

# Performance Monitoring and Evaluation

*PEMPAL DELEGATION*

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## ***Background on performance information management reforms***

## History of measuring performance

- 2002 – Concept of measurable objectives introduced
- 2005 – Government Wide Monitoring and Evaluation Framework
- 2007 – Framework for Managing Programme Performance Information
- 2009-2010 – 12 National Outcomes
- 2010 – Performance and delivery agreements
- 2011- Departmental Guidelines for Quarterly Performance Reporting
- 2011 – Performance Information Handbook and Tool
- 2011 – Evaluations Framework
- 2014 – Guidelines for Public Entities Quarterly Reporting
- 2014 – 2 additional outcomes to make 14 National Outcomes

## Programme performance information

### Monitoring

- The **Framework for Managing Programme Performance Information** was the first step in assisting institutions to first understand key concepts relating to programme performance information and then craft measurable indicators
- The **Framework for Strategic Plans and Annual Performance Plans** to provide guidance on short to medium term planning, with specific focus on performance information and the alignment between planning, budgeting, monitoring and reporting
- The **Performance Information Handbook and Tool** was also issued to operationalise the (FMPI), providing steps to develop measurable and credible performance indicators

### Evaluations

- Evaluations framework issued by the Department of Planning, Monitoring and Evaluation (DPME) in 2011
- Steering Committee established to review programmes for evaluation
- An evaluation programme issued annually and evaluation reports tabled in Parliament and published on the DPME website
- Expenditure reviews headed by DPME
- Performance dialogues between Departments, DPME and National Treasury

# *Performance information handbook and tool*

## Performance information handbook and tool

### Performance Information Handbook and Tool

- Issued by National Treasury in 2011
- Provides descriptions of approaches and tools institutions can use to manage programme performance information
- Provides guidance to improve the appropriateness, availability and quality of performance information (PI)
- Effective application of PI Tool requires organisation to:
  - understand its functions and structures;
  - customise it to fit organisation's specific requirements; and
  - leave out steps that are not applicable to its' specific environment.

## Performance information framework, system and plan

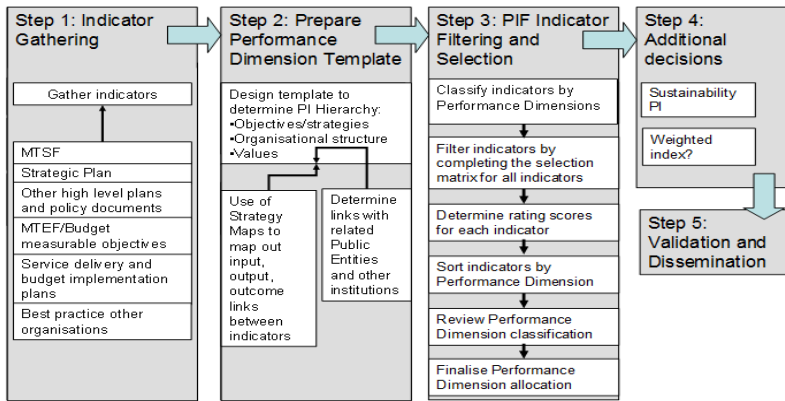
- Intended users of the Handbook are the programme and unit managers who provide input into organisational PI Framework, System, and PI Plan
  - PI Framework: Adds context to any PI system by integrating performance indicators with a community's long term goals
  - PI System: Encompasses the PI framework, processes, structures, and rules that help to gather, store, and use data to produce acceptable targets which can be used in departmental decision making. Used to report on the PI and perform a review of the framework. PI systems are based on methodology outlined in the Handbook
  - PI Plan: Describes an organisation's current PI system and it's medium term strategy to refine the indicators used to measure programme performance, the source data used in constructing indicators, and the use of PI in organisational decision making

## Benefits of using performance information handbook and tool

Tool assists with:

- Performance indicator gathering
- Gathering of all existing and potential indicators - sourced from strategic plans, annual performance plans, delivery agreements, policy documents, and estimates of national expenditure publications
- Sorting of performance indicators
- Indicator filtering and selection
- Provides a scoring and rating method to help decide whether a specific indicator should be used, or needs to be developed further
- Determines whether indicator is SMART (Specific, measurable, achievable, realistic, and time bound); and if indicator is good, average or poor
- Rating of selected indicators through the use of weighted PI index
- Validation and dissemination of PI framework

# Developing a performance information framework



## Performance information excel tool

- Graphic representations and descriptions in handbook are best understood using Excel tool

GOTO Main Menu	Potential Indicator description	Leak no	Strategy/Objective	Structure	Value	Rating - Good, Average or Poor	Indicator rating								
HELP	HELP	HELP	HELP	HELP	HELP	HELP	Specific	Measurable	Attainable	Relevant	Time-bound	Community Satisfaction	Department Influence	Cost effectiveness	
	40 extension officers trained	Capacity building	Greater number of trainees is good	1	Safe/Nutritious Food	Programme	Productivity	Good	OK	Y	Y	Y	Y	Y	Y
	Report on the number of individuals from households trained and goats supplied to them	Increase number of trained and operational goat breeders	Increased number is good	1	Safe/Nutritious Food	Programme	Other	Average	OK	N	Y	N	Y	Y	Y
	2 hatcheries revived	Revive hatcheries	Revive completion is good	1	Safe/Nutritious Food	Programme	Productivity	Average	OK	Y	Y	N	Y	N	Y
	Increased number of communication channels	Count increase	A larger number is an improvement	6	Knowledge/Information	Department	Other	Average	OK	N	Y	N	N	Y	Y

- Excel tool provides step-by-step assistance through steps 1 to 3 of the process to systemise the PI Framework
- Step 4: Weighted index: Decision on the individual indicators that will be included and their respective weights usually needs to be taken a Minister or other senior government official/s who have oversight for the function

[Demonstration of excel tool.xls](#)

# ***Monitoring performance information***

## Strategic goals and plans

### Included in the strategic plan

#### Strategic goals

- Identify areas of institutional performance critical to achievement of legislative mandates, or mission
- Should be realistic and achievable
- Enable assessment of whether impact has been made
- Must be future orientated & indicate where an institution ultimately wants to be with its service delivery/ performance

<b>Strategic goal</b>	Expand access to education and training for the youth
<b>Goal statement</b>	Increase the ratio of young people who are in education, employment and training by 2014/15

## Strategic objectives

### Included in the strategic plan

- Strategic objectives
  - Identified to achieve the set goals, relate to the approved budget programme structure
  - Must set performance targets to be achieved by the end of Strategic Plan period

#### PROGRAMME 5: SKILLS DEVELOPMENT

MANAGEMENT: DDG: SKILLS DEVELOPMENT	
5.1	CD: SETA COORDINATION
5.1.1	D: SETA SUPPORT AND LEARNING PROGRAMMES
5.1.1.1	To provide a dynamic interface between workplaces and learning institutions and to promote quality learning at work and for work
5.1.1.2	To actively promote alignment of skills development outputs to the needs of the workplace and to the broader growth needs of the country's economy
5.1.2	D: SETA PERFORMANCE MANAGEMENT
5.1.2.1	To provide a dynamic interface between workplaces and learning institutions and to promote quality learning at work and for work
5.1.2.2	To steer and support the developmental and internal and external structures and systems that effectively enable the achievement of the National Skills Development Strategy (NSDS) goals
5.1.2.3	Monitor and evaluate the implementation of the National Skills Development Strategy
5.2	NATIONAL SKILLS FUND
5.2.1	To provide funds for identified priorities that advances the Human Resource Development Strategy (HRDS)
5.2.2	To provide funds for priorities identified by the Minister after consultation with the National Skills Authority (NSA) that support the NSA in its advisory work, and building the capacity of the social partners (constituencies) to strengthen their role in and delivery of the National Skills Development Strategy



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## Annual performance plans

### Included in Annual Performance Plan

Strategic objectives with targets – specified for each programme

Strategic objective	Provide a dynamic interface between the workplace and learning institutions and promote quality learning at work and for work by 2016
Objective statement	<ul style="list-style-type: none"> <li>• Ensure that 28 000 artisans learners enter learning by 2015/16</li> <li>• 37 000 artisan candidates found competent nationally over the MTEF period</li> <li>• 102 295 graduates receiving Work Integrated Learning (WIL) over the MTEF period</li> <li>• 52% of national artisan learners pass trade test by 2015/16</li> </ul>

### Related programme performance indicators and annual targets

- Institutions mainly report on what they have control over

Programme performance indicator	Audited/Actual performance			Estimated performance 2012/13	Medium-term targets		
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Number of artisan candidates entering learning nationally	26 301	23 517	24 378	25 000	26 000	27 000	28 000
Number of artisan candidates found competent nationally	8 238	11 778	13 168	10 000	12 000	13 000	14 000
Percentage of national artisan learners who pass trade test	41%	41%	43%	45%	48%	50%	52%



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## Quarterly reporting targets

### Targets in Annual Performance Plan reported in Quarterly Performance Report

Performance indicator	Reporting period	Annual target 2013/14	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Number of artisan candidates entering learning nationally	Quarterly	26 000	3 000	5 000	5 000	13 000
Number of artisan candidates found competent nationally	Quarterly	12 000	2 000	3 000	3 000	4 000
Percentage of national artisan learners who pass trade test	Quarterly	48%	46%	46%	47%	48%

## Quarterly reporting

- In-year reporting of non-financial results.
- To report on overall progress made with implementation of department's performance plan both on a quarterly and an annual basis.
- Tracks progress against what has been planned and what is actually achieved in terms of service delivery outputs.
- National departments must submit a copy of their quarterly performance reports to National Treasury within 60 days after end of each quarter.

Performance indicator	Annual target for 2013/14 as per APP	3 <sup>rd</sup> Quarter target as per APP	3 <sup>rd</sup> Quarter actual output validated	Quarter indicator colour coding	Annual overall performance – colour coding	Description of evidence
Number of artisan candidates entering learning nationally	26 000	5 000	6 683	Green	17 042 amber	Learner records from SETAs and NADSC at Kwa Thema
Number of artisan candidates found competent nationally	12 000	3 000	3 493	Green	7 126 amber	Learner records from SETAs and NADSC at Kwa Thema
Percentage of national artisan learners who pass trade test	48%	47%	48%	Green	34% amber	Pass rate reports from INDELEA



## Reporting in budget publications (1)

### Estimates of National Expenditure (national) and Estimates of Provincial Revenue and Expenditure:

- Departments and entities also report on selected performance indicators and targets.
- Linked to goals and objectives.

Table 17.1 Higher Education and Training

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of higher education graduates per year	University Education	Outcome 5: A skilled and capable workforce to support an inclusive growth path	141 900	160 626	165 993	179 160	173 771	181 393	191 251
Number of headcount enrolments in further education and training colleges per year	Vocational and Continuing Education and Training		345 566	350 000	657 690	650 000	800 000	1 000 000	500 000
Number of full time equivalents enrolled in further education and training institutions per year	Vocational and Continuing Education and Training		212 215	210 971	263 721	303 280	348 772	401 088	421 100
Number of new artisans registered for training each year	Skills Development		23 517	24 378	21 849	26 000	27 000	28 000	29 000
Number of artisan learners competent each year	Skills Development		11 778	10 000	8 655	12 000	13 000	14 000	15 000

## Reporting in budget publications (2)

### Adjusted Estimates of National Expenditure (AENE) provides:

- mid-year progress on programme and subprogramme expenditure
- mid-year actual performance achievements and revised performance projections for the current year
- Indicators and targets are revised only if outputs will be affected by adjustment to the budget

### Mid-year performance status

Indicator	Programme	Outcome	Annual Performance		
			Projected for 2013/14 as published in the 2013 ENE	Achieved in the first six months of 2013/14 (April-Sept)	Changed target for 2013/14
Number of new artisans registered for training each year	Skills Development	Outcome 5: Skilled and capable workforce to support an inclusive growth path	26 000	9 039	-
Number of artisan learners competent each year	Skills Development		12 000	3 184	-

## Annual reports

### Annual Report

- Ultimate accountability document – financial and non-financial performance
- Used by legislatures to exercise proper oversight – linked to annual performance plans

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION	
<b>PROGRAMME 5: SKILLS DEVELOPMENT</b>								
<b>(4.5.1.1) Provide a dynamic interface between the workplace and learning institutions and to promote quality learning at work and for work by 2014</b>	10 000 Artisan candidates found competent nationally per annum	Number of artisan candidates found competent nationally	10 000	10 000	8 655	Target not achieved	Under reporting by SETAs and the establishment of the list of artisans in August 2012 that included additional occupations on artisans	
	45 500 Graduates receiving Work Integrated Learning (WIL)	Number of graduates receiving Work Integrated Learning (WIL)	3 400	8 500	14 961	Target exceeded	Universities of Technology (UoTs): 9 981 Public Further Education and Training graduates (FET): 4 980	
	System for management of trade test tasks implemented at all test centers	Secure trade testing system developed and implemented at all trade test centers	Business needs and requirements developed for a national question bank for trade testing		System for management of trade test tasks developed and piloted at 5 test centers	Not achieved	Target not achieved: No system developed	Tender for system issued February 2013
	60 Audits conducted at SETA accredited trade test centers with reports	Number of audits conducted at SETA accredited trade test centers	20	20	52	Target exceeded by 32	Accelerated operationalisation of NAMB	

## The role of auditing

- Auditor General has started with auditing of predetermined objectives
- National Treasury and the Auditor General have agreed on refining the approach to auditing of pre-determined objectives
- Aim is to avoid unintended consequences of negative audit results
- Collectively assist departments to improve the quality of non-financial information to reflect core functions of government
- The following key issues have been agreed on:
  - Enhancing the quality of outcomes and related outputs indicators
  - Appropriate reflection of administrative/statistical data used for reporting on pre-determined objectives
  - Reporting on concurrent performance indicators by national departments (consolidated audit)
  - Auditing of under/non achievement of targets
- Internal auditors advise departments on compliance with relevant guidance, regulations and legislation

# Planning, budgeting and reporting timeframes: national departments

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Planning</b>	Strategic Plans (every 5yrs)					1st Draft SP			2nd Draft SP			Tabled in Parliament	
	Annual Performance Plans					1st Draft APP			2nd Draft APP		Performance indicators and targets for APPs	Tabled in Parliament	
<b>Expenditure</b>	Annual Budget and MTEF		NT issues MTEF instructions		Depts submit 1st draft budget and new expenditure estimates			NT issues instructions for ENE	NT issues allocation letters		Depts submit final ENE chapter	Tabled in Parliament	
<b>Monitoring and Reporting</b>	Monthly Financial Reports	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end	15 days after month end
	Quarterly Performance Reports		4th quarter QPR (previous financial year)			1st quarter QPR			2nd Quarter QPR			3rd quarter QPR	
	Annual Reports		Performance Info sent to Auditors			Tabled Annual Reports							
<b>Co-ordination</b>	Change Requests to BPS			Depts propose changes to BPS		NT approves changes to BPS							
	Change request to core Performance Indicators			Depts propose Performance Indicators		Depts and NT agree on core Performance Indicators							



# Thank you