

Bonus Chapter 2: The South African Public Sector

People Centred Performance Enhancement

A call for intervention

Background & Overview

The political transformation of 1994 saw the birth of hope and the establishment of what became known as the “Rainbow Nation.” Expectations were high for the future of the country as was across the board confidence as a result of the credibility of the new constitution and the spirit of peace, reconciliation and harmony lead by the then South African President Nelson Mandela. Just ten years before P W Botha, then the State President of South Africa declared, in what became known as his “Rubicon speech,” that the status quo would endure. This was not to be and Archbishop Desmond Tutu lead the Truth and Reconciliation Commission and the country away from vengeance, retaliation and victimisation towards a country to become known for its spirit of Ubuntu.

Against this background a national financial management success story was established. In my opinion, the then new National Treasury was to become a leading light in the new South Africa and its “Budget Formulation” policies and all round transparency were established to be sound and world class indicators of the success that they have become. This said, the new public sector executive has lacked the capacity to follow this lead towards sound “Budget Execution.” Leadership in the form of the Parliamentary Standing Committee on Public Accounts (SCOPA) has failed to effectively react to audit findings. The Public Finance Management Act in contrast to company law holds the chief executive responsible, as the Accounting Officer, for budget execution. SCOPA does not lack regulatory nor legislative power to react to adverse audit findings. The Auditor General responsible for auditing “Budget Reporting” (another success story) continues to report on a lack of performance/ service delivery, the misappropriation of funds and general maladministration yet year on year their reports land on the agenda of SCOPA who fail to effectively react.

This book has not been written to offer future scenarios. It has been written to present the facts and to suggest what can be done to effect the change that, if not done, will be the undoing of any leadership that may eventuate. This chapter, at a macro national level, addresses budget formulation, execution and reporting plus it suggests an effective tried and tested reaction to ineffective budget execution that is doable and scalable.

Budget Formulation

In the last "Open Budget Index" that is created after researching the budget practices of some 100 countries South Africa was declared to be second behind New Zealand but ahead of the UK in third position, Sweden in fourth position and Norway in fifth position. The index is published every two years by the Institute for Democracy in SA (Idasa) in partnership with the International Budget Partnership in the USA. Two years before South Africa was placed first. Suffice to say that South Africa is a leader in budget openness and transparency relating to budget formulation.

The index measures budget transparency and the degree to which budget formulation is open and transparent thereby promoting citizen participation in the national budget process. It is against this backdrop that National Treasury and the DoJ&CD's Portfolio Committee approved, before the index was established, the implementation of the PeP Base 80 budget framework. Funded and unfunded decision packages were made public and the process was published and commented upon in local and international circles. The detail was presented in Chapter 8.

The public sector hierarchy is a continuum. Citizens vote for political leadership who oversee the appointment of an executive that is accountable to the people in the name of the Parliamentary Portfolio Committees for the execution of legislation & regulations created by political leadership.

Given the broad based adoption of the Base 80 Budget Framework the citizens of the country would be able by way of participation through representative organisations to have their opinions heard at open Portfolio Committee hearings. The significance of this is the degree to which the population has a say in the prioritisation of budget allocations.

Taken as a whole, budget formulation in the South African public sector is soundly managed.

Budget Execution

Budget execution is the responsibility of the Director's General and others that are the responsible Accounting Officers appointed in terms of the PFMA (Public Finance Management Act). The Accounting Officers are supported by CFO's (Chief Financial Officers), who have no fiduciary duties in terms of the PFMA or MFMA (Municipal Finance Management Act), that they would have had in terms of company law, were they to have been financial directors in the private sector.

Taken as a whole, budget execution is poor to non-existent. The efficiency and effectiveness of the national budget spend is poor and it represents the single most lucrative source of funding to turbo charge education, alleviate poverty, create jobs and more. We just have to find the will to react to consistently bad audit reports. Leadership have proven to be ineffective and the last resort must be for the citizens to mobilise, perhaps by way of social media, to bring about the action that is merited. The risks related to this and other eventualities lie in the consequences which should be/are the focus of our political leadership and scenario planners.

Budget Reporting

The South African Auditor General reports on budget execution in an open and transparent manner without fear or favour. The problem lies not in the availability of performance and financial audit reports but in the lack of reaction to continuous and consistent evidence of corruption and maladministration. The PeP offers an answer to the question of what to do. It seeks not to establish who is responsible for the status quo but rather to offer a recommendation of what's right.

The Facts

I commented, in Chapter 8 that the case study presented related to the Budget sub-program within the Performance enhancement Programme of the Department of Justice and Constitutional Development and that it may equally be escalated to a national level.

This chapter explores the need for action to address performance in the public sector at a local, provincial and national level. This section presents published facts contained within the published reports of the Auditor General. The information is offered exactly as published except for it being extracts from one of the following:

- 1. Consolidated general report on the national and provincial audit outcomes
PFMA 2012-13**
- 2. Consolidated general report on the audit outcomes of local government
MFMA 2012-13.**

The full reports are available as a download at www.agsa.co.za or from the downloads page on www.pcpe.club

Before offering a synopsis of the status quo I present below examples of the terms used.

Unauthorised expenditure

An example may be the proper procurement of computer software from a supplier in circumstances where there is no approved budget allocation in the current financial year to pay for it.

Irregular expenditure

An example may be the procurement of computer software from a supplier without following the required procurement procedures.

Fruitless and wasteful expenditure

An example may be the proper procurement of computer software that will not be used.

Extracts

Please note that the selected extracts that follow are in no way intended to be a complete summary of the audit findings. For a full review please download and study the full reports.

Consolidated general report on the national and provincial audit outcomes of 2012-13

National and provincial government consists of 163 departments and 463 public entities. The public entities include 236 national and provincial public entities, 76 major public entities and government business enterprises, 34 constitutional institutions and trading entities, 73 higher education institutions and 44 other entities that are not subject to the PFMA.

Page 31: 2.1 Overall audit outcomes

The following three points help clarify this report:

- Auditees receive a clean audit opinion when the opinion on the financial statements is unqualified and there are no reported audit findings in respect of either the annual performance report or non-compliance with legislation.
- “With findings” refers to findings on either reporting on the annual performance report or non-compliance with legislation, or findings on both these aspects.
- A movement of more than 5% since the previous year is regarded as an improvement or a regression.

The number of auditees with clean audit opinions increased to 105 (22%) auditees, which represents only 8% of the national departments, 17% of the provincial departments, 23% of the national and provincial public entities, 36% of the major public entities and government business enterprises, 23% of the constitutional institutions and trading entities and 65% of other entities.

Page 35: 2.2 Quality of the annual performance reports

Auditees are required to measure their service delivery against the performance indicators and targets set for each of their predetermined performance objectives and report on it in the annual performance reports. We audit the annual performance reports to determine whether the information in these reports is useful and reliable. In the audit report, we reported findings from the audits that were material enough to be brought to the attention of the users of the annual performance report...

In total, 16 (53%) of the departments of education, health and public works and 82 (62%) of the 133 other national and provincial departments did not achieve 20% or more of their planned performance targets. The 41% of public entities that did not achieve 20% or more of their planned performance targets constitutes a regression of 6% from 2011-12.

Page 43: 3.2 Supply Chain Management

We tested 6 303 contracts (with an approximate value of R75,5 billion) and 19 959 quotations (with an approximate value of R3 billion), referred to as awards in the rest of the report. We tested whether the prescribed procurement processes had been followed to ensure that all suppliers are given equal opportunity to compete and that some suppliers are not favoured above others ...

Overall, there has been no progress with reducing the number of auditees with audit findings (284 auditees compared to 286 in the prior year)...

In total, we could not audit awards with a value of R3 billion at 49 auditees (11% of auditees) that could not provide us with evidence that awards had been made in accordance with the requirements of SCM legislation. We had encountered similar limitations at 17 of these 49 auditees (35%) in the previous year...

Consolidated general report on the national and provincial audit outcomes of 2012-13

At 53 (33%) departments and 18 (6%) public entities awards were made to employees and family members of employees and there was no significant overall reduction in the number of instances of such awards. Although such awards are not prohibited by current legislation, it is of concern that no progress was made in addressing the lack of financial interest declarations made by the employees and suppliers...

Overall, there was not a significant reduction from the previous year in the number of auditees with findings on uncompetitive or unfair procurement processes. The number of departments with repeat findings on uncompetitive or unfair procurement processes was 111 (68%) and the number of public entities with repeat findings was 92 (32%)...

The overall level of contract management findings remained unchanged as only 11 departments addressed the prior year findings in this focus area while nine additional public entities had findings. The most common findings were: (i) No or inadequate contract performance measures and monitoring (ii) contracts amended or extended without proper approval...

Auditees should put in place adequate SCM controls to ensure compliance with legislation and to prevent irregularities in their procurement processes. Overall, the number of auditees with inadequate internal control deficiencies did not improve significantly from the 2011-12 financial year.

The most common findings were: (i) Employees that performed additional remunerative private work that had not been approved and (ii) no or inadequate actions taken to address SCM risks identified.

Page 45: Performance Management

In order to improve the performance and the productivity of staff, the leadership should set the correct tone by implementing sound performance management processes, evaluating and monitoring performance, and consistently demonstrating that poor performance has consequences.

It is of concern that the following most common findings on performance management indicate that a culture of performance is not yet entrenched: Senior managers at 39 auditees (9%) did not have performance contracts or their contracts had not been signed early enough in the financial year. In addition, 15 heads of departments (9%) and 65 CFOs (14%) did not have performance contracts.

Consequences for transgressions

In accordance with legislation, the failure to comply with legislated obligations and responsibilities, and the occurrence of unauthorised, irregular, and fruitless and wasteful expenditure (UIFW) should be investigated as it could constitute financial misconduct by accounting officers or officials.

There are clear responsibilities for steps to be taken in response to possible financial misconduct and to follow up on the expenditure. In total, 20% of auditees had findings on material non-compliance with legislation that required investigations to be conducted into all allegations of financial misconduct made against officials and 12% of auditees did not comply with the prescribed disciplinary steps against officials who made or permitted UIFW.

The lack of consequences could create an environment where transgressions will continue.

Consolidated general report on the audit outcomes of local government MFMA 2012-13

Local government consists of 278 municipalities and 62 municipal entities.

Overview

Eastern Cape: Improved to clean audit (1)

Free State: No clean audits **Gauteng:** Retained clean audit (2) & Improved to clean audit (1)

KwaZulu-Natal: Retained clean audit (4) & Improved to clean audit (7)

Limpopo: No clean audits **Mpumalanga:** Retained clean audits (2)

Northern Cape: Improved to clean audit (1) **North West:** No clean audits

Western Cape: Retained clean audits (5) & Improved to clean audits (7)

Total: Retained clean audits (13) & Improved to clean audits (17). That's 30 out of 340 (278 plus 62) or 8.8%. In the context of a PeP this translates into a huge "sin bin!"

Consolidated general report on the national and provincial audit outcomes of 2012-13

Page 36: Unauthorised expenditure

Unauthorised expenditure is expenditure by departments that was not made in accordance with the approved budget. Figure 16 reflects the three-year trend in unauthorised expenditure, which shows little improvement.

The provincial departments of education and health accounted for the majority (68%) of unauthorised expenditure in 2012-13 (2011-12: 89%). The number of departments incurring such expenditure (20%) increased overall from 25 to 32 due to 11 departments that prevented recurrence, but 18 additional departments incurring unauthorised expenditure in 2012-13 did not have such expenditure in 2011-12.

Irregular expenditure

Irregular expenditure is expenditure that was not incurred in the manner prescribed by legislation. Such expenditure does not necessarily mean that money had been wasted or that fraud had been committed. However, it is a measure of an auditee's ability to comply with legislation relating to expenditure and procurement management.

Figure 17 shows the three-year trend which reflects high levels at departments with some improvement, but public entities more than doubled their irregular expenditure in the past year.

Although irregular expenditure showed no significant movement over the past year, 10 auditees incurred a total of R8,3 billion more than they did last year, while 25 auditees incurred R8,2 billion less than they did last year. In total, 294 auditees (65%) incurred irregular expenditure, 240 of which (82%) also had such expenditure in the previous year. Only 44 auditees prevented recurrence. The main contributor to irregular expenditure remains non-compliance by auditees with legislation on SCM.

Consolidated general report on the national and provincial audit outcomes of 2012-13

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and that could have been avoided had reasonable care been taken. Figure 18 reflects the three-year increasing trend in such expenditure. Four provincial departments contributed significantly (R1,3 billion) to the 43% increase from the previous year. Such expenditure was incurred by 227 (50%) auditees, which represents a reduction of 4% for departments and a reduction of 2% for public entities.

OVERVIEW NATIONAL DEPARTMENTS, PUBLIC ENTITIES & LOCAL GOVERNMENT

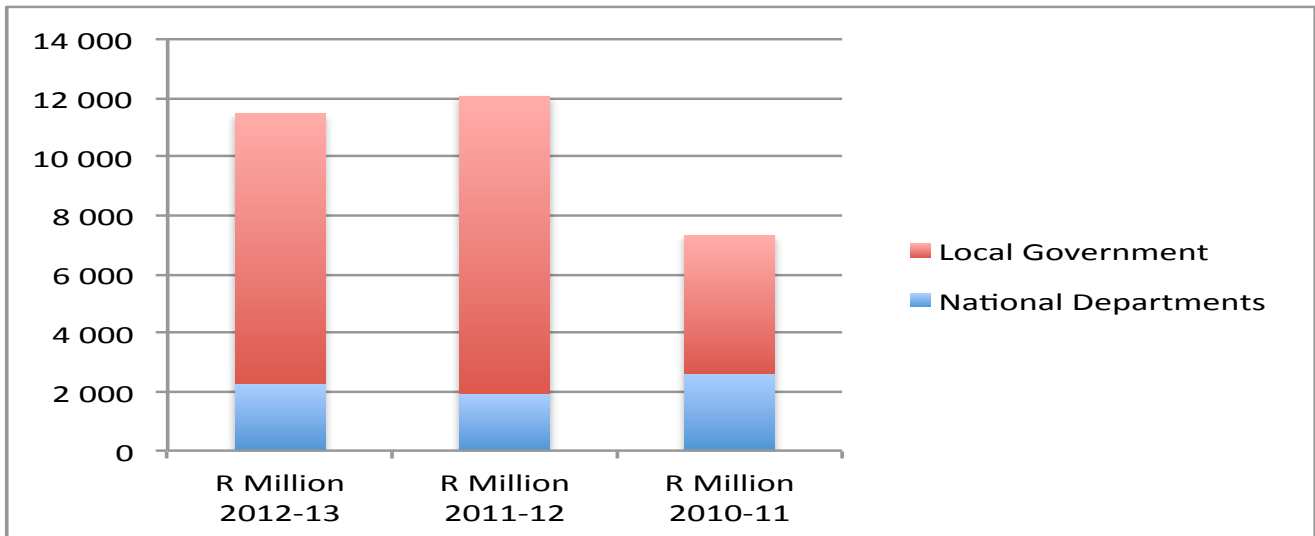
| Unauthorised Expenditure | R Million 2012-13 | R Million 2011-12 | R million 2010-11 |
|--------------------------|-------------------|-------------------|-------------------|
| National Departments | 2 284 | 1 952 | 2 641 |
| Local Government | 9 195 | 10 110 | 4 680 |
| Total | 11 479 | 12 062 | 7 321 |

| Irregular Expenditure | R Million 2012-13 | R Million 2011-12 | R million 2010-11 |
|-----------------------|-------------------|-------------------|-------------------|
| National Departments | 20 597 | 22 234 | 16 514 |
| Public Entities | 5 782 | 4 342 | 2 645 |
| Local Government | 26 112 | 20 666 | 9 418 |
| Total | 52 491 | 47 242 | 28 577 |

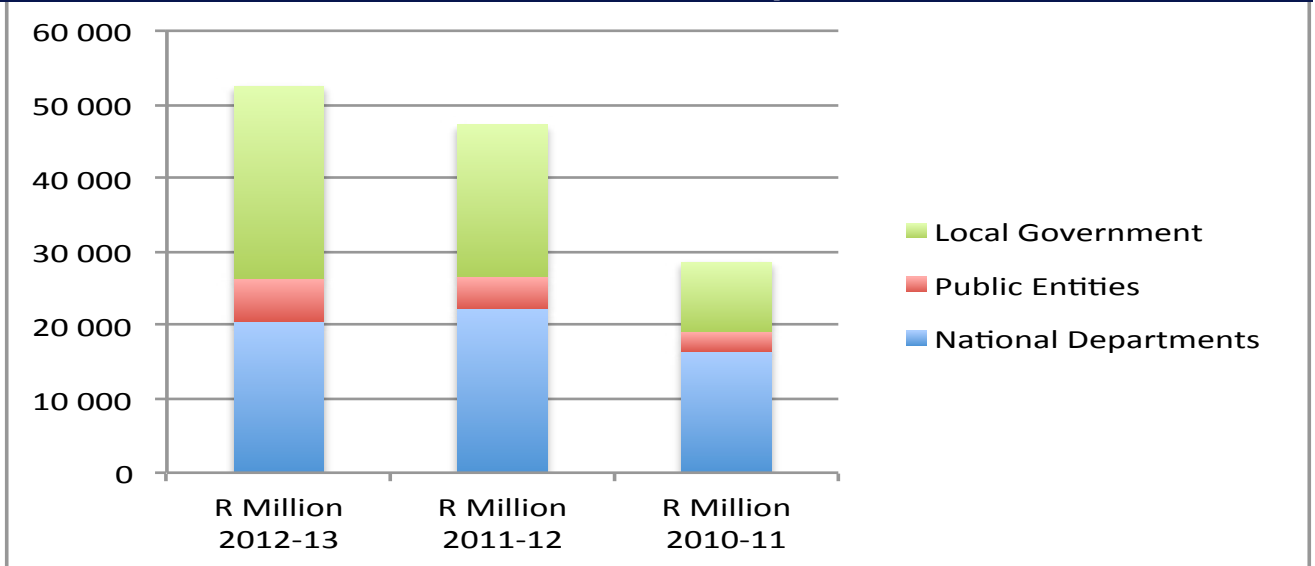
| Fruitless & Wasteful Expenditure | R Million 2012-13 | R Million 2011-12 | R million 2010-11 |
|----------------------------------|-------------------|-------------------|-------------------|
| National Departments | 1 843 | 875 | 1 031 |
| Public Entities | 290 | 610 | 269 |
| Local Government | 815 | 623 | 273 |
| Total | 2 948 | 2 108 | 1 573 |



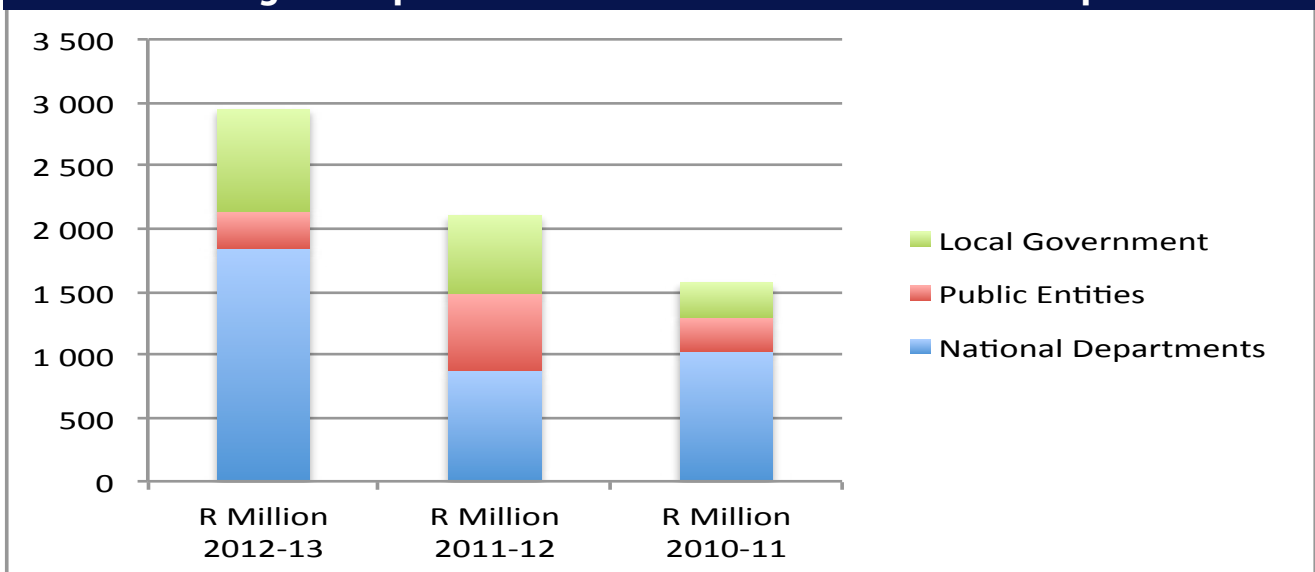
Performance Audits assess inter alia, the attainment of SMART objectives.



Above: Unauthorised Expenditure

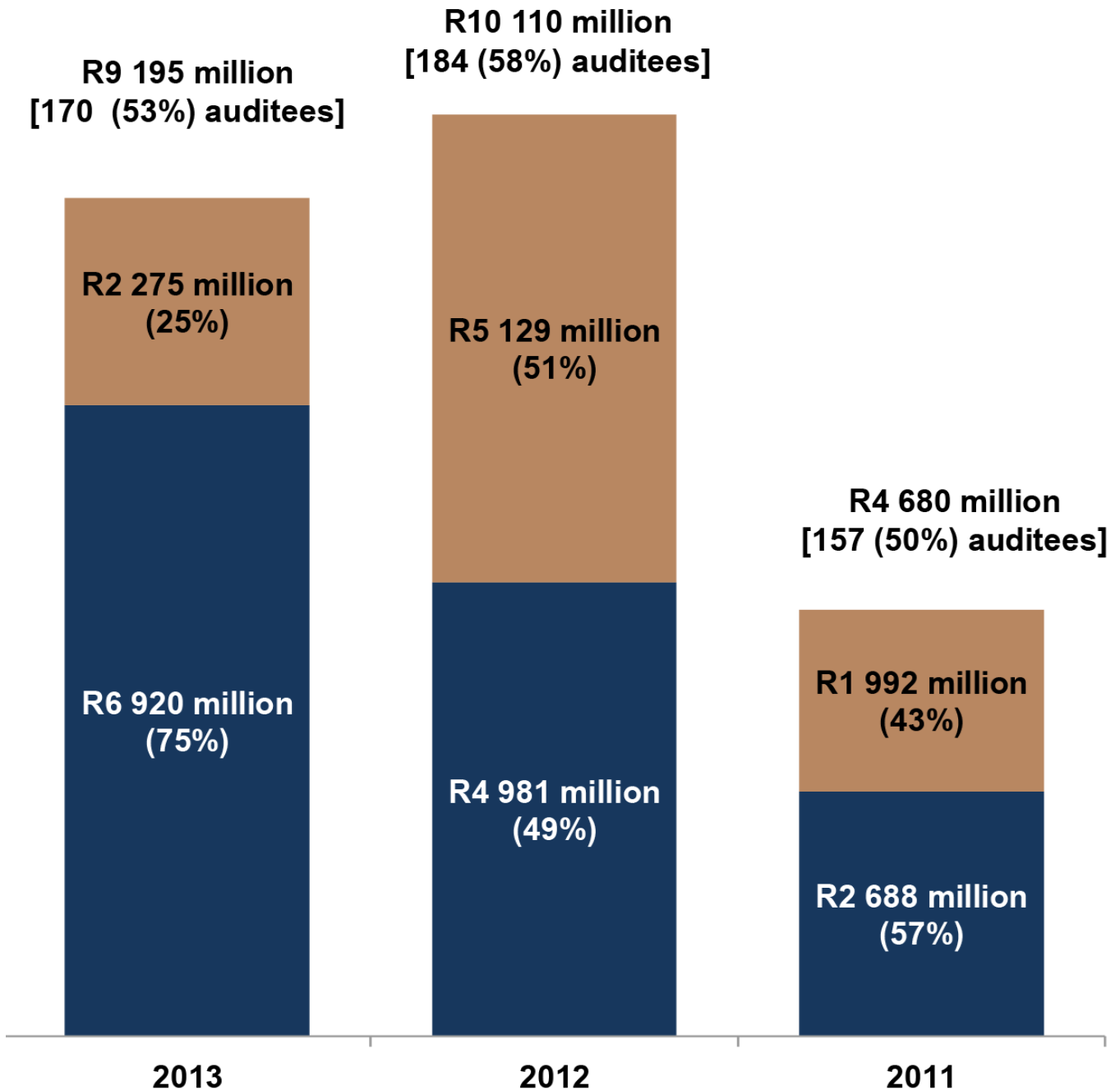


Above: Irregular Expenditure Below: Fruitless & Wasteful Expenditure



Consolidated general report on the audit outcomes of local government MFMA 2012-13

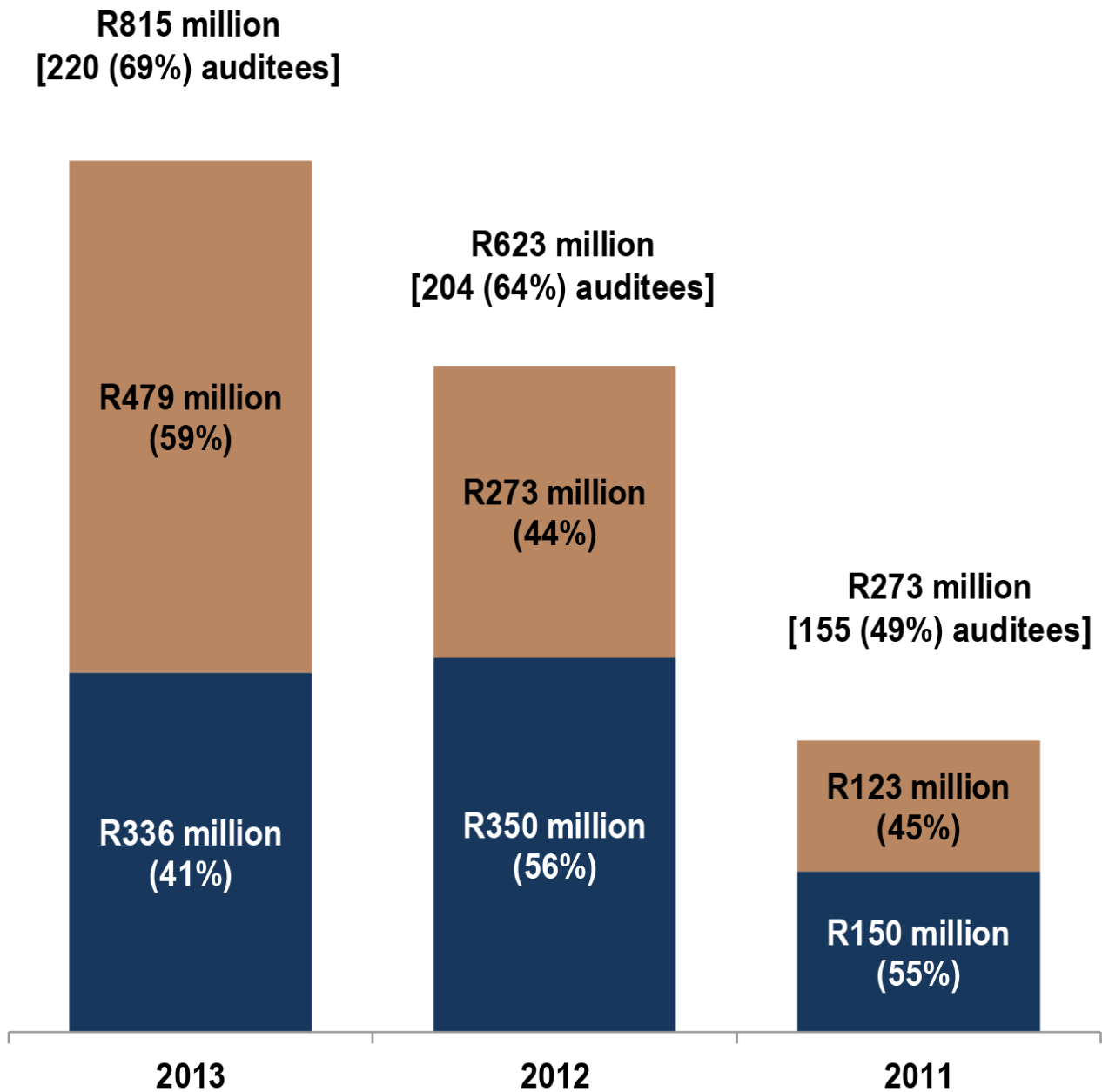
Figure 5: Auditees incurring unauthorised expenditure



Identified by auditees

Consolidated general report on the audit outcomes of local government MFMA 2012-13

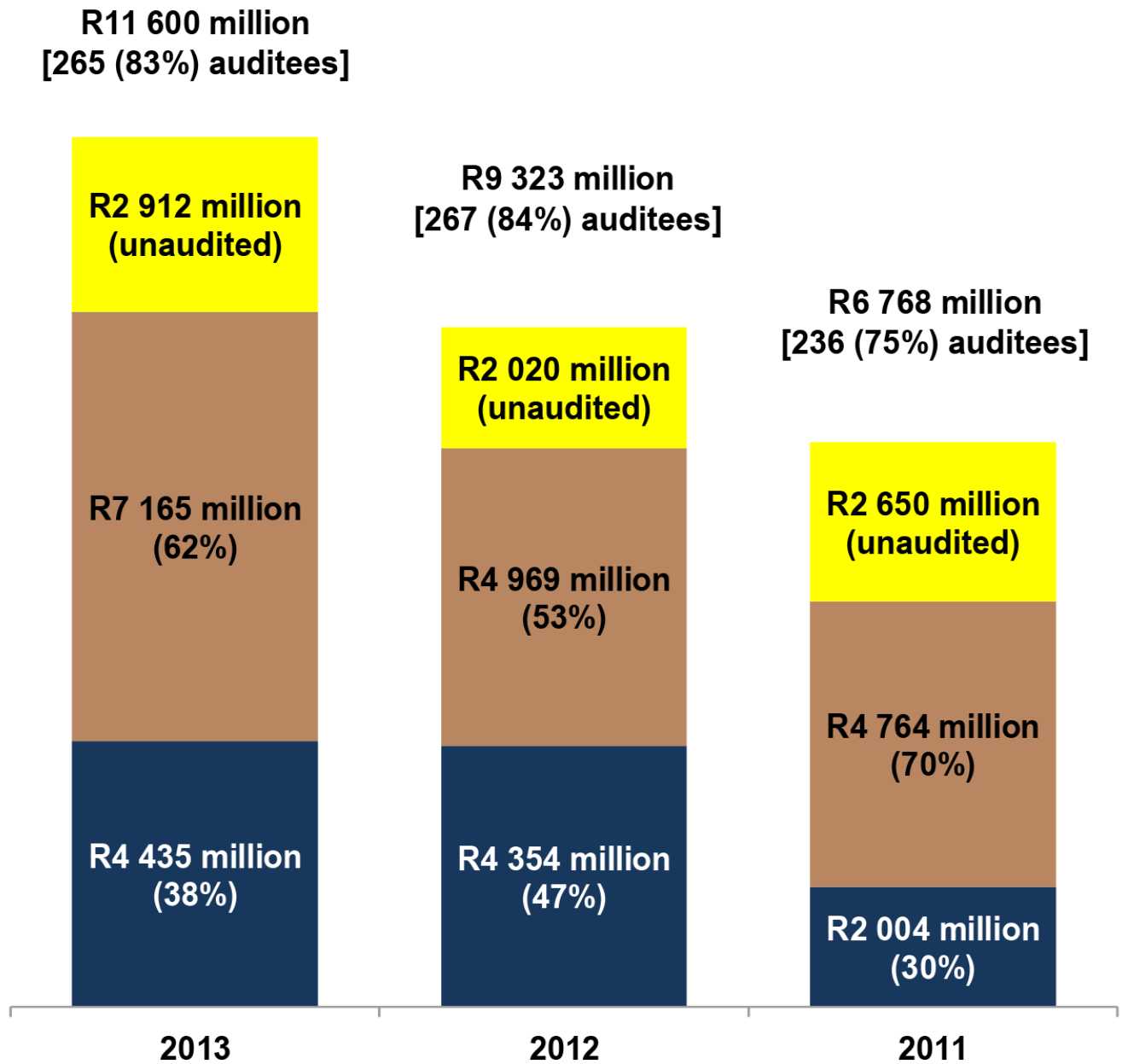
Figure 9: Auditees incurring fruitless and wasteful expenditure



Identified during audit

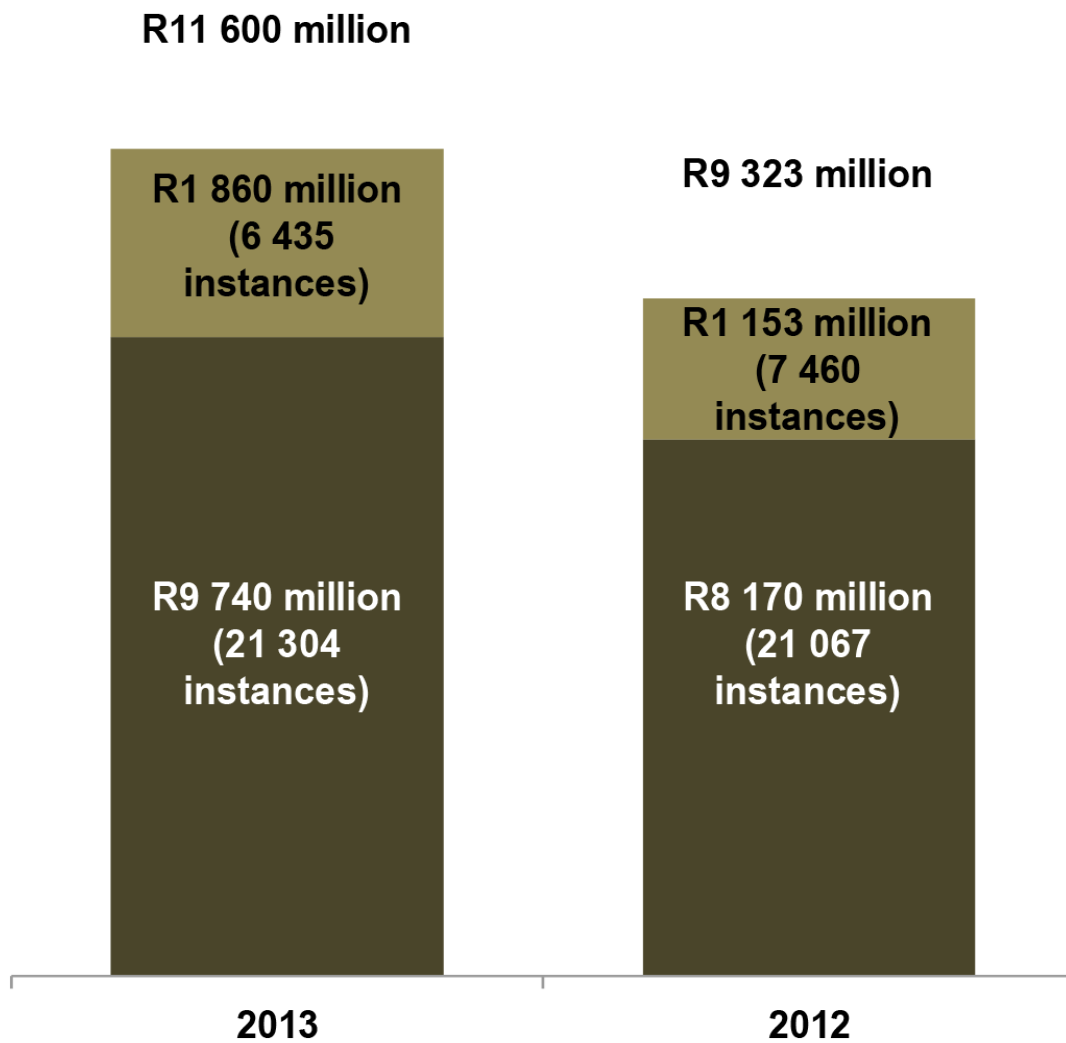
Consolidated general report on the audit outcomes of local government MFMA 2012-13

Figure 7: Auditees incurring irregular expenditure



| | | |
|------------------------|-------------------------|---|
| Identified by auditees | Identified during audit | Limitation (awards not audited and excluded from total) |
|------------------------|-------------------------|---|

Figure 8: Prior year irregular expenditure identified in the current year



Incurred in current year

Incurred in prior years -
identified in current year

Auditor General's Findings / Recommendations

Set out below are the assessed root causes of the audit findings. The recommendation of a detailed action plan falls outside the scope of an audit however the extent of maladministration is clear as is the responsibility of the executive to effect change.

Consolidated general report on the national and provincial audit outcomes of 2012-13

4.2 Summary of root causes

Our audits included an assessment of the root causes of audit findings, based on identifying the internal controls that failed to prevent or detect the error or non-compliance. These root causes were confirmed with management and shared with the accounting officer and the executive authorities in the management report. We also included the root causes of material findings reported as internal control deficiencies in the audit report, classified under the key drivers of leadership, financial and performance management, or governance.

As reported in section 2, many auditees did not receive a clean audit opinion as their financial and performance reports were of a poor quality and they had high levels of non-compliance with legislation. The information that follows summarises the three most common root causes of the audit outcomes and provides recommendations to address the root causes.

Slow response by management in addressing the root causes of poor audit outcomes

Detail of root cause

We identified the slow response by management (accounting officers/authorities and senior management) to our messages about addressing the root causes of audit outcomes as a root cause of poor audit outcomes at 62% of the auditees that did not receive clean opinions. As shown in section 4.1 we found that the key controls at more than half of the auditees were not in place to support quality financial statements and annual performance reports and compliance with legislation. Role players such as the executive and coordinating institutions can positively contribute to an auditee's control environment. However, it is the responsibility of accounting officers and senior management to design and implement the controls and to ensure that they work effectively and consistently. As discussed in section 5, the accounting officers and senior management also did not provide the level of assurance required.

The status of the key controls is assessed on a quarterly basis and discussed with the accounting officers and key senior management officials. We specifically audit the risk areas annually. We report all our audit findings to them in a management report that includes the root causes of the findings and our recommendations. Our message and their delivery have been consistent for a

number of years, but management's slow response to this message is hampering improvements in audit outcomes.

In our assessment, the slow response is more prevalent at public entities (65%) although it also has been identified as root cause at 58% of departments.

Recommendations

The following actions should be taken to address the root cause:

- Accounting officers and authorities should view the AGSA, internal audit units, audit committees and the risk management function as important partners in fulfilling their legislated responsibilities. Attention should be given to the reports of these assurance providers and there should be regular interactions with them.
- Accounting officers and authorities should ensure that senior management has action plans in place to address the internal control deficiencies identified by our reports as root causes of audit findings. The action plans should focus on the root causes of audit outcomes and not only on addressing specific findings, as this would prevent new or similar findings in future. Accounting officers and authorities should monitor implementation of the plans.
- Executive authorities should hold accounting officers responsible for control weaknesses that are not addressed as it is an indication of neglect of their legislated duty to ensure there are effective, efficient and transparent systems of financial and risk management and internal control. In turn, accounting officers should ensure that senior managers fulfil their duties and address any negligence in this regard.
- The treasuries should intensify their current initiatives to support departments in improving their controls through guidance, interactions, capacity building and monitoring. Both treasuries and the departments responsible for public entities should give similar support to public entities where it is apparent that the slow response by management in this regard is as a result of inadequate capacity and skills at management level.

Lack of consequences poor performance and transgressions

Detail of root cause

We identified a lack of consequences for poor performance and transgressions to be a root cause of poor audit outcomes at almost 59% of the departments and 45% of the public entities that did not receive clean audit opinions.

Leaders and officials that deliberately or negligently ignore their duties and disobey legislation should be decisively dealt with through performance management and by enforcing the legislated consequences for transgressions.

If they are not held accountable for their actions, the perception is created that such behaviour and its results are acceptable and tolerated.

The 2012-13 audits again confirmed weaknesses in the performance management of senior management. There were also weaknesses in dealing with allegations of financial misconduct or investigations into unauthorised, irregular as well as fruitless and wasteful expenditure. The low level of action in response to the high levels of non-compliance, poor audit outcomes, SCM transgressions and unauthorised, irregular as well as fruitless and wasteful expenditure clearly shows a lack of consequences for transgressions. Section 3.3 includes more information in this regard.

Recommendations

The following actions should be taken to address the root cause:

- Accounting officers and authorities should ensure that non-compliance findings are investigated to determine whether there are indicators of financial misconduct or misconduct in the SCM processes, then disciplinary hearings should be held where misconduct was confirmed. All unauthorised, irregular as well as fruitless and wasteful expenditure should also be investigated timeously to determine whether such expenditure should be recovered from the responsible official.
- In order to improve the performance and productivity of officials, the leadership should set the tone by implementing sound performance management processes, evaluating and monitoring performance, and consistently demonstrating that poor performance has consequences.
- Accounting officers and authorities, executive authorities and senior managers should demonstrate the importance of integrity and ethical values through actions and behaviour, and establish expectations for standards of conduct. The leadership should also ensure that they identify deviations from expected standards and address these in a timely manner.

Instability or vacancies in key positions

Detail of root cause

We identified instability and vacancies in key positions to be a root cause of poor audit outcomes at 39% of the auditees that did not receive clean audit opinions. As discussed in section 3.3, the overall vacancy rates at auditees remain high and in our view the vacancies and instability at the level of accounting officer, CEO and CFO are affecting the rate at which audit outcomes improve. In our assessment, the impact of instability and vacancies is affecting audit outcomes at 48% of departments and to a lesser degree of public entities at 34%.

Recommendations

The following actions should be taken to address the root cause:

- Executive authorities should appoint accounting officers in the departments where there are still vacancies and should endeavour to retain accounting officers in their positions for the

period of their contract. Accounting authorities should commit to the same for CEOs and particular attentions should also be paid to the appointment and retention of CFOs.

- Offices of the premier, the department of performance monitoring and evaluation, the treasuries and the departments responsible for the public entities should monitor vacancies and retention in key positions and provide support where needed.

Recommended Intervention

The findings and recommendations of the Auditor General, that are presented above, highlight the reasons why service delivery and corruption have been in the spotlight for a number of years. Wasteful expenditure is rampant and little is being done to address the problem. Financial and performance mismanagement are the norm. The status quo is nothing short of a massive blow to expectations. Audit findings, as shocking as they are, are neither contested nor seen to be controversial. There is relatively no accountability and it would seem that the audit reports are seen as the end of an annual cycle. That there is an obligation to take corrective action is largely ignored. Reports are filed and the new financial year rolls on with little incentive for change. All too often the attitude of the executive is to wait for a change in leadership rather than to tackle the job of improving service delivery performance & financial management.

What's right is that it is time for coordinated and decisive action. Success will require buy-in and the collaboration of many. For this to be actioned a plan needs to be finalised. It is time to go beyond reports, recommendations and advice. Transgressors needed to be sent to a "PeP parking lot or sin bin" whilst due HR processes are actioned. Executive managers needed to be appointed to effect change. These change agents need to have the full support of the political leadership and the executive heads that remain, need to be seen to be actively working towards clean performance and budget execution reports. A budget execution efficiency dividend of billions is possible.

The recommended action plan is a PeP as described in this book and which has been summarised in the infographic chart presented on the two pages that follow. The infographic is available as a print ready Adobe PDF file download at www.pcpe.club Certainly the plans will need to be customised to suit the circumstances of each under performing Department or Public Entity. Given the extent of the problem a national task team needs to be appointed that must be charged with training executives in the Departments and Public Entities and which must be mandated to step in, should currently appointed executives, not deliver immediate progress.

Each MTEF allocates budget funding to new objectives. We have a desperate need; a phased, viable and verifiable project to enhance budget execution. A difference can be made and if a PeP is actioned it will reward the country with enhanced service delivery. Certainly, it's needed!

People Centred Performance Enhancement

**Pe
VISI**

**OUR VISION OF A NEW FUTURE
IT GIVES MEANING AND PURPOSE
WE ACTIVELY COLLABORATE TO
EXPLORE ALL POSSIBILITIES WITHIN**

- KEEP IT FOCUSED ON AN ENVISIONED FUTURE**
1. Crisp, Clear & Real: Keep It Short , Understood & Give It Meaning
 2. Aligned: People, Ops, Funding, Culture & Strategy
 3. Detailed: Envisioning Suggests Detail

1

PeP CHAMPION - COOPERATION

1. War Room: Record & Share Outcomes
2. Project Management: Actively Manage
3. Ops Mgt Unit: Optimise Administration

**PeP
3x3**

STRAT

**OUR STRATEGY IS CLEAR & FOCUSED
COLLABORATIVE PROJECTS
ALL CONTRIBUTE AND THE TEAM
HOW WE TOGETHER
DELIVER THEM**

STRATEGY DRIVERS

1. Wall Paper: Keep It Short & Understood
2. Scorecards: Keep It Measured/Monitored
3. Execution: Crowd Support & Buy-In

1

STRU

1. Centralise for Cost
2. Decentralise for Flexibility
3. Mix It to Turbo Charge

2

PEOPLE

**MY JOB HAS MEANING & AUTHORITY
BOUNDARIES, I MANAGE IT'S
BUDGET, I'M CELEBRATED
TRAINED, REWARDED
& I REPORT DEVIATIONS
FROM PLANNED OUTPUT
ASAP**

RESPONSIBLE

1. Task Maps & SLA's
2. What Maps Delegations Instructions
3. Meaning

1

EMPOWERED

1. Skills Audit
2. How Video Prod. Unit
3. Training is everyone's Business

2

ACCOUNTABLE

1. Timeliness
2. Accountability
3. Rewards

3

OPERATIONS

**MY OUTPUT IS MEASURED AND THE IMPACT &
WORK PROCESSES THEREOF ARE ASSESSED.
& I DO THEM I.T.O. A SYSTEM
& DYNAMIC POLICIES**

**SYSTEMS
"The When"**

1. Supportive
2. Operational
3. Utilised

1

**PROCESSES
"The What"**

1. Mapped
2. Displayed
3. "As Is" & "To Be"

2

**POLICIES
"Guidelines"**

1. Trusted
2. Support Innovation
3. & Standards

3

HOW FUTURE GUIDES US
FROM PURPOSE TO WHAT WE DO
AND DISCUSS ENVISIONED
WITH DIVERSE EXPERTS

COORDINATES & ASSESSES
Inputs, Impact & Outcomes
Align, Monitor & Manage Phases
/Intervene, Mobilise & Strategise

2

COMMUNICATION - SNAPSHOT REPORTING
1. Fuel Gauge: We have the required resources and inputs
2. Speedo: Our outputs, impact and outcomes are on track
3. Rev Counter: We meet Regulatory Authority Requirements

3

STRATEGY

IS THE RESULT OF A
PROCESS TO WHICH WE
FULLY UNDERSTAND
TOGETHER WILL
THE VISION

STRUCTURE
Fast / Benefit Gains
Fast Decision Making
Large Transformation

2



LEADERSHIP
1. When needed: Be Authoritarian
2. When Needed: Be Participative
3. If Possible: Keep It Self Directed

3

FUNDING
WE BUDGET FOR WHAT IS DONE & NOT DONE
WE ACTIVELY ALIGN FUNDING WITH OUR
VISION & STRATEGY AND WE
ACCOUNT FOR BOTH VOLUMES
& VALUES WITHIN A
MULTI YEAR TIMEFRAME

CULTURE
I AM PART OF A TEAM THAT PROMOTES
WHAT'S RIGHT VS WHO. IT'S MY JOB TO
SUPPORT, TRAIN & INNOVATE.
I RESPECT PERSONALITY
& DIVERSITY DIFFERENCES
PLUS WE DO NOT TOLERATE
CORRUPTION

BUDGET FORMULATION
1. Base 80
2. Strategy Focused
3. Top/Down Bottom/Up

1

BUDGET EXECUTION
1. Supply Chain
2. Commitment Accounting
3. Delegated Spend Auth.

2

BUDGET REPORTING
1. Vol's & Val's
2. Daily & Mthly Acc'ing
3. Multi Yr Focus

3

ATTITUDE
1. Team ID / Uniforms
2. What's Right Not Who
3. It's My Job

1

PERSONALITY
1. Profiling
2. No stripes Leadership
3. The Value of Diversity

2

CORRUPTION
1. Prevention
2. Detection
3. Reaction

3

People Centred Performance Enhancement

The Secret Behind Building A Successful Performance enhancement Programme (PeP)

Ms. Brigitte Mabandla Minister for Justice and Constitutional Development addressed the National Assembly in the South African Parliament on 20 May 2005 after a Performance Enhancement Programme succeeded in delivering results thought by many to be impossible.

“Honourable Members, Last year the Department obtained, for the first time ever, an Unqualified Audit on its vote account in respect of the 2003/04 financial year. This was an exciting moment because it had never been done in the history of the Department. This major achievement was made possible by the commitment and dedication of the former Director-General, Adv. Vusi Pikoli; the CFO Alan Mackenzie and all the staff. For this I salute and thank them.” Ms. Brigitte Mabandla Minister for Justice and Constitutional Development

The PeP is about aligning and integrating the basics

Vision

Vision: **Crisp, Clear & Real** | **Aligned** | **Detailed**

PeP Champion: **War Room** | **Project Mgt** | **Ops Mgt Unit**

Communication: **Fuel Gauge** | **Speedo** | **Rev Counter**

Strategy

Strategy: **Wall Paper** | **Scorecards** | **Execution**

Structure: **Centralised** | **Decentralised** | **Mixed**

Leadership: **Authoritarian** | **Participative** | **Self Directed**

People

Responsible: **Task Mapping & SLA's** | **What: Delegations & Instructions** | **Meaning**

Empowered: **Skills Audit** | **How, Video Production Unit** | **Training is Everyone's Business**

Accountable: **Timeliness** | **Accountability** | **Rewards**

Operations

Systems: **Supportive** | **Operational** | **Utilised**

Processes: **Mapped** | **Displayed** | **“As Is”/“To Be”**

Policies: **Trust** | **Innovation** | **Standardisation**

Funding

Budget Formulation: **Base 80** | **Strategy Focused** | **Top Down/Bottom Up**

Budget Execution: **SCM** | **Commitment Accounting** | **Delegated Spend Authority**

Budget Reporting: **Volumes & Values of Service** | **Monthly, Daily etc Accounts** | **Multi Yr Focus**

Culture

Attitude: **Team ID/Uniforms** | **What's Right not Who** | **It's My Job**

Personality: **Profiling** | **No Stripes Leadership** | **The Value of Diversity**

Corruption: **Prevention** | **Detection** | **Reaction**

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