



social development

Department of  
Social Development  
FREE STATE PROVINCE

# **POLICY ON MANAGING PROGRAMME PERFORMANCE INFORMATION**

**Compiled by the Strategic Planning Component  
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## 1. INTRODUCTION

“Performance information indicates how well an organisation is meeting its aims and objectives, and which policies and processes are working” (Framework for Managing Programme Performance Information). Data and knowledge that is specific, measurable, achievable, relevant (reliable) and time-bound (“SMART”) is critical to improving the performance of government (and, thus, the Department) as a whole. Performance information is key to effective management, including business planning, monitoring and evaluation. Quarterly and Annual Reports performance information allows for effective accountability. With appropriate information, legislatures, members of the public and other stakeholders can understand underlying issues better and they are enabled to exert pressure for improvements (Framework for Managing Programme Performance Information).

The public sector services’ are vital to the well being and development of the nation. All government institutions, in a quest to be efficient and economical, are required to formulate strategic / annual performance plans; to allocate resources for implementation of plans. By comparing performance against budgets and service delivery plans, managers can assure value for money. Corrective action, if required, can be taken.

Performance information is used to monitor service delivery and its role in the determination of budget allocations will become more and more critical.

## 2. POLICY AND LEGAL REQUIREMENTS

The Constitution (Section 92) stipulates that “members of the Cabinet are accountable collectively and individually to the Parliament for the exercise of their powers and the performance of their functions” and that they must “provide Parliament with full and regular reports concerning matters under their control”. **Section 133 provides for the accountability of members of the executive council (MECs) of a province to the provincial legislature.** Similar arrangements are specified for municipalities in the Municipal Structure Act (1998).

The Public Finance Management Act (PFMA) (1999) and the Public Service Act (1994 as amended), amongst others, has enhanced control over public expenditure and empowered public sector managers. The challenge for the public sector is to use resources in a more efficient way.

The PFMA, Section 40 (4) (c), requires that monthly financial reports must be submitted to the relevant treasury within 15 days of the end of each month. When these monthly financial reports are prepared, the Accounting Officers and managers should also consider performance during the compilation of these reports.

Treasury Regulations, 2005 (Section 5.3.1) requires that the accounting officer of an department / institution establish procedures for quarterly reporting to the executive authority and that he / she should facilitate effective performance monitoring, evaluation and corrective action.

Performance information should be readily available, and with proper systems in place, the Accounting Officer should be able to have a quarterly performance report ready within 15 days after the end of each quarter.

### 3. GOVERNMENT-WIDE MONITORING AND EVALUATION SYSTEM

The Cabinet (in 2004) initiated plans for a monitoring and evaluation system for government, and the Presidency subsequently developed the Government-wide Monitoring and Evaluation Framework.

The Government-wide Monitoring and Evaluation System seeks to enhance systems by describing them and explaining how they relate to each other. The system is composed of three components, namely programme performance information; social, economic and demographic statistics; and evaluations.

### 4. PLANNING, BUDGETING AND REPORTING

The Department is accountable to the elected representative body for planning, budgeting and reporting.

Information from multiple years is considered within government, i.e. plans and budgets for the next year, implementation for the current year and reporting for the last year's performance. Though performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages (Framework for Managing Programme Performance Information).

The following table presents documents associated with each stage and which provide relevant performance information for national and provincial departments and public entities:

<b>Accountability cycle</b>	<b>Accountability Documents</b>	<b>Performance Information</b>
Policy development	<ul style="list-style-type: none"> <li>• Policy documents</li> <li>• Explanatory memoranda</li> </ul>	<ul style="list-style-type: none"> <li>• Identify baseline information informing policy</li> <li>• Set out desired effect of policy</li> </ul>

<b>Accountability cycle</b>	<b>Accountability Documents</b>	<b>Performance Information</b>
Strategic Planning	<ul style="list-style-type: none"> <li>• Strategic Plans</li> </ul>	<ul style="list-style-type: none"> <li>• Indicate outputs to be produced</li> <li>• Specify performance indicators</li> </ul>
Annual Performance Planning and Budgeting	<ul style="list-style-type: none"> <li>• (Annual) Performance Plans</li> <li>• Budgets</li> <li>• Performance agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Set performance targets</li> <li>• Indicate available resources</li> <li>• Allocate responsibilities</li> </ul>
Implementation and in-year reporting	<ul style="list-style-type: none"> <li>• Monthly budget reports</li> <li>• Quarterly performance reports</li> </ul>	<ul style="list-style-type: none"> <li>• Report progress with implementation of plans and budgets</li> </ul>
End-year reporting	<ul style="list-style-type: none"> <li>• Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Report on performance against plans and budgets</li> </ul>

Performance information reported in accountability documents enables Parliament, provincial legislatures and the public to track government performance, and to hold it accountable. Managers need performance information so that they can adopt a results-based approach to managing service delivery. The need to focus on desired results in order to achieve results.

## **5. DEVELOPMENT AND ROLE OF PERFORMANCE INDICATORS**

Performance information is of limited value if it is not used to identify service delivery and performance gaps, to set targets and to work towards better results. Appropriate indicators depend on the mandate of a department.

There are six steps in the development of suitable performance indicators:

- Agree on what are to be achieved.  
Ask: What is the problem that you seek to remedy? What is the solution? What will society look like if desired changes could be effected? It will enable the department to define a clear set of outcomes and impacts (strategic goals and objectives) and which can (need to) be defined in measurable terms.
- Decide what is needed to “deliver”  
Specify outputs, activities and inputs. The choice of outputs needs to take into account who will be affected by the intervention. Consider practicability of intervention and the relative costs of different courses of

action. It is also important to assess the effectiveness of the chosen intervention.

- Select the most important indicators  
“There is no need to measure every aspect of service delivery and outputs. Fewer measures may deliver a stronger message” (Framework for Managing Programme Performance Information). Focus on critical inputs, activities and key outputs. **The data of chosen indicators needs to be readily available.**
- Set realistic performance targets  
Effective performance management requires realistic, achievable targets that challenge the institution and its staff. Targets should be set with reference to previous and existing levels of achievement (i.e. current baselines) and realistic forecasts of what is possible. Where targets are set in relation to service delivery standards it is important to recognize current service standards and what is generally regarded as acceptable. Performance targets will indicate what will be achieved if current policies and expenditure programmes are maintained. It will be instrumental in the comparison of performance at regular intervals. Evaluations of the appropriateness of current policies and expenditure programmes will be facilitated.
- Determine the process and format for reporting performance  
Performance information will only be useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action. “Get the right information in the right format to the right people at the right time” Formats and systems should ensure that the needs of various users are met.
- Establish processes and mechanisms to facilitate corrective action  
Managers need information to take decisions to keep service delivery on track. Managers need to know:
  - What has happened so far?
  - What is likely to happen if the current trends persist, say, for the rest of the financial year?
  - What actions, if any, need to be taken to achieve the agreed performance targets?

Measuring, monitoring and managing performance are integral to improving service delivery.

## **6. ROLES, RESPONSIBILITIES AND TIMEFRAMES FOR ENSURING PROPER PERFORMANCE INFORMATION MANAGEMENT**

Reporting on non-financial information should be emphasized within the department. This information is publicized on a quarterly basis by the National Treasury.

Reporting of performance information should be effected on the following levels:

- Officials responsible for actual service delivery, report their performance to the line manager.
- Line managers report performance of their programme to the CFO of the department and who is responsible to the Accounting Officer of the department.
- Accounting Officer reports on performance to his/her Executive Authority and forward reports to Provincial Treasury and the National Department of Social Development.

The purpose of the Quarterly Performance Reports can be summarized as follows:

- To demonstrate that the Accounting Officer is carrying out his/her responsibilities to implement the department's strategic and annual performance plan and budget and to ensure the effective, efficient, economical and transparent use of departmental resources in the delivery of services.
- To keep the Executive Authority informed on the progress made with the department's plans (as well as expenditure) and to indicate that he/she is able to take pre-emptive action to ensure that plans remain on track.
- To enable the relevant treasury to discharge their obligation "to promote and enforce transparency and effective management.

## **7. THE ROLE OF PERFORMANCE INFORMATION**

Performance information is integral to a range of processes across government that seeks to manage and improve service delivery. The role of performance information is critical when it comes to the development of policies and planning, holding departments and individuals in government accountable. Its role in performance management is paramount.

Performance information shows how well the government is performing in relation to the standards and service delivery objectives set out in The Bill of Rights and elsewhere in the Constitution. Knowing this enables the government to develop appropriate policies to improve its performance. Similarly, performance information measures the success or otherwise of the government's existing policies and programmes. Policy-makers are therefore able to take informed decisions about the continuation, modification or abandonment of existing policies and programmes.

Performance information needs to inform the development of all departmental plans, and is used to monitor the implementation of those plans. The planning of government is hierarchical in nature, cascading priorities down through departments to an individual's responsibilities.

While planning tends to be a top-down process, it needs to be informed by bottom-up flows of performance information. Monitoring the implementation of plans also requires bottom-up flows of performance information.

## **8. RESPONSIBILITIES**

Executive authorities (Ministers, MECs and Mayors) are accountable to Parliament, provincial legislature and municipal councils, and should provide these institutions with full and regular reports concerning matters under their control. They should ensure that departments/municipalities under their control set up appropriate performance information systems so that they are able to fulfil their accountability reporting responsibility. They should oversee such systems to ensure that they are functioning optimally and comply with the Performance Information Management Framework and other related standards and guidelines.

Accounting officers is accountable for establishing and maintaining systems to manage performance information. Their performance agreements should reflect these responsibilities. They should be assisted by chief information officers, and they must ensure appropriate capacity within the department i.r.o. the management of performance information.

Line managers are accountable for establishing and maintaining the performance information processes and systems within their area of responsibility. Their performance agreement must reflect these responsibilities.

Officials are responsible for capturing, collating and verifying performance data related to their activities. The integrity of the institution's overall performance depends on how conscientiously they fulfil these responsibilities. Consequently, their performance agreements and assessments should deal explicitly with the quality of this aspect of their work.



The following action steps including responsibilities and timeframes are necessary to ensure that the performance information management process is properly executed in line with requirements. The action steps are based on ensuring proper programme information practises in both the compilation of quarterly reports as well as the compilation of the departmental annual report. With regard to the latter the action steps focus on the part in the Annual report which deals specifically with performance information management.

## 8.1 QUARTERLY REPORT

	<b>Responsibility</b>	<b>Time frame</b>
Determine information needs, develop reporting formats and facilitate implementation (common understanding) of reporting formats (establish needs/inputs for reports).	Strategic Planning Component (Monitoring, Evaluation and Reporting Unit)	Before April 1 <sup>st</sup> , annually.
Disseminate quarterly reporting templates to all Districts, Programme and Sub-programme managers.	Strategic Planning Component (Monitoring, Evaluation and Reporting Unit)	Three weeks before end of each quarter
Capture, collate and check performance data related to activities (statistics / data and source documents)	Officials and Supervisors	Daily basis
Gather information and populate reporting template and compile a Narrative Report on deviations.	District and Sub-programme Managers (Provincial Office).	Two weeks before end of each quarter
Convene quarterly review sessions in each district to "finalize" quarterly reports and to validate actual information reported for the previous quarter	Strategic Planning Component (Monitoring, Evaluation and Reporting Unit)	Last week of each quarter
Submission of reports to Programme Managers for verification and sign-off	District and Sub-programme managers.	1 <sup>st</sup> Day of next quarter
Verify and consolidate Quarterly Reports of Programmes Planning Unit	Programme / Executive Managers	First (1 <sup>st</sup> ) week of next quarter
Convene Quarterly Review Session for Department	Strategic Planning Component (Monitoring,	First (1 <sup>st</sup> ) week of next

	<b>Responsibility</b>	<b>Time frame</b>
	Evaluation and Reporting Unit)	quarter
Executive Managers present their consolidated report for the quarter to the Accounting Officer.	Programme / Executive Managers	First (1 <sup>st</sup> ) week of next quarter
Sign-off and submit Quarterly Reports per Programme to Chief Financial Officer	Programme / Executive Managers	First (1 <sup>st</sup> ) week of next quarter
Consolidate departmental report in QPR Format	Strategic Planning Component (Monitoring, Evaluation and Reporting Unit)	Within two(2) working days
Sign departmental report	CFO	Ditto
Submit final report to Accounting Officer for approval and sign-off	CFO	Ditto
Submit Quarterly Report to Executing Authority	Accounting Officer	Within 15 Days after close of the Quarter
Submit signed-off reports to Provincial Treasury and National Department.	Senior Manager: Strategic Planning and Budgeting	Before/on due date determined by Treasury
Analyze reports and compile report on recommendations and submit to CFO.	Senior Manager: Strategic Planning and Budgeting and Strategic Planning Component (Monitoring, Evaluation and Reporting Unit)	Within three(3) days after submission to Provincial Treasury and National Department
Sign report and submit to Executive Management Committee, Districts, Programme and sub-programme managers.	CFO	Before end of July, October, January and April.

## 8.2 ANNUAL REPORT

	<b>Responsibility</b>	<b>Time frame</b>
Utilise information of all four quarterly reports and compile Annual Report on service delivery	Senior Manager: Strategic Planning and Budgeting and Strategic Planning Component (Monitoring, Evaluation and Reporting Unit)	15 April
Submit reports to Programme managers for verification and sign-off	District and Sub-programme managers.	15 April
Programme managers adds sections on overall programme situation, analysis, signs-off and submit to CFO	Programme Managers	30 April
Editorial Committee, appointed by the Accounting Officer for compiling the overall departmental Annual Report, screen, edit and consolidate departmental report.	Editorial Committee	15 May
Submit report to Accounting Officer for sign-off	Editorial Committee	31 May
Submit report on programme performance information (Part B of Annual Report) to Treasury and Auditor-General	Accounting Officer	15 June
Submit Report on programme performance information (Part B of Annual Report) to Executing Authority	Accounting Officer	15 June

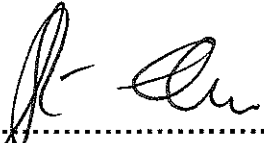
## 9. CONCLUSION

The policy aims at ensuring that the department not only reflects credibility on what was actually achieved, but also ensure that time is put aside to critically and constructively engage on programme performance information. These engagements will not only inform managers on the status of implementation and reasons for deviation, but also provide a platform to put corrective measures in place if necessary. It is also important to note that these exercises will ultimately inform the strategic and annual planning processes within the Department.

## 10. REFERENCES

Guide for preparation of Annual reports 31 March 2006/07  
Provincial Quarterly Performance Reports: Reporting Format, Free State  
Province June 2006  
The Framework for Managing Programme Performance Information May 2007  
Guidelines for the Implementation of Provincial Quarterly Performance Report 01  
April 2007

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