART-NESS"**

- Specific: rate as 'Yes' for Specific if the recommendation/resolution concerns itself with 1 particular issue, rather than many issues;
- Measurable: rate as 'Yes' for Measurable only if recommendation/ solution talks to specific goals or deliverables (e.g. service-delivery outputs (e.g. no. of potholes filled); targets; feedback reports, etc.)) that the Committee wants the Department or MOE to attain.
- Attainable: rate as 'Yes' for Attainable only if the recommendation/ resolution is such that the Department/MOE, etc. can actually achieve it (it must be within reach). Typically, resolutions which accord with targets/indicators set-out in the Department's service delivery plans would be attainable as the particular Dept. actually set it themselves at the beginning of the F/Y;
- Realistic: rate as 'Yes' for Realistic only if the recommendation/resolution is such that what it asks for is do-able for the Department/MOE (if must form part of its SDBIP and/or reporting obligations). Such resolutions must push the Dept. but not break it;
- Time-bound: rate as 'Yes' for Time-bound only if a specific time-frame has been attached to the recommendation/resolution, e.g. 15 February 2012. Giving only a month may not be as specific as giving a day too.

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