

DIAGNOSTIC REPORT

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Public Service Commission:

Planning, budgeting and financial management support

6 July 2018

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Acronyms and Abbreviations

AC	Audit committee
APP	Annual Performance Plan
BAS	Basic accounting system
CAPAM	Commonwealth Association for Public Administration and Management
CD	Chief Director
CI	Constitutional Institution
CoE	Cost of employment
DDG	Deputy Director-General
DG	Director-General
DPME	Department of Planning Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EA	Executive Authority
EDMRS	Electronic document management and reporting system
ENE	Estimates of National Expenditure
ERO	Early Resolution Officer
EXCO	Executive Committee
EXMA	Executive Management Committee
G&S	Goods and Services
GTAC	Government Technical Advisory Centre
HOD	Head of Department
IAC	Integrity and Anti-corruption
ICT	Information and communication technology
IT	Information technology
LMP	Leadership and Management Practices
LTSM	Learner teaching and support materials
M&E	Monitoring and Evaluation
MANCO	Management committee
MTEF	Medium Term Expenditure Framework
NACF	National Anti-corruption Forum
NACH	National Anti-corruption Hotline
NPM	New Public Management
NT	National Treasury
OPSC	Office of the Public Service Commission
PFMA	Public Finance Management Act
PSA	Public Service Act
PSC	Public Service Commission
PSCS	Public Service Commission Support
SIU	Special Investigation Unit
SP	Strategic Plan
TOC	Theory of change
TOR	Terms of Reference

1 Executive Summary

1.1 Diagnostic - Context and Approach

In a letter dated 15 December 2017, the Director-General of the Office of the Public Service Commission (OPSC) requested GTAC to provide support on the following specific matters:

- Costing of the Strategic and Annual Performance Plan and Operational Plan;
- Providing assistance to the OPSC in the development of indicators and setting of targets;
- Use the Annual Performance Plan, Operational Plan, budget and expenditure information to forecast future spending; and
- Developing a template for expenditure projections.

After discussions it was agreed that GTAC would first, through a diagnostic assessment, aim to have an improved understanding and then obtain agreement on the causal factors impacting on the PSC's budget, planning and performance challenges.

Whilst the request focused on budget, costing, performance planning and expenditure management the scope of the diagnostic was expanded to include recommendations on broader organisational matters affecting its service delivery such as governance, workflow, and human resourcing.

The diagnostic was conducted against the background of the present state of the public service which is characterised by:

- 1) Critical budget limitations resulting from the prevailing fiscal environment. Many departments and organs of state are seeking ways to improve service delivery, and this must be achieved within existing budget allocations.
- 2) The declared intention of the President to reduce the size of the public service to both reduce costs and improve the efficiency and effectiveness of delivery;
- 3) Widespread dissatisfaction with service delivery and the perceived wastage of resources through corruption and maladministration; and
- 4) The closing period of the present administration and preparations for the next administration post the 2019 general election.

Given this context, the diagnostic assessment specifically sought to identify practical steps that could be considered for the improvement of service delivery within the prevailing mandate and organisational and resource envelope of the PSC and OPSC. This approach is believed to have a two-fold benefit of (a) allowing delivery improvements that can be achieved in the short term that would (b) put the PSC in a more favourable position to argue for expanded mandates, budget, and human resources etc. when the broader environment becomes more receptive to such approaches.

The diagnostic assessment consisted of literature / document reviews, interviews with several Commissioners and senior managers in the OPSC, labour representatives and some of the key staff. The lists of interviews and key documents are contained in the Annexures. Findings were consolidated; causal factors and challenges underlying identified and recommendations formulated. The key findings and recommendations are set out in the

report. The recommendations do not stand in isolation of each other and hence need to be seen collectively. There are however two limitations to the diagnostic:

- 1) The GTAC team did not formally engage with external stakeholders of the PSC. The recommendations include actions that the PSC needs to consider regarding engagements with its external stakeholders; and
- 2) A limited desktop review was done regarding international experiences of public/civil service commissions in other parts of the world.

It is also important to recognise that this diagnostic sought clarity on performance challenges of the PSC and OPSC, underlying casual factors and possible remedies. The diagnostic did not focus on the successes and impact of good work done by the PSC and therefore these areas may be understated.

1.2 Key Findings and Recommendations

The key findings and recommendations of the diagnostic are consolidated under the following headings:

- 1) Budget crunch
- 2) Mandate
- 3) Planning
- 4) Prioritisation, impact, stakeholder management
- 5) Quality
- 6) Organisational and operational management (governance, specialist teams, clusters)
- 7) Human Resourcing

The budget is dealt with first as (a) it deals with the matters that were specially mentioned in the letter of request and (b) it importantly sets out the resource envelope within which the proposed immediate improvements need to be achieved.

Mandate, dealt with second, is key in that it provides (a) the enabling framework for the PSC and OPSC and (b) direction regarding the impact that should be achieved.

The subsequent recommendations are not sequenced in any order of priority.

The recommendations are numbered consecutively for ease of reference. A consolidated list of recommendations is included in Annexure A.

1.2.1 Budget crunch

The PSC's finances are unsustainable: the PSC's establishment is too expensive for its budget and will become more so as salaries rise and continued growth in spending on accommodation costs squeezes out other spending in the Goods and Services (G&S) budget.

The budget for the PSC, including changes effected through the Adjustments Budget, has increased from R162 million in 2012/13 to R248 million in 2017/18, an average annual increase of about 8.9%. The same is true for expenditure, changes of which are an almost perfect match of changes in the Adjusted Budget.

45% of the total increase in the budget can be explained by the single annual increase in spending between 2012 and 2013, and after that date, annual increases in the budget have

averaged only 5.3% a year. Critically, between 2014 (R226m) and 2016 (229m), the PSC's total budget did not grow at all. This is a fact of enormous significance, especially when one considers what has occurred in the budget for (and spending on) the Compensation of Employees (CoE).

Unlike the budget as a whole, budgets allocated to compensation have been adjusted significantly in the course of every year, with an average reduction in compensation spending of over 8% a year when final spending is compared to the original budget, with significant changes effected through the Adjustments Budget and by virements effected by the PSC itself.

Proportionally, spending on CoE and G&S over the period 2012 to 2017 appears to be relatively stable – see Figure 1.

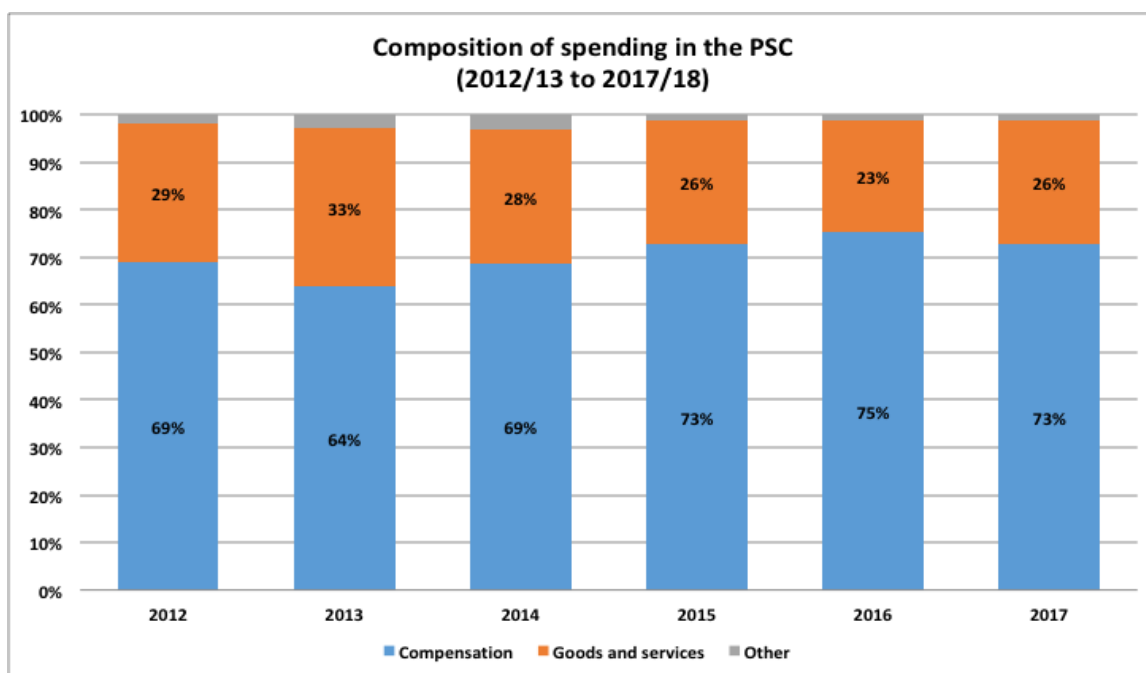


Figure 1: Composition of spending in the PSC (2012 to 2017)

However, this obscures an important dynamic in the PSC budget, which is that the proportion of spending accounted for by accommodation costs, has risen considerably - in 2017 this accounted for 16% of all spending, up from 6% in 2013. By 2017, accommodation costs accounted for over 60% of all spending on G&S, up from 19% in 2013 (Figure 2).

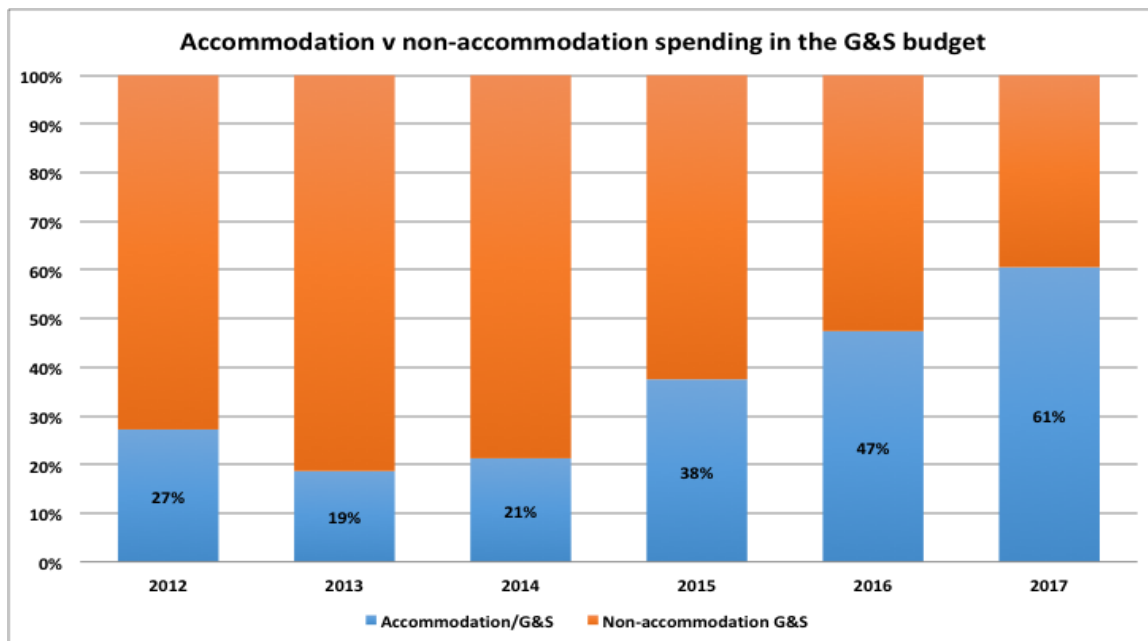


Figure 2: Composition of spending in the G&S budget (2012 to 2017)

The net change in spending is reflected in Figure 3.

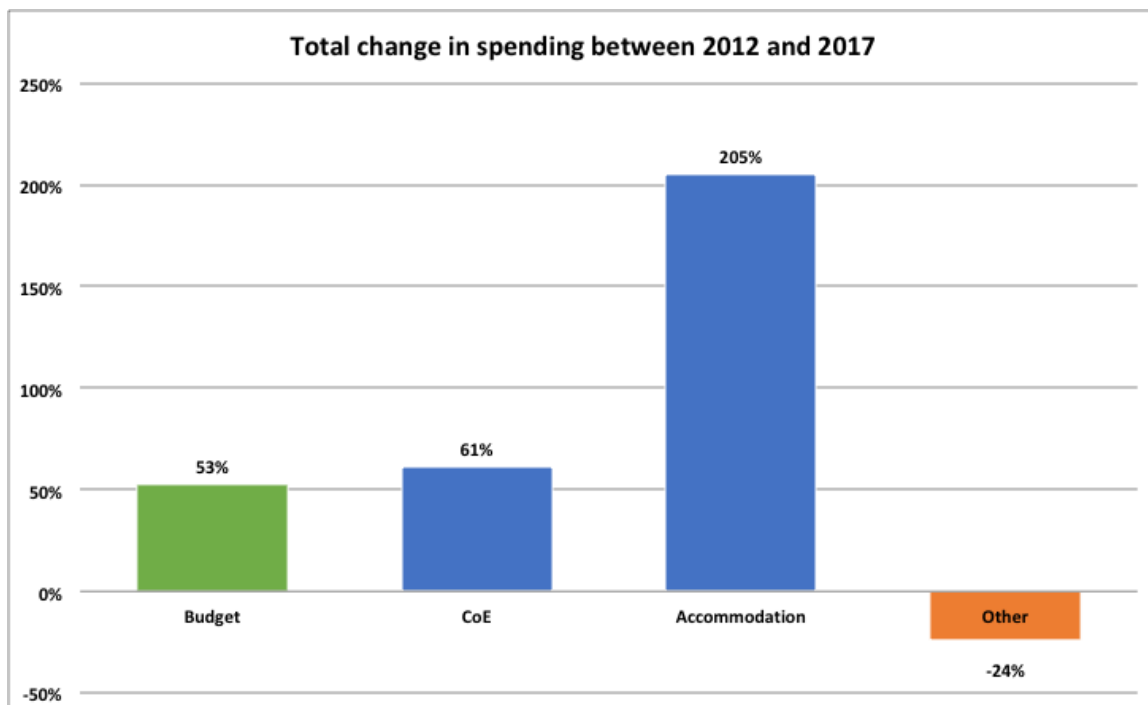


Figure 3: Net changes in spending between 2012 to 2017

Apart from the fact that recurrent spending on compensation and accommodation has grown more quickly than the budget as a whole, substantial adjustments are made to both the

compensation budget (which is reduced) and the G&S budget (which is increased) in every year under review.

Between 2012 and 2017, a total of R82 million was taken out of the CoE budget as passed in the relevant Appropriation Act, while R75 million was added to the G&S budget over that period. This reflects a reduction in spending on CoE of 8% relative to the budgets passed by the Legislature and an increase of 27% to the aggregate of funds appropriated for G&S.

Adjustments of this scale and this regularity are peculiar and should be seen as an indicator that the PSC's approach to budgeting is failing to estimate accurately annual CoE and accommodation spending. This should not be all that difficult as planning for such spending should be relatively routine and straightforward. Critically, it seems that, as part of the process of reducing spending pressures in the budget, the National Treasury intends that the 2018 Appropriation Act will prohibit the use of any funds allocated to the compensation of employees from being used for any other purpose in the absence of a specific Act of Parliament. The recently released "*Guidelines for costing and budgeting for compensation of employees for the preparation of expenditure estimates for the 2019 medium term expenditure framework (MTEF) (National Treasury) June 2018*" confirm this restriction. This strengthens existing rules and may lead to adverse audit findings' being made against the PSC.

Looking forward, the work to consider rationalisation of the Chapter 9 and associated institutions may have some budget implications for the PSC. The thinking is understood to include some of the recommendations from the Asmal Report regarding the reduction in the number of public service commissioners. Clarity is however not expected in the immediate term, but any possible budget benefits need to be understood and secured for the PSC in this process.

The above leads to the following recommendations:

- 1) *Two options present themselves regarding the budget, which if not attended to will cause the PSC's financial position to worsen indefinitely:*
 - a) *The budget is increased (which appears unlikely in the prevailing fiscal environment); or*
 - b) *The size of the establishment is reduced further and spending on accommodation is reduced.*
- 2) *Improved costing of CoE (which is over-estimated) and G&S (which is underestimated) is necessary to avoid virements. Costing should be in accordance with the "Guidelines for costing and budgeting for compensation of employees for the preparation of expenditure estimates for the 2019 medium term expenditure framework (MTEF) (National Treasury) June 2018".*
- 3) *Work, in the medium term, needs to be done to understand, negotiate and draw budget benefits from the possible rationalisation of the human rights constitutional institutions.*

1.2.2 Mandate and organisational form

International thinking, notably in the Commonwealth Caribbean, is that public / civil service commissions need to be reformed. One school of thought is that they should be more of an audit body. Another is that they should be abolished. The latter sentiment appears to be rooted in new managerialism or New Public Management (NPM) thinking.

Generally, these commissions were created to insulate members of the Public Service from political influence exercised upon them by the government of the day. Many have doubted that this original rationale remains relevant. Nunes contends that Service Commissions are “counter-productive anachronism[s] and should be abolished”. Where they “are weak, they fail to protect [public officers] from political interference and where they are strong, they undermine the managerial duties of senior [public officers]”.

In our context, there have also been specific initiatives to address structural changes to mandate and organisational form of the PSC, the most substantive perhaps being the Report of the Ad Hoc Committee on the Review of Chapter 9 and Associated Institutions, July 2007 (Asmal Report). The complication with this report is the breadth and complexity of the recommended changes which, to date, appear to have been ‘too big’ for agreement or implementation.

As per the introductory paragraphs (1.1) of this section, this diagnostic focusses on determining practical steps that could be pursued to improve PSC performance and not to set out far-reaching (and difficult to achieve) improvements, save to say that the envisaged role of the PSC in the long-term must be strategically deliberated upon.

The diagnostic thus suggests that achievable change that will contribute to improved impact within the current dispensation (mandate and organisational form) will support arguments for legislative and structural change in the long-term. In that regard, it is our view that (a) the present PSC mandate provides ample substance and (b) opportunity for operational improvements within the present organisational arrangements which are necessary and achievable.

Work is currently being undertaken regarding the PSC Amendment Bill and the analysis of the legislative mandate of the PSC and PSC’s policy options. However, trying to resolve these fundamental issues of powers and functions and organizational form through a legal mechanism only (legislative repeal and amendments) may result in serious gaps in the process. In any event, anticipated changes will take some time to be finalised and work to strengthen PSC delivery should not be delayed.

In operationalising its mandate, the PSC has carried out a multitude of activities and not all of them appear to be of equal importance nor has the impact been equal. As a result, there is anecdotal evidence that the “relevance” of the PSC as an oversight body for the Public Service has been diluted and its presence has not been adequately felt in the Public Service.

Mandate changes cannot be a substitute for focus and quality of outputs and services. Further, given the resource and other organisational challenges, expansion into the Local Government and State-Owned Entity areas is likely to overstretch the resources of the PSC and lead to a decline in effectiveness and impact. This may also open up debates about the effectiveness of the PSC and create perceptions of competition with other centre-of-government departments.

Therefore, our view is that improvements must first be sought within the PSC’s present mandate. These centre around improving prioritisation, relevance and impact. A case for expansion of mandate may not be sensible until relevance and impact improvement is achieved. The first goal could be to strengthen legal prescripts for departments to report back on actions taken on the PSC’s recommendations and for the PSC to report to parliament on these actions/inaction so as to strengthen accountability.

The above leads to the following recommendations:

- 4) *Focus in the immediate or short term on improving effectiveness and impact within the present mandate and organisational arrangements. Specific actions in this regard are set out in the other recommendations of this report;*
- 5) *Any shift to a new organisational form should be preceded by a structured feasibility study and business case, similar to those that are developed when public entities or departments are formed – inclusive of consultation with key stakeholders. This, although not necessarily formally required, will assist in comprehensively recording the agreed intention, solution, high-level predictive costing-model, and implementation actions; and*
- 6) *The focus should, in the immediate term, be on improving effectiveness in the present scope of work before expanding reach to include Local Government or Public Entities.*

1.2.3 Planning

A number of concerns emerged through the diagnostic with respect to the PSC's planning, performance targeting and reporting thereon.

The strategic and annual performance plans do not provide a clear theory of change (TOC) for achieving the Commission's mandate. This means that (a) the PSC's strategic intent is not sufficiently clear (goals and objectives), (b) the contribution of the activities and outputs to the stated goals and objectives is unclear and (c) the performance measures and associated targets do not clearly measure necessary performance.

Although the mandate appears clear; the means to the achievement thereof is not so clear nor always agreed across the PSC as evidenced by the differing approaches to work and reports. By way of example, the following challenges are presented regarding the constitutional mandate (Section 196(4)):

'(a) promote the values and principles' - these values and principles are well documented and available - what is the unique role of and approach by the PSC in this regard?

'(b) investigate, monitor and evaluate the organisation and administration, and the personnel practices, of the public service;' - then what? How are the findings shared with key role-players to best achieve change?

'(c) propose measures to ensure effective and efficient performance within the public service;' – proposals need to be brought to the attention of affected parties - how can this be best achieved?

'(d) give directions aimed at ensuring that personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the values and principles set out in section 195;' – again, 'directions' need to catch the attention of affected parties - how can this be best achieved?

Key is that the PSC should become, and be seen to be, a key cog in the wheel in promoting good governance and preventing abuses such as corruption, nepotism, cronyism and maladministration.

There is a sense that prioritisation of work is not yet optimal and that some activities may have to be scaled down, transferred to other institutions or even terminated – particularly those that are not specifically required by the PSC's statutory mandate and/or which have limited impact.

Existing performance measures are mostly focused on numbers of reports produced, rather than on quality, client/stakeholder satisfaction and impact of the PSC's advice / recommendations / directives. This makes it difficult, if not impossible, to establish if the Commission is making a difference. The most recent annual performance plan (APP) contains numerous activities and outputs that require monthly, quarterly and annual reporting. Not all of them appear to be of equal importance, though they are repeated year after year.

"Chasing the numbers" contained in the strategic plan, APP and workplans appears (a) to be time consuming for branches and provincial offices in terms of monthly, quarterly and annual reporting and (b) happens at the expense of undertaking fewer, but more impactful, activities.

The above leads to the following recommendations:

- 7) *An explicit logic model should be developed that maps activities to outputs to objectives and the contribution thereof to goals (impact).*
 - a) *Align all work (external demand and own accord) with the intended goals and impact;*
 - b) *Clarify how work will contribute to goals and impact;*
 - c) *Identify priority activities, reconsider less impactful activities/outputs and replace them with more impactful activities/outputs;*
 - d) *Clarify assumptions regarding the delivery logic, how PSC outputs are and will be used and role of stakeholders and partners;*
- 8) *Use the logic model to improve the performance framework for the PSC;*
 - a) *Improve the understanding and measurement of impact; and*
 - b) *Align the performance measures and targets with the logic.*

1.2.4 Prioritisation, impact, stakeholder management

The workload of the PSC broadly comprises two categories of work. The one is the stream of complaints, grievances and declarations which are received from public servants either directly to various parts of the PSC, through the NACH or disclosure system. The second stream of work comprises own accord work: the evaluations, investigations and advocacy actions determined by internal research and other processes.

These are characteristically different from each other in key respects. However, both streams of work produce outputs and need to be impactful. A key theme identified in the diagnostic was that the outputs of the PSC may not be having the desired impact. The view regarding impact was not tested with external stakeholders but there is enough evidence that impact needs improving based on the feedback in many of the interviews and brief engagements with a few external parties.

There must be a building of the Commission's public profile by putting the spotlight on those investigations / reviews / inspections that would be of public interest.

1. **Prioritisation:** The PSC has already done much to reduce costs by cutting tasks like conducting inspections that affect service delivery, which has reduced travelling and catering costs. In addition to cost-cutting measures the PSC must prioritise its activities and adopt a more strategic approach to interpreting its mandate and structuring its work into key performance areas that will contribute to its oversight role.

2. Collaboration and coordination: The PSC must collaborate and/or coordinate activities more effectively with other centre-of-government departments. This is essential to ensure that critical functions are covered and there is no duplication e.g. DPME on monitoring and evaluation.
3. Stakeholder presence: The Commission is accountable to the national and provincial legislatures, but it must enhance its role as a key constitutional institution by engaging more vigorously with the broader community on its reports as well as the relevant portfolio committees.

Regarding the work associated with the stream of complaints, grievances and declarations, the limitations regarding impact are contributed to by the following factors:

1. As previously mentioned, there is a focus on throughput numbers and a lack of impact measurement. The Quarterly Bulletins and annual reports have focussed on throughput numbers and not impact;
2. There is insufficient prioritization of work – what is likely to have the greatest contribution to impact either across or within the complaints, grievances and declarations streams?
3. There is a lack of a risk-based approach to the work – for example, the declarations processing does not explicitly identify priority issues to be addressed or treat these areas differently. There is some value in knowing and publicising the number or percentage of declarations filed. However, the real value is in putting the spotlight on specific issues that are in the public spotlight. The validation of declarations is constrained by access to third-party data and the volume of declarations to be validated. A Risk-based approach could assist in focussing resources in key areas rather than blanket validation processes. The ultimate impact questions relate to consequence management, an area which the PSC has little influence. A logic model which sets out the cause and effect theory will assist in optimising the PSC work in this regard; and
4. The time taken to process and conclude PSC analysis, investigations and recommendations is critical to achieve impact. Old news or delayed recommendations diminish impact. Although there is a focus on time cycles and time-based performance, timeframes need to be shortened. Prioritisation and risk-based approaches will assist in this regard.

Regarding the own accord work, the PSC has delivered a number of valuable reports over the past number of years. However, more needs to be done to identify and prioritise systemic matters that support the mandate of the PSC and can achieve greater impact. Key concerns are:

1. The selection of systemic matters to be addressed needs to be prioritised to make the best use of the available research capacity. Criteria for the identification and selection of subjects for research must include the extent to which impact can be achieved. Again, refer to the recommended logic modelling process;
2. The selection process of systemic matters to be addressed needs to provide balance between and within various tensions;
 - a. balance between National and Provincial priorities,
 - b. evidence of systemic issues derived internally from the complaints / grievance / declarations processes and the broader issues arising from the external

environment. There was criticism in the press recently that the PSC appears to have been silent on key matters of concern in the public service relating to the allegations of state capture etc., and

- c. ongoing and repetitive evaluations which are meant to track public service attributes over time such as the 'state of the public service reports'.
3. The extent to which 'products' of the PSC are used/taken forward is not clear. This needs to be investigated. One avenue is to more vigorously track implementation of PSC recommendations / directions.

Partnerships with other organs of state (Centre-of-government departments, constitutional institutions, donors, parliament) impact can be improved. There may be opportunity to improve on such relationships given the evidence that many PSC recommendations do not find traction.

Prioritisation (lower volumes and fewer reports) underpinned by the theory of change contained in a logic model will assist in this regard.

Given similar challenges of other public/civil service commissions to achieve impact there is a strong case for comparing approaches and performance with other such organisations beyond the Commission's present association with the African Association of Public Administration and Management (AAPAM).

The above leads to the following recommendations:

- 9) *Develop a mechanism to prioritise work based on, amongst other things, the impact that can be achieved;*
- 10) *Consider measurement of impact and feedback from partners and stakeholders that can support an improved understanding of impact;*
- 11) *Consider risk-based approaches for the various streams of work to enable deeper investigation and more impactful outputs where benefit is greatest;*
- 12) *Speed up the production processes of impactful outputs; and*
- 13) *Given the existing agreements with other institutions,*
 - a) *Strengthen these arrangements; and*
 - b) *Further investigate additional synergies with other institutions.*

1.2.5 Quality

Numerous comments were made in the interviews regarding a lack of evenness and standardisation regarding the quality of PSC outputs. Despite the value of the clusters and specialist team structures much more needs to be done regarding the quality of outputs. This applies on all fronts.

Specifically;

1. The purpose of research and resulting reports need to be more specifically scoped and clearly targeted to specific audiences to focus on impact;
2. Recommendations made in reports need to be coherent, accurate and implementable. As an example of the challenges faced, instances were raised where recommendations could not be implemented because of the budget implications;

3. A review of reports on the PSC website reveals stark differences in formatting and presentation; and
4. In many of the reports it is time-consuming for the reader to draw out the specific intention and recommendations. These are often hidden in laborious descriptions of purpose, methodology and findings. The footer in the Report to the National Assembly includes a useful note - "REPORT TO THE NATIONAL ASSEMBLY IN TERMS OF SECTION 196(4) (e) OF THE CONSTITUTION, READ WITH SECTION 196(6)" which leaves the reader in no doubt as to the purpose of the report.

The above leads to the following recommendations:

- 14) *Clearly place research and associated reports on the logic model and priority framework to assist in focussing the research and report writing;*
- 15) *Differentiate and make it easy for the reader to discern between;*
 - a) *Obligatory progress reports,*
 - b) *Remedial reports with recommendations upon which action is sought, and*
 - c) *General information reports.*
- 16) *A standardised report framework should be developed (including consideration of categorisation of the above types of report) and:*
 - a) *Summary fact sheet for executive consumption with purpose, key findings and recommendations;*
 - b) *Executive summary limited to 3 or so pages for senior managers giving more details on purpose, key findings and recommendations*
 - c) *Full report framework with provision for detailed methodology and annexures.*
- 17) *Scale down the extensive coverage given in numerous reports on the mandate, mission, vision and services provided by the PSC and focus more on tangible results.*

1.2.6 Organisational and operational management

The present arrangement of Branches, Specialist teams, Clusters and delegations appears to be a significant improvement on the previous situation. Although there are challenges, these should be addressed within this framework as there does not appear to be an obvious improvement to be made. A full matrix organisation is unlikely to be effective given the national and provincial dimensions of priority, oversight and staff distribution. There are however key areas to consider for improvement.

The lack of a single view of organisational results and workflow is counter-productive. Prioritisation, risk-based approaches and balancing of resources needs an improved consolidated view of all organisational processes. This includes a clear consolidation of the inflows for the various streams of work. Allied to this are clear business process maps of inputs, streams of work, decision points, acceptance and reject nodes, investigations and analysis, report generation and report approval and client feedback loops. Once the "as is" business processes are properly documented, there should be a focus on continuous improvement in terms of e.g. quicker processing times and reduced handover points. Focusing on improved internal operations management ("walking the talk"), provides a unique opportunity for the PSC to focus on enhanced productivity in the broader public service.

There are some ICT systems support to the existing processes, but it remains fragmented. Once improved business processes are established, systems can be adjusted/implemented in support thereof.

One of the existing systems is the 'data warehouse' which was developed and informed by both internal and external services of the organisation. However, the branches must still be fully trained on its value and functions. The accuracy and interpretation of data still rests with the branch responsible for that information e.g. investigations. Currently accuracy of data provided is still questioned e.g. statistics relating to opened and closed investigations. The branches learn to access the information and generate secondary reports etc. M&E is still in the process of training staff in the use of the warehoused data. Ideally the PSC will have accurate information at its "fingertips" that is immediately available. The challenge at the moment is to get staff to understand the value of the data warehouse. In-house training has been given but there are budget constraints and they cannot train in Provinces. Face-to-face training exposure is necessary in order for staff to understand the system. The intention is that M&E will assist with integration, support, and maintenance of data. However, the data warehouse does not as yet resolve clarity on the end-to-end business process .

The above leads to the following recommendations:

- 18) Develop an overall sense of business process maps of present workflows and use that as a basis for the determination of improved workflows that show a single view of internal operations and generate data to track and manage production processes, building on the present data warehouse.*

1.2.7 Human Resourcing

Key challenges were identified and confirmed through the interview process. Notably, these include low staff morale, the perception of uneven workload and performance between teams. There was significant evidence in the interviews, however, of a keenness for the PSC to improve its impact and for individuals to see themselves as part of that process of organisational excellence. All interviews identified the need for some degree of performance improvement.

The reality is that improvements in organisational effectiveness depend on the contribution of its staff. This hinges as much on organisational culture and climate as it does on the skills of the resources.

Organizational culture and climate provides a framework with respect to the behaviour of staff. A more effective PSC will provide an environment conducive for improved performance. The prevailing challenges of budget limitations, perceived unevenness in team sizes across the organisation at national office and across provinces, poor work environments (National office problems are soon to be resolved) and unclear acceptance of PSC reports have led to the declared challenges in staff morale.

The remedies for this are complex but need to be considered in at least three mutually supportive areas:

1. The vision, mission and values of the organisation must be clear. Sharpened prioritisation, focus and risk-based approaches and associated business processes, as underpinned by a refined and explicit theory of change, is necessary to mobilise the collective goodwill of staff. The present lack of impact undermines this common purpose;

2. Improving organisational culture and climate doesn't simply happen. Plans for this need to be developed and implemented. The regular staff update sessions that include all staff members is to be commended and need to continue. Sometimes taking time and energy away from short-term priorities and engaging with staff (two-way, not just one-way) is critical; and
3. Organisational structures, job descriptions etc. can be revised once improved business processes are agreed. A plan for re-skilling, re-deployment and re-development can be established on the back of this work.

Organizational culture and climate to a large extent determines the performance of the employees. Therefore, it is in the interest of organizations to eliminate negative factors that slow down employee performance in order to foster a positive workplace environment and productive work ethic.

The above leads to the following recommendations which as per the above argument are premised on the present resource constraints and improvements in the focus and prioritisation of work:

- 19) *Develop and implement a change management plan with appropriate employee engagement actions to take staff along the journey associated with the actions that flow from this report.*
- 20) *Develop and launch the necessary HR strategy and associated processes to implement redefine processes, structures and jobs, and enhance skills and/or re-deploy staff.*

2 Introduction

2.1 Request for GTAC Support

In a letter dated 15 December 2017, the Director-General of the Office of the Public Service Commission (OPSC) requested GTAC to provide support on the following specific matters:

- 1) Costing of the Strategic and Annual Performance Plan and Operational Plan;
- 2) Providing assistance to the OPSC in the development of indicators and setting of targets;
- 3) Using Annual Performance Plan, Operational Plan, budget and expenditure information to forecast future spending; and
- 4) Developing a template for expenditure projections.

The background to this, as indicated by the Chairperson of the Public Service Commission (PSC) in a telephone call in early December 2017, is that the organisation is facing various challenges including:

- Limited budget for projects;
- Performance commitments in the annual performance plans that were inadequately costed; and
- Inability to meet performance targets due to lack of funds.

GTAC agreed to provide support, and the approach, timeframes and cost were agreed with the OPSC.

2.2 Approach and Methodology

In the discussions between GTAC and the PSC, it was agreed that the support should make provision for two phases. The first to be a diagnostic over approximately three months and the second phase being possible support to be informed by the diagnostic.

The support should assist the PSC and its Office:

- 1) To have an improved understanding and agreement on the causal factors impacting on budget, planning and performance challenges; and
- 2) In the second phase, to assist with the design and implementation of improved budget, planning and performance management processes.

The diagnostic was conducted over the period from mid-March to mid-June 2018. The team specifically focussed on identifying practical and implementable remedies for the PSC to pursue.

The diagnostic comprised the following:

- Inception planning and meeting with the PSC Chairperson, DG and other staff;
- Interviews with numerous Commissioners and senior staff (as per the interview schedule in the Annexure to this report);
- Review of reports from the PSC, OPSC and other documents (as per the schedule in the Annexure to this report);
- Analysis of the data, formulation of findings and recommendations;
- Two steering committee meetings with the DG and DDG: Corporate Services regarding planning, progress; and
- Drafting and review of this report.

The intention is that the report be used as an input to the planned PSC strategic planning session scheduled for 20 to 22 June 2018.

2.3 Structure of this Report

The report contains four substantive sections:

Section 1 provides an executive summary of the key findings and recommendations synthesised from the key observations from the diagnostic process. The key findings and recommendations are arranged into 7 themes for convenience purposes:

- 1) Budget crunch
- 2) Mandate
- 3) Planning
- 4) Prioritisation, impact, stakeholder management
- 5) Quality
- 6) Organisational and operational management (governance, specialist teams, clusters)
- 7) Human Resourcing

There are many inter-related dependencies and cross cutting aspects between the themes.

Section 2 sets out the background to the request for GTAC support, methodology followed and structure of the report.

Section 3 sets out the key observations from the diagnostic process.

Section 4 sets out the conclusion and actioning of recommendations

The Annexures set out bulky background and supporting details.

3 Key Observations

3.1 Structural arrangements

There are three foundational observations regarding the structure and business of the PSC and the OPSC.

Firstly, the composition and structure is unique with 14 Commissioners supported by a national and provincially arranged OPSC. This leads to various practical complications regarding oversight, governance, management and performance. No other organ of state has a similar complexity.

Secondly, work falls into two basic categories:

- The demand driven consideration of grievances, complaints and declarations that arrive at the PSC at different entry points, some of which are dealt with through internal processes and the rest directly referred to other organs of state for attention; and
- 'Own accord' and systemic cross-cutting matters identified internally and dealt with in the interests of an improved public service.

Thirdly the outputs principally make recommendations for actions by other organs of state necessary to improve the public service performance.

The balance of the observations deal with various aspects in the context of these three observations.

3.2 Mandate

3.2.1 Public service commissions - international experiences

In 2002, the Commonwealth Association for Public Administration and Management (CAPAM) published a working paper, *Public Service Development Retrospection and Projection*¹ that reviewed major reform initiatives and strategies over the previous five years and outlined what public service managers anticipated as the major issues in the next five years. This was based on data collected from 25 Commonwealth countries.

The reforms were summarised under the following headings:

- Financial management and budgetary reforms
- Human resource management reforms
- Organisational structure reforms
- Service delivery reforms
- Performance management measurement and accountability

¹ See Part 1: Reform Strategies by Gordon Draper in **Commonwealth Public Administration Reform, 2004** published by Commonwealth Secretariat, 2003

- Increased focus on ethics and values
- Increased use of information and communications technology (ICT)

Under the heading *human resource management reforms*, it is mentioned that the devolution of human resource functions has led to the rethinking of the role of public service commissions.

The debate about the role of public service commissions seems to have been particularly intense in the Caribbean. All Commonwealth Caribbean countries have a public service commission (PSC), the majority a separate police service commission, and some have separate judicial commissions and teaching service commissions as well.

The rationale for the PSC in these countries was threefold:

(1) to protect public servants against discrimination in respect of appointments, promotion, transfers and disciplinary proceedings; (2) to provide public servants with equal opportunities and fair treatment on the basis of merit; and (3) to avoid or at least minimise the incidence of the exercise of patronage as the reward for support of a political party or of individual politicians, and the exercise of nepotism, or favouritism from other influential sources.

To this end PSCs were to be autonomous from government, staffed by specially appointed commissioners and supported by a staff of public servants. Because they were meant to ensure the integrity of the public service against undue political influence, they were established within the independence constitutions by entrenched provisions, which meant they could be changed or abolished only by a vote of two-thirds (or three-quarters in some instances) of parliament (in one or both houses).

A view that has gradually gained ground in the Caribbean region is that the PSCs as established at independence need to be reformed (or even abolished)².

These sentiments appear to be rooted in new managerialism or New Public Management (NPM) thinking. This approach would suggest that the future role of PSCs should be more of an audit body. Some of the most frequent criticisms of the PSCs of the region have been directed at the composition, powers and procedure of the commissions established by the various Constitutions. These commissions were created to insulate members of the Public Service from political influence exercised upon them by the government of the day. Many have doubted that this original rationale remains relevant. Nunes contends that Service Commissions are “counter-productive anachronism[s] and should be abolished”. Where they “are weak, they fail to protect [public officers] from political interference and where they are strong, they undermine the managerial duties of senior [public officers]”³.

3.2.2 Powers and functions

The powers and functions of the PSC are contained primarily in the Constitution which establishes a single PSC with 14 Commissioners – five recommended by the National Assembly and one commissioner for each province, nominated by the Premier. They hold office for five years, renewable for one further term.

² *Public Sector Reform in the Commonwealth Caribbean: A Review of Recent Experiences*, Paul Sutton, Caribbean Paper No 6, October 2008, p. 12

³ *Working Paper on the Civil Service in Latin America and the Caribbean: Situation and Future Challenges: The Caribbean Perspective*, Gordon M. Draper, October 2001, p. 11

Sections 195 and 196 of the Constitution, 1996⁴, which set out the values and principles governing public administration which should be promoted by the PSC, as well as the powers and functions of the PSC. In addition, the Public Service Commission Act No 46 of 1997 empowers the Commission to perform inspections, conduct inquiries and make rules in relation to its activities.

The PSC is to report at least once a year to the National Assembly, and in respect of its activities in a province, to the legislature of that province. The Commission displays an appropriate understanding and application of its mandate, powers and functions. However, its ability execute this broad and extensive mandate is hampered by its budget; human resources; and overall capacity. The PSC argues that the OPSC's designation as a government department also hinders efficient operations and its independence.

The PSC has jurisdiction over the entire Public Service (national and provincial government departments/components) - together they employ approximately 1,25 million civil servants. The PSC has found it difficult to prioritise its work and streamline its activities as it derives its focus primarily from the Constitution. Therefore, finding a "niche area" for the PSC has not been possible. To operationalise its broad mandate, it carries out a multitude of activities and not all of them appear to be of equal importance. As a result, the "relevance" of the PSC as an oversight body for the Public Service has been diluted and its presence has not been adequately felt in the Public Service.

3.2.3 The OPSC as a Department

Presently the Office of the Public Service Commission (OPSC) is a government department, and as such is listed in Schedule 1 of the Public Service Act, 1994. The Director-General: OPSC is the accounting officer and has all the associated responsibilities assigned to him in terms of the Public Service Act (PSA) and the Public Finance Management Act (PFMA).

In terms of section 7(3)(b) of the PSA, he is "*responsible for the efficient management and administration of his department, including the effective utilisation and training of staff, the maintenance of discipline, the promotion of sound labour relations and the proper use and care of State property, and he or she shall perform the functions that may be prescribed*". In terms of Chapter 5 of the PFMA, the accounting officer has extensive responsibilities for the financial management of the department. This includes providing National Treasury before the beginning of a financial year, in the prescribed format, with a breakdown per month of the anticipated revenue and expenditure for that financial year; each month submit information in the prescribed format on actual revenue and expenditure for the preceding month (in-year monitoring); and when necessary, an explanation of any material variances and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget.

Over and above the PSA and PFMA requirements, in terms of section 14 of the Public Service Commission Act, 1997 the Director-General is responsible for the administration of the office "*subject to the control and directions of the Commission*".

The Public Service Act (see section 1: definitions) designates, in the case of the Office of the Commission, the executive authority as the Chairperson of the Commission.

The above means that the DG of the OPSC must not only comply with the PSA and PFMA but must do so in close consultation with the Chairperson (as executive authority) and the

⁴ The Constitution of the Republic of South Africa, 1996 (promulgated by Proclamation No. 108 of 1996).

Commission as a whole. This requires a careful “balancing act” in view of competing requirements as will be shown further on in this report.

3.2.4 Potential expansion of mandate of the PSC

The PSC is conducting an Institutional Practice Review and exploring models that will provide direction to its organizational structure. It is also embarking on a review of the PSC Act of 1997 to provide a legal foundation for its revised powers, functions, structure; Commissioner appointments and remuneration; and funding and accountability amongst other issues.

Key areas of concern emerging from the reviews are:

- A primary concern for the PSC in terms of its mandate is whether the local government sphere and public entities fall within its scope and mandate;
- The lack of the binding effect of the PSC’s recommendations / orders / remedies that it is empowered to issue, and the impact it has on decision-making and the overall guidance to the public service; and
- The question whether the OPSC, which is currently classified as a government department and has its budget appropriated by the DPSA, detrimentally affects its operations, independence and impartiality?

The PSC has commissioned a legal opinion and draft legislation that will encapsulate the PSC’s policy options on these and other questions. However, trying to resolve these fundamental issues of powers and functions and organizational form through a legal mechanism only (legislative repeal and amendments) may result in serious gaps in the process. The draft legislation sets out the legislative intent of the PSC regarding critical components that will affect its mandate; operations and funding. However, the strategic intent and policy position/s that informed the content of the Bill is not explicit or clear to us. A policy or discussion document that sets out the core problem/s and its root causes is necessary. This policy document will also identify policy options to address the problems with a cost-benefit analysis of the options. The final policy option is then agreed upon and this decision/s provides a rationale for the policy shift of the organization. The policy options/discussion document should also solicit agreement on the decision/s in a process that includes appropriate consultation with relevant stakeholders.

If the PSC has not embarked on an exercise of this nature, then it will be important to develop a policy options paper that will provide the rationale for the major legislative changes. If the PSC has already embarked on this exercise, then the outcomes or products of this exercise could contribute to status quo report when developing a business-case (and also form the basis of the socio-economic impact assessment study)

In the case of public entities, a transition to a different organizational form is preceded by a feasibility study and detailed business case with costing options for the preferred institutional form and requires the approval of Minister of Finance. Section 38(1)(m) of the PFMA requires that *“the accounting officer for a department, trading entity or constitutional institution must promptly consult and seek the prior written consent of the National Treasury on any new entity which the department or constitutional institution intends to establish or in the establishment of which it took the initiative.”* The removal of the OPSC from the schedule of the PSA and an enlistment to the PFMA Schedule as a Constitutional Institution requires approvals and a feasibility study and business case provides structured rigour in building the argument for transition and rationale of new organisational form. The

transitioning of the OPSC from a department to a Secretariat has a function shift component which requires National treasury approval as per s33 of the PFMA.

The impact of the change envisioned to the PSC legislation may also other affect other pieces of legislation and the harmonisation and alignment of legislation is a lengthy and complicated process.

The intention to expand the PSC's mandate to include Public Entities and the local government sphere, whilst critical to the objective of serving the "whole of government", has major cost and capacity implications for the Commission. In the present resource constrained context this will dilute effort and compromise impact. In addition to the legislative hurdles that need to be overcome, the Commission also faces challenges from the local sphere of government which to date has been independent and resistant to "regulation" and supervision in the form of a single public service.

The lack of the binding effect of the PSC's recommendations / orders: This concern relates to the failure or refusal to follow-on PSC recommendations / orders. If the intention of the PSC is to make these recommendations binding, the consequences of a binding decision must receive serious attention. The recommendations / orders may have a serious impact on prevailing legislation, departmental budget/s, and/or discretion of Executive Authorities. Making recommendations binding means raising the stakes in every decision (with resource implications) and also makes it much more likely that the PSC's decisions will be litigated by losing parties (including govt depts and EAs. The legal authority of the PSC to intervene upon or reverse departmental decisions may also create confusion. However, the power to hold the EA accountable for not implementing recommendations or providing a reasonable explanation as why it will not follow the PSC advice is feasible, and failure on the part of the EA to follow the PSC advice should be reported to Parliament. This reinforces the oversight role. Oversight and "relevance" is not only regulated by legal prescripts but also finds expression in how work is conducted and received; the quality and accuracy of decisions/advice; and its overall impact on the public service.

Establishment as a Constitutional Institution will incur further establishment costs, compliance with all legal requirements, and financial accountability in terms of the PFMA and other relevant legislation. As presently understood, the PSC Amendment Bill, if approved, will extend the mandate of the PSC and will require both Constitutional Amendments (e.g. extension to local government), and concurrent legislative amendments where applicable e.g. Local government Systems Act of 2000 will need to provide for the PSC to exercise its mandate over it and allow the PSC to be able to investigate, issue directions and/or recommendations to the relevant municipal council or the municipal manager as the case may be.

The above analysis leads to the following conclusions:

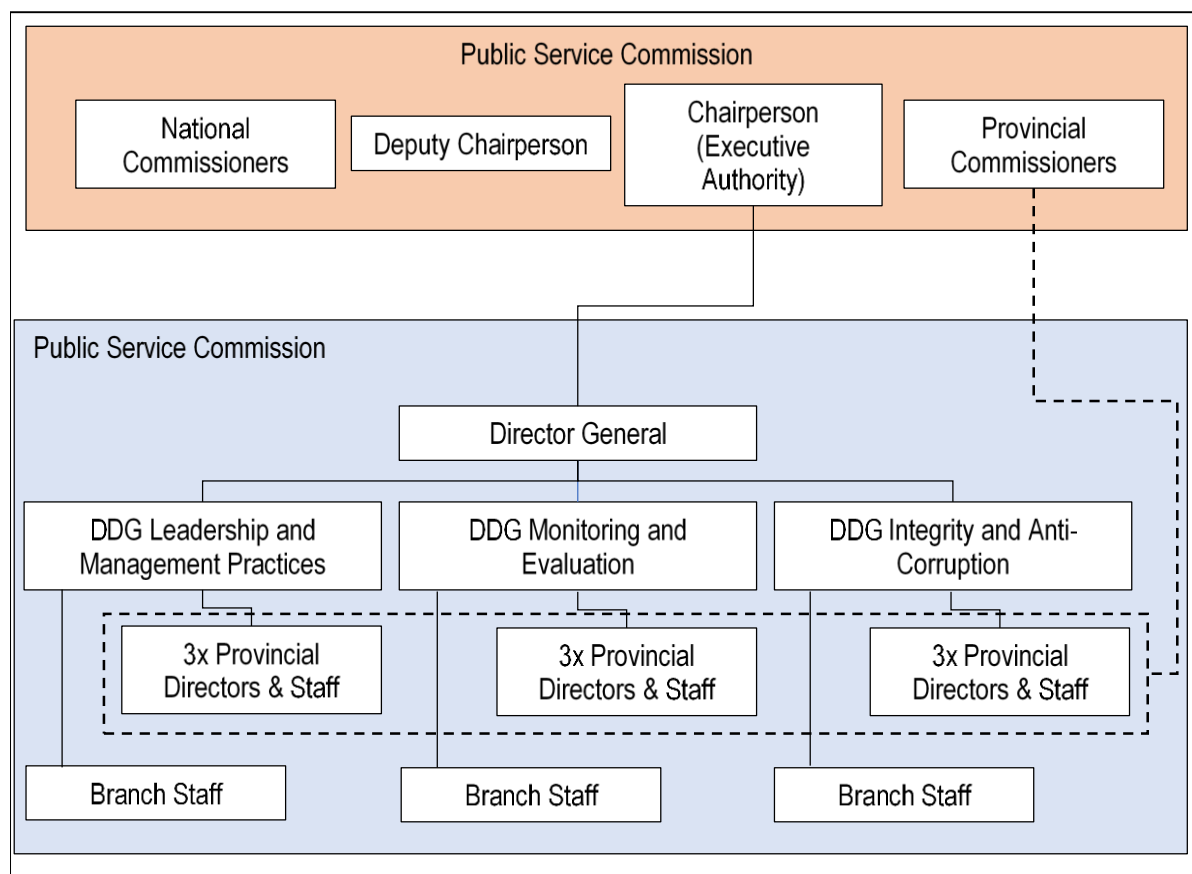
- 1) The PSC must prioritise its activities and adopt a more strategic approach to interpreting its present mandate and structuring its work into key performance areas that will contribute to its oversight role.
- 2) Improved collaboration and coordination with other centre of government departments and parliament and oversight bodies will support impact and ensure that there is no duplication e.g. DPME- monitoring and evaluation.
- 3) The Commission is accountable to the National Assembly, but it must enhance its role as a key stakeholder by engaging more vigorously with the broader community on its reports; and Portfolio Committee and National Council of Provinces engagements.

3.3 Operations and resourcing

During the interviews, some of the interviewees spoke about the “double structure” of the PSC – meaning those governance structures of the Commission itself vs. the management and organisational structures of the OPSC, the former being a creature of the Constitution and the PSC Act, and the latter largely the result of the PSA and the PFMA. In this respect, the PSC as a Constitutional Institution (CI) is rather unique since other CIs do not have support structures that are government departments. As a rule, these CIs are listed in Schedule 1 of the PFMA and are not deemed to be government departments as per the schedules of the PSA.

The macro organisational structure of the PSC and the OPSC, with the associated complexity, is presented below:

Figure 4: PSC and OPSC Organisational Structure



The solid connecting lines indicate governance authority. The Provincial Directors, report to DDGs but provide direct support to the Provincial Commissioners (dotted connecting lines).

The post establishment information (as at March 2018) is as follows:

Table 1: PSC and OPSC Establishment Information (March 2018)

ESTABLISHMENT INFORMATION	TOTAL
TOTAL POSTS INCLUDING COMMISSIONERS	285
TOTAL POSTS FILLED INCLUDING COMMISSIONERS	267
TOTAL POSTS VACANT INCLUDING COMMISSIONERS	18

S/L	TOTAL POSTS	SL & TOT POSTS	SL & TOT POST	SL & TOT POST
16	3	12 - @ - 72	8 - @ - 13	4 - @ - 0
15	16	11 - @ - 4	7 - @ - 33	3 - @ - 2
14	7	10 - @ - 33	6 - @ - 20	2 - @ - 8
13	36	9 - @ - 3	5 - @ - 35	

This complexity of the associated governance structures, which by all accounts are functioning more effectively than the previous model, is illustrated in the following two tables:

Table 2: Governance structures/arrangements of PSC

Table 2: Governance structures/arrangements of PSC	
Name	Purpose
1. PLENARY	Plenary meetings must be scheduled to discharge the powers and functions of the PSC as set out in the Constitution This is the highest decision-making body of the PSC
2. EXECUTIVE COMMITTEE (EXCO)	Monitors the implementation of the decisions of Plenary meetings. Takes operational decisions within the parameters of the policy framework of the Commission
3. SPECIALIST TEAMS ⁵	In order to execute the mandate, subcommittees are established in the form of Specialist Teams. Commissioners, through the Specialist Teams, must provide strategic oversight of the key performance areas in accordance with the powers and functions of the Commission as contemplated in the Constitution, the Act and the Public Service Act. Specialist Teams must take decisions and make findings and recommendations on behalf of the Commission in line with the delegations framework, which decisions, findings and recommendations must be ratified by the Commission at the following Plenary meeting
4. WORKING COMMITTEES/ PANELS (OF	Working committees of Specialist Teams in the form of panels are established to deal with decision-making in respect of investigations in terms of section 196 (4) (f) of the Constitution, in line with the Rules and the delegations framework.

⁵ Presently, the following specialist teams exist: 1) Leadership & Management Practices; 2) Integrity & Anti-Corruption; 3) Monitoring & Evaluation.

Table 2: Governance structures/arrangements of PSC	
Name	Purpose
SPECIALIST TEAMS) ⁶	
5. NATIONAL CLUSTERS	In order to improve the execution of the Commission's mandate, nationally based commissioners have been assigned to national departments in accordance with the Ministerial clusters established by Cabinet to serve as a single point of entry to the Commission.

Table 3: Governance structures/arrangements of OPSC

Table 3: Governance structures/arrangements of OPSC ⁷	
Name	Purpose
1. STRATEGIC MANAGEMENT COMMITTEE	<ul style="list-style-type: none"> Stimulate strategic engagement. Take quick decisions on strategic issues facing the OPSC. Serve as an accounting forum for branch heads. Decide on the overall coordination of work. Respond quickly to emerging needs emanating from the internal and external environment.
2. EXECUTIVE MANAGEMENT COMMITTEE (EXMA)	<ul style="list-style-type: none"> Ensure that organisational business objectives are adequately addressed and remain under control. Ensure effective and efficient functioning of the organization. Monitor the implementation of the Strategic Plan, Annual Performance Plan and the Workplan. Follow up on decisions of the Executive Committee and Public Service Commission Plenary meetings. Monitor financial issues - in terms of the actual expenditure, explanation of variances and steps to be taken to ensure that variances are corrected and prevented in future. Discuss funding priorities in line with the available budget. Monitor vacancies within the OPSC. Track progress on the implementation of measures to address audit findings. Engage on issues emanating from Forum of South African Directors-General and clusters meetings. Engage on the Top Ten Risk Register and other significant risks facing the OPSC. Drives the implementation of IT Strategy and IT Governance framework, ensuring that IT remains a strategic enabler to the business.

⁶ Presently, the following panels exist: National Grievances & Complaints Panel; and 3 x Provincial Grievances & Complaints Panels

⁷ This table excludes departmental oversight committees such as the Ethics and Risk Management Committee

Table 3: Governance structures/arrangements of OPSC⁷

Name	Purpose
3. MANAGEMENT COMMITTEE (MANCO)	<ul style="list-style-type: none"> To create a platform for senior managers to discuss issues affecting the operations of the OPSC. To provide guidance on strategic issues that affect the operations of the OPSC. To discuss and track progress on the implementation of outputs in the OPSC Workplan, and other performance areas. To use the feedback from the Management Committee (MANCO) meetings to refine inputs for the quarterly reports to Plenary. To exchange ideas on best practices with the aim of assisting MANCO members to carry out outputs in the Workplan.
4. PROVINCIAL DIRECTOR'S FORUM	<ul style="list-style-type: none"> To create a platform for top management and Provincial Directors to discuss issues affecting the operations of the provincial offices. To provide guidance on strategic issues that affect the operations of the provincial offices. To exchange ideas on how to make the provincial offices function optimally. To explore and agree on mechanisms to improve coordination and synergy between the National Office and provincial offices.
5. AUDIT COMMITTEE (AC)	Provide oversight responsibility for the financial reporting process, the system of Internal Control, Risk Management and governance process, the audit process and process for monitoring compliance with laws and regulations and the Code of Conduct. See Audit Committee Charter
6. BRANCH MEETINGS	<ul style="list-style-type: none"> Overall planning and branch management (line function and administration) Progress reporting and interventions where targets are not met Enable sharing of information within the Branches
7. INFORMATION SESSIONS	Information sharing with all members of staff.

3.4 Budgeting and expenditure management

The Terms of Reference (unsigned) for the PSC's governance structures plus the governance rules of the PSC set out the PSC and OPSC roles/responsibilities relating to budgeting and expenditure management. We also have a detailed breakdown in the form of a spreadsheet of the budget.

The core challenges that the Public Service Commission faces is that all challenges have their roots in an increasingly severe budget crunch. This section provides analyses of the trends that are the source of the PSC's funding pressures. The analysis it presents is relatively straightforward, but its core implications are of enormous importance. Stated simply, these are:

- The PSC's finances are increasingly unsustainable because of a rapid rise in committed recurrent spending, especially staff and accommodation costs, that have risen much more quickly than has the budget.
- Unless action is taken quickly, the PSC will soon be in a position in which it will routinely overspend its budget. Such action must take the form of one or both of (a) an increase in the PSC's budget and/or (b) a dramatic reduction in the rate of growth

of recurrent expenditure. Unfortunately, the former appears unlikely, while the latter may be achievable only through downsizing.

3.4.1 Analysis

As reflected in Table 4, the budget for the PSC, including changes effected through the Adjustments Budget, has increased from R162 million in 2012/13 to R248 million in 2017/18, an average annual increase of about 8.9%. The same is true for expenditure, changes of which are an almost perfect match of changes in the Adjusted Budget. Because the adjustment budget has never accounted for more than 3.5% of the original budget in any year, changes to expenditure also track changes trends in the Original Budget, too.

Table 4: PSC budget, adjustments and expenditure (2012/13 – 2017/18)

	Original Budget	Adjustment Budget	Total Budget	Expenditure	Unspent
2012/13	159 046 000	3 071 000	162 117 000	162 075 872	41 128
2013/14	201 129 000	0	201 140 000	200 944 564	195 436
2014/15	226 031 000	0	226 031 000	225 800 251	230 749
2015/16	222 100 000	7 652 000	229 750 000	229 320 360	429 640
2016/17	234 233 000	-5 000 000	229 234 500	229 038 842	195 658
2017/18	245 664 000	2 095 000	247 759 000	247 343 516	415 484

The key trend to observe in the budget, however, is that 45% of the total increase in the budget can be explained by the single annual increase in spending between 2012 and 2013, and that after that date, annual increases in the budget have averaged only 5.3% a year. Critically, between 2014 (R226m) and 2016 (229m), the PSC's total budget did not grow at all. This is a fact of enormous significance, especially when one considers what has occurred in the budget for (and spending on) the compensation of employees.

The most important fact about the PSC is that, after two years of rapid growth in budgets and spending between 2012/13 and 2014/15, these have grown more slowly than inflation, especially between 2014/15 and 2016/17, during which period the budget almost did not grow at all in nominal terms (figure 5), leading to inflation-adjusted declines in spending between 2014/15 and 2016/17, before a real increase in 2017/18.

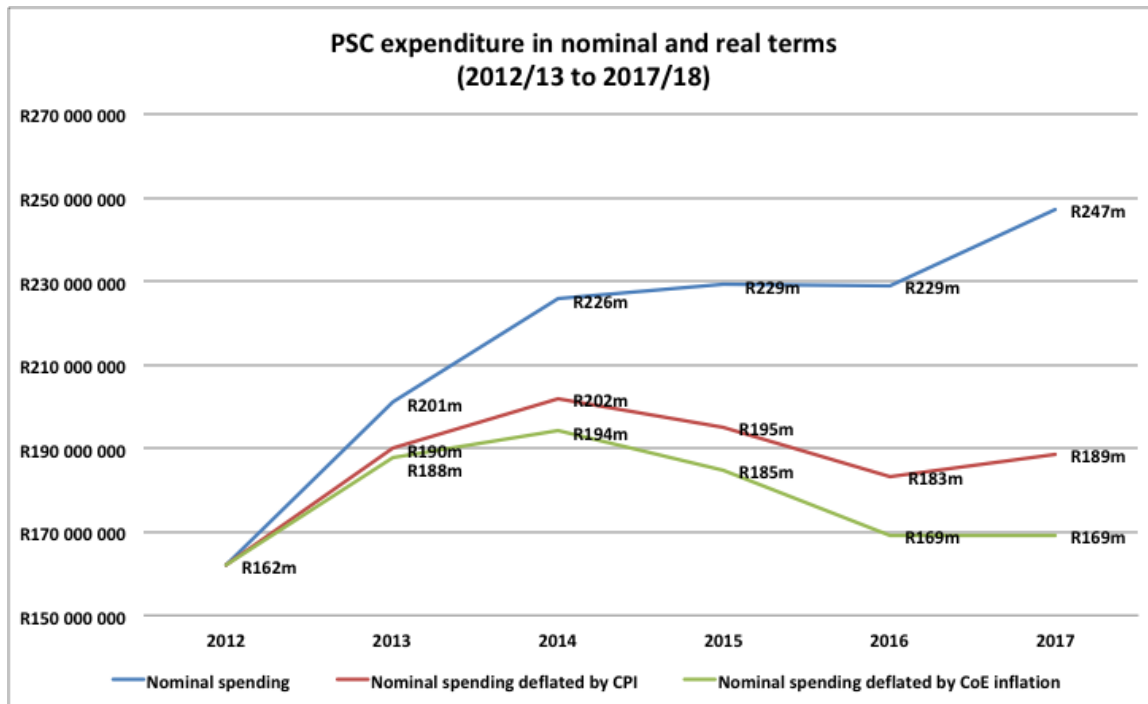


Figure 5: PSC expenditure in nominal and real terms (2012 to 2017)

Serious as the decline in the real value of the PSC's budget is when it is deflated by CPI, the decline is even greater when the rate of increase in nominal spending is deflated by the rate of increase in wages in the public service (green line in Figure 2). This is legitimate because, as we will see, a very large proportion of the PSC's spending is accounted for by the compensation of employees. Because the value of the budget has declined in real terms relative to the cost of personnel in the public service, it has become more and more difficult for the PSC's budget to accommodate the costs of its employees.

In some ways, this is a relatively benign budget outcome: although there was an increase in budgets and spending between 2012/13 and 2014/15, followed by a fall in spending, by 2017/18, the PSC's budget was still larger in real terms than it had been in 2012/13. There is in principle no reason why the current budget should be unsustainable. As we shall see, however, two dynamics explain why this is not the case. The first is that the PSC's establishment is both larger and more expensive now than it was in 2012/13. The second is that explosive growth in spending on accommodation costs is squeezing out all other spending in the Goods and Services budget.

3.4.2 The composition of spending by the PSC

Spending in the PSC is dominated by the compensation of employees, which accounted, on average, for about 71% of all spending over the past six years, and Goods and Services (27% on average), with negligible spending elsewhere (Figure 6).

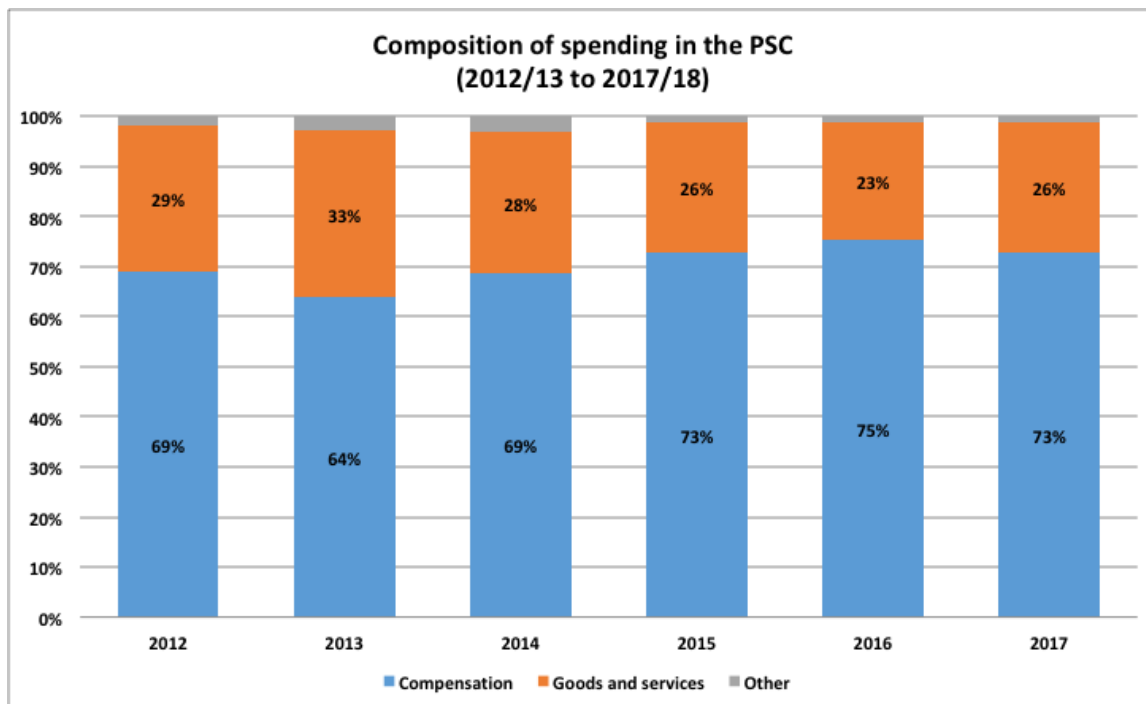


Figure 6: Composition of spending in the PSC (2012 to 2017)

The broad stability of spending on CoE and G&S as reflected in Figure 6 obscures an important dynamic in the PSC budget, however, which is that the proportion of spending accounted for by accommodation costs,⁸ which in 2017 accounted for 16% of all spending, up from 6% in 2013. By 2017, accommodation costs accounted for over 60% of all spending on G&S, up from 19% in 2013 – see Figure 7. It should be noted, in this regard, that the PSC is not wholly responsible for accommodation-related decisions, with Public Works having a significant say in decisions that affect the PSC's expenditure trajectory.

⁸ "Accommodation costs" reflected the sum of three categories of spending on BAS: Lease, Operational Leases and Property Payments.

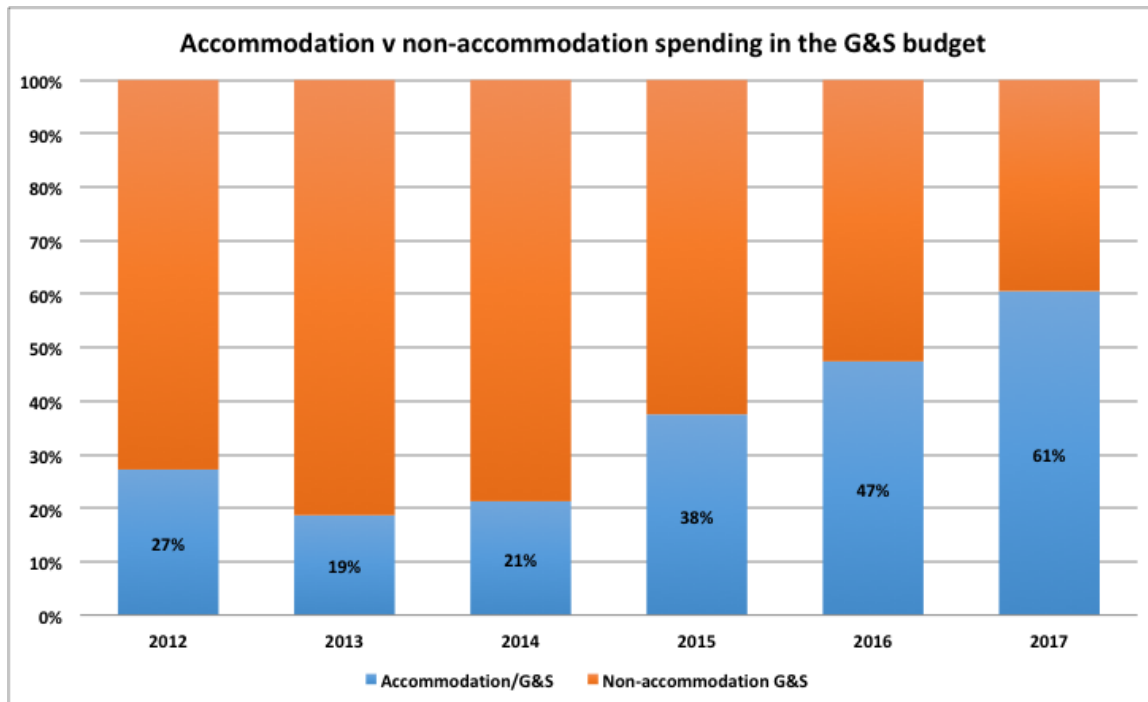


Figure 7: Composition of spending in the G&S budget (2012 to 2017)

The net effect is that there has been an enormous squeeze on non-accommodation spending in the G&S budget, which has actually fallen by more than 25% between 2012 and 2017 in nominal terms even as the budget as a whole has risen by over 50%, compensation spending has risen by over 60%, and spending on accommodation has risen by over 200%. The next sections discuss these trends in more detail.

3.4.3 Spending on Compensation

As reflected in Table 2, between 2012 and 2013, the budget of (and spending on) compensation has increased by 10% a year on average (which is a little faster than aggregate spending by the PSC, which was 8.9% a year over that period). And, like aggregate spending, spending on compensation also grew much faster between 2012 and 2014 (nearly 18% a year) than it did between 2014 and 2017 (5% a year). Unlike the budget as a whole, however, budgets allocated to compensation have been adjusted significantly in the course of every year, with an average reduction in compensation spending of over 8% a year when final spending is compared to the original budget, with significant changes effected through the Adjustments Budget and by virements effected by the PSC itself.

Table 5: PSC budget for Compensation of Employees (2012/13 – 2017/18)

	Original Budget	Adjustment Budget	Virement	Total Budget	Expenditure
2012/13	118 384 000	-2 548 000	-3 945 000	111 891 000	111 862 872
2013/14	155 510 000	-12 582 000	-14 408 000	128 520 000	128 417 035
2014/15	171 617 000	-5 926 000	-10 214 000	155 477 000	155 362 010
2015/16	181 322 000	-648 000	-13 257 000	167 417 000	167 108 683
2016/17	190 801 000	-5 000 000	-4 157 000	172 794 200	172 696 120
2017/18	188 776 000	-2 900 000	-6 737 000	180 764 000	179 889 211

Compensation spending is driven by two factors: the number of personnel employed and the average cost of compensating each of those officials. Changes in the number of employees depends on the number of people entering employment and the number exiting it. Changes in average compensation costs are somewhat more complex and depend on any changes in the distribution of personnel across ranks and notches (which depends on promotions policies, as well as the location in the structure of individuals who enter or exit), as well as any changes to salaries and benefits effected through collective bargaining. In this regard, the key trends in the PSC establishment and compensation costs are:

- The number of officials employed by the PSC has increased as has their average rank
- Between 2012 and 2015, the number of officials employed by the PSC (measured on an FTE basis) rose from 240 to 309, though it has since fallen back to 266. Because much of the recruitment over this period was of Deputy Directors (salary level 12), the proportion of PSC staff above rank 11 rose over this period from the rank of the average employee of the PSC rose from 36% to 46% (Figure 8).

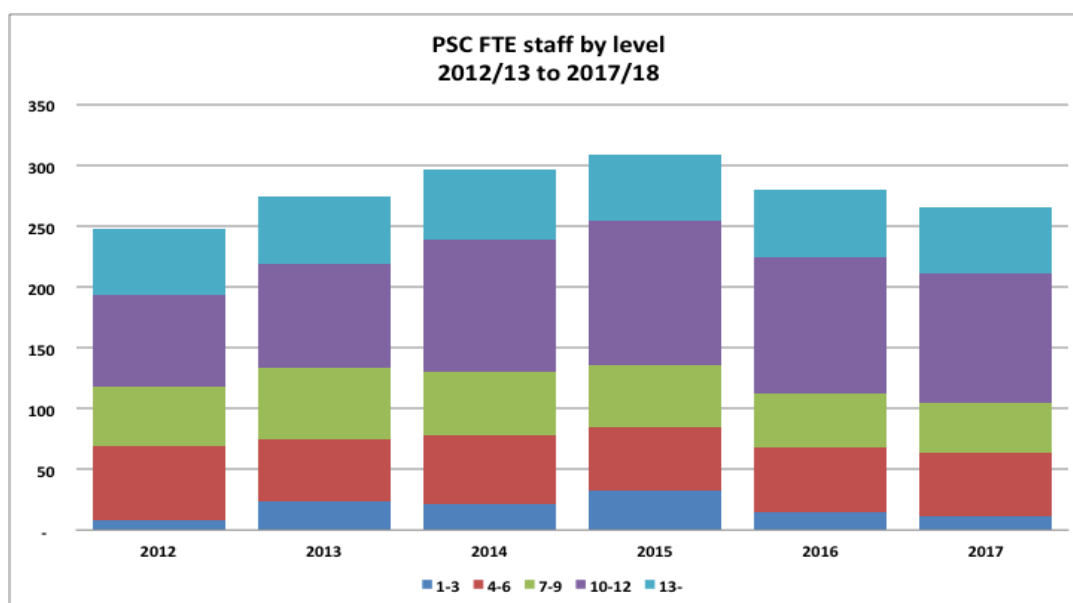


Figure 8: The number of PSC officials by salary level (2012 to 2017)

- Average salaries at all ranks have increased
- Overall, compensation per employee increased at about 7.3% a year between 2012 and 2017, though increases at higher ranks were a little slower than that: average annual increases for personnel in levels 10-12 were 6.7%, while for levels 13 and above, average annual increases were about 5.5%.

The combined effect of these trends has been that spending on CoE has increased by about 10% a year. This is one reason why the PSC's budget is under so much pressure: on average, it has increased by a full percentage point less each year than has spending on CoE. The net result is depicted in Figure 6: the proportion of PSC spending accounted for by CoE has risen from 69% to 73% over that time period. This, however, is only one factor driving the budget crunch. The other is that, within the budget for G&S, accommodation spending has risen explosively.

3.4.4 Spending on Goods and Services

Table 3 reflects the budgets for, and spending on, Goods and Services. Here, changes to the budget, effected both through the Adjustments Budget and through virement, lead consistently to significantly higher levels of expenditure in a given financial year relative to the budgets as set out in the relevant Appropriation Acts. Finds, in other words, are consistently taken from the CoE budget and reallocated to G&S. The changes, from the perspective of the G&S budget are significant: in the average year, the total budget for G&S exceeds the original budget by 27%, while in some years these adjustments represent increases on the original budget is 40% and more. Overall, however, spending on G&S only increased by an annual average of 6.5% between 2012 and 2017, with all of the change being effected in 2013, after which spending on G&S actually declined.

Table 6: PSC budget for Goods and Services (2012/13 – 2017/18)

	Original Budget	Adjustment Budget	Virement	Total Budget	Expenditure
2012/13	39 068 000	5 419 000	2 842 000	47 329 000	47 205 820
2013/14	44 388 000	11 532 000	10 873 000	66 795 000	66 633 083
2014/15	53 235 000	2 490 000	8 025 000	63 509 000	63 392 734
2015/16	39 844 000	7 596 000	12 175 000	59 615 000	59 502 033
2016/17	43 432 000	0	2 721 000	53 832 600	53 751 327
2017/18	55 939 000	4 995 000	6 204 000	65 340 000	64 688 867

The stagnation and marginal decline of G&S spending since 2013/14 would be difficult to manage even in the absence of the trends in spending on accommodation. But given these dynamics, there has been an enormous effect on the rest of the G&S budget. These are set out in Table 7.

Table 7: PSC budget for accommodation (2012/13 – 2017/18)

	Original Budget	Adjustment Budget	Virement	Total Budget	Expenditure
2012/13	12 835 000	0	70 000	12 848 000	12 842 800
2013/14	13 045 000	0	-646 000	12 441 000	12 434 465
2014/15	14 968 000	0	-1 478 000	13 490 000	13 490 794
2015/16	24 223 000	-1 164 000	-732 000	22 327 000	22 322 021
2016/17	27 335 000	0	11 000	25 737 000	25 488 428
2017/18	33 906 000	2 745 000	3 012 000	40 070 000	39 166 251

On average, spending on accommodation has risen by 25% a year since 2012/13 and by 33% a year since 2013/14, with the result that overall spending on accommodation more than tripled from nearly R12.5 million in 2013/14 to over R39 million in 2017/18. As noted earlier, this has meant that accommodation has expanded from accounting for 8% of the PSC budget in 2012/13, to 16% in 2017/18, and from 27% of the G&S budget in 2012/13 to 61% in 2017/18.

3.4.5 Overall trends

In sum, then, total spending by the PSC rose by about 53% between 2012 and 2017, over which period, accommodation spending rose by 205%, CoE spending rose by 61%, and spending on everything else fell significantly (Figure 5).

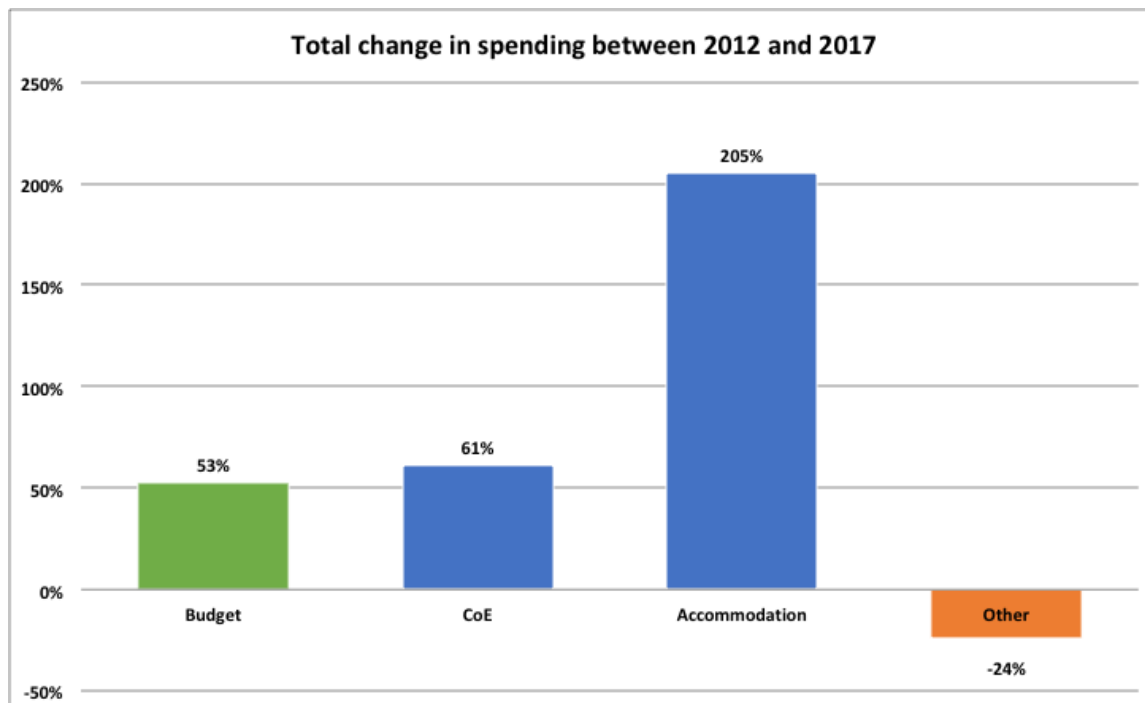


Figure 9: Net changes in spending between 2012 to 2017

3.4.6 PSC's use of virements and adjustments

Apart from the fact that recurrent spending on compensation and accommodation has grown more quickly than the budget as a whole, and has crowded out all other spending, a peculiar dynamic exists in that quite substantial adjustments are made to both the compensation budget (which is reduced) and the G&S budget (which is increased) in every year under review (Table 8).

Table 8: Annual adjustments⁹ to CoE and G&S budgets (2012/13 – 2017/18)

	Adjustments to CoE	Adjustments to G&S	Difference
2012	-6 493 000	8 261 000	1 768 000
2013	-26 990 000	22 405 000	-4 585 000
2014	-16 140 000	10 515 000	-5 625 000
2015	-13 905 000	19 771 000	5 866 000
2016	-9 157 000	2 721 000	-6 436 000
2017	-9 637 000	11 199 000	1 562 000
Total	-82 322 000	74 872 000	-7 450 000

As reflected in Table 8, between 2012 and 2017, a total of R82 million was taken out of the CoE budget as passed in the relevant Appropriation Act, while R75 million was added to the G&S budget over that period. This reflects a reduction in spending on CoE of 8% relative to the budgets passed by the Legislature and an increase of 27% to the aggregate of funds appropriated for G&S.

Adjustments of this scale and this regularity are peculiar have been interpreted by Treasury as an indicator that the PSC's approach to budgeting is failing to estimate accurately annual CoE spending (which is over-estimated) and G&S (which is underestimated). This is not entirely correct, however: because of the pressures exerted on the PSC's budget by rapidly growing accommodation spending, the PSC has frozen a number of posts in the past few years and has used this to help fund the deficit on the goods and services budget.

Having said that, it seems that, as part of the process of reducing spending pressures in the budget, the National Treasury intends that the 2018 Appropriation Act will prohibit the use of any funds allocated to the compensation of employees from being used for any other purpose in the absence of a specific Act of Parliament. This strengthens existing rules and may lead to adverse audit findings' being made against the PSC if it were to redirect budgets from CoE to goods and services.

3.4.7 Note on the increased budgets of 2013/14 and 2014/15

As was apparent in Figure 5, one of the features of the PSC's budget is that it increased in real terms in both 2013/14 and 2014/15 before steep real declines in the following years.

This is an unusual budget profile for an organisation that is labour intensive and in which spending is not driven by "lumpy" project costs (as, for example, might be the case for an

⁹ In the context of this section, the term "adjustments" refers to the sum of changes to a budget line effected through the Adjustments Budget and the process of virement.

organisation that develops infrastructure). There are conflicting interpretations of the significance of this. On the one hand, officials at the PSC believe that a mistake was made in the 2012 MTEF, when the PSC received a significant increase in funding for 2012/13 (relative to the 2011 MTEF), with a smaller increase for 2013/14 and no increase for 2014/15. In this view, a mistake was made in the 2012 MTEF because the carry-through costs of new appointments to expand the PSC's capacity that were made possible by the 2012/13 increase were not provided for 2013/14 and 2014/15 (or, indeed, for any subsequent year).

It needs to be stressed, however, that whether or not a mistake was in fact made, the PSC's decision to appoint officials in 2012/13 when the carry-through costs of those appointments had not been explicitly provided for was risky as it was made on the assumption that the requisite funds would be provided for at a later date. In fact, however, SA's deteriorating fiscal space has meant that the additional funds have not been made available, with consequences for the sustainability of the PSC's budget, as described above.

Having said that, it should be reiterated that one implication of the above analysis is that the absence of additional funding for compensation cannot fully explain the PSC's budget crunch: between 2012/13 and 2017/18, CoE spending did grow more quickly than the PSC's budget as a whole, but the differential between the two is quite small, with much more pressure having been exerted on the budget by the very rapid rise in accommodation spending.

3.4.8 Implications

The critical implication of the analysis presented here is that a significant proportion of the PSC's recurrent spending, especially its spending on CoE and on accommodation, make up a large proportion of total spending and are growing more quickly than the budget as a whole. The proportion of the budget spent on CoE rose from 69% to 73% between 2012 and 2017, while, over the same period, the proportion of the budget accounted for by accommodation costs rose from 8% to 16%. Together, they accounted for 89% of all spending in 2017. Add other forms of recurrent spending to the PSC's spending profile¹⁰ and it is clear that the PSC has very little funding available for discretionary, operational spending.

Although the growth of CoE spending is not that much faster than the growth of the budget as a whole, the sheer weight of spending on CoE means that its growth relative to the rest of the budget is reducing the quantum of resources available for other kinds of operational spending. At the same time, because the gap between the rate of growth of CoE and the budget is relatively small, if this were the only source of budgetary pressure, it might be manageable. In practice, however, the explosive growth of spending on accommodation costs is both a significant challenge in its own right, and a magnifier of the challenge of rising CoE spending. The critical question facing the PSC is whether either of these two cost drivers can be managed.

¹⁰ Payments to SITA, for example, rose by 9.9% a year between 2012 and 2017, from R3.2 million to R5.2 million, while payments on cell-phones rose by 10.5% from R1 million to R1.6 million.

To the extent that it is possible to slow the growth of spending on accommodation and even reverse it, pressure will be alleviated on other budgets. The same is true, of course, of CoE spending. Unfortunately, however, in the case of CoE spending, the PSC's options are rather limited: because conditions of service are negotiated centrally, the only way the PSC can slow spending is if wage negotiations generate wage growth that is slower than the rate of growth of the PSC's budget, or if the PSC downsizes its establishment.

In the absence of concerted efforts to reduce the rate of growth of recurrent spending, however, it is inevitable that at some point in the near future, the PSC will overspend its budget.

3.4.9 The MTEF

It is possible to estimate the effects of the continuation of the trends described above on the PSC's expenditure over the next few years and to compare that to the budget allocation for 2018/19 and the provisional allocations set out in the 2018 MTEF for 2019/20 and 2020/21 as per the table 4 below. These propose that the PSC's budget increase by about 6.3% a year over the MTEF.

Table 9: PSC Estimates of National Expenditure - 2018

R million MTEF allocation	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
Administration	125.9	124.8	0.1	0.9	129.0	137.1
Leadership and Management Practices	44.7	44.5	0.2	0.1	47.8	51.4
Monitoring and Evaluation	39.3	39.3	-	-	42.6	45.8
Integrity and Anti-Corruption	54.5	54.5	0.0	0.0	58.9	63.3
Total expenditure estimates	264.4	263.1	0.3	1.0	278.2	297.6

The ENE incorrectly identifies the Executive Authority as the Minister of Public Service and Administration. The reason for this needs to be clarified with National Treasury. As a minimum, reference to the PSA assignment of executive authority to the Chairperson of the PSC needs to be included. The Director-General of the Public Service Commission is indicated as the Accounting officer.

Table 6 sets out a baseline scenario of how PSC spending will evolve over the course of the MTEF and compares that to the allocations and provisional allocations made for the financial years 2018/19 to 2020/21. The key assumptions are:

- Accommodation spending continues its explosive growth path of 25% a year
- Non-accommodation spending continues to shrink by 5% a year
- The implementation of a cost-of-living adjustment of 7%, combined with no change to the establishment and the continuation of existing policies on promotion and progression leading to CoE spending increases of 8.4% a year.

Table 10: Baseline scenario: overspending over the MTEF (2012/13 – 2017/18)

	2017/18	2018/19	2019/20	2020/21
Compensation	179 889 211	194 999 905	211 379 897	229 135 809
Goods and services	64 688 867	72 999 821	83 840 425	97 816 479
Accommodation	39 166 251	48 951 101	61 180 486	76 465 121
Other	25 522 616	24 048 720	22 659 939	21 351 358
Other	2 765 437	2 719 472	2 674 271	2 629 822
Total projected	247 343 516	270 719 198	297 894 593	329 582 109
Original budget/MTEF	245 664 000	264 399 000	278 229 000	297 627 000
Overspending relative to original budget	1 679 516	6 320 198	19 665 593	31 955 109
Overspending as % of original budget	1%	2%	7%	11%

As is evident from Table 10, continuation of existing policies will lead to overspending on the provisions PSC budget for 2020/21 of R32 million (11%). This is clearly undesirable: apart from the fact that overspending is a violation of the PFMA, the continued decline in spending on goods and services other than accommodation (which would fall from 10% of spending to 6%) would render the PSC non-functional.

Given this, Table 11 and Table 12 set out different scenarios, in each of which goods and services spending on everything except accommodation rises at 5% a year, but where the increase in spending on CoE (Table 10) or accommodation (Table 11) is slowed relative to the baseline. In both tables, it is assumed that non-accommodation G&S spending rises by 5% a year rather than falling by 5% a year.

Table 11: Budget for 2020/21: Baseline and alternative projections for CoE

	Baseline	CoE at 7% pa	CoE at 5.5% pa	CoE at 3% pa
Compensation	229 135 809	220 372 019	211 233 355	196 569 798
Goods and services	97 816 479	97 816 479	97 816 479	97 816 479
Accommodation	76 465 121	76 465 121	76 465 121	76 465 121
Other	21 351 358	29 545 619	29 545 619	29 545 619
Other	2 629 822	2 629 822	2 629 822	2 629 822
Total projected	329 582 109	320 818 320	311 679 656	297 016 099
Original budget/MTEF	297 627 000	297 627 000	297 627 000	297 627 000
Overspending relative to original budget	31 955 109	23 191 320	14 052 656	(610 901)
Overspending as % of original budget	11%	8%	5%	0%

As is evident from Table 11, if CoE increases at 8.4% (which it will do if cost-of-living-adjustments of 7% a year are effected and no changes are made to personnel numbers), the PSC will overspend its budget by 11% even if non-accommodation spending declines by 5% a year in the first column. In the next columns, it is (a) assumed that non-accommodation G&S spending rises by 5% a year between 2017/18 and 2020/21, but that CoE spending

grows at less than 8.4% a year, with estimates of CoE growth of 7% a year, 5.5% a year and 3% a year.

As is evident, it is not possible to balance the PSC's budget in 2020/21 under these assumptions unless CoE growth at 3% a year. This would be achievable, however, only if the organization is downsized significantly – by about 5% of staff per year over the course of the MTEF – or if salaries were all but frozen over this period.

Because the explosive growth of accommodation spending is such a large driver of the PSC's budget crunch, Table 12 adopts a different approach to estimating how spending might evolve relative to the MTEF allocations. Here, CoE spending is assumed to grow by 8.4% and non-accommodation G&S grows by 5% a year, but, relative to the baseline in which accommodation spending grows at 25% a year, it is assumed to grow by 10%, 6% and 3%.

Table 12: Budget for 2020/21: Baseline and alternative projections for accommodation

	Baseline	Accommodati on at 10% pa	Accommodati on at 6% pa	Accommodati on at 3% pa
Compensation	229 135 809	229 135 809	229 135 809	229 135 809
Goods and services	97 816 479	81 675 899	76 193 250	68 711 870
Accommodation	76 465 121	52 130 280	46 647 632	39 166 251
Other	21 351 358	29 545 619	29 545 619	29 545 619
Other	2 629 822	2 629 822	2 629 822	2 629 822
Total projected	329 582 109	313 441 529	307 958 881	300 477 500
Original budget/MTEF	297 627 000	297 627 000	297 627 000	297 627 000
Overspending relative to original budget	31 955 109	15 814 529	10 331 881	2 850 500
Overspending as % of original budget	11%	5%	3%	1%

As is apparent from Table 12, even under the assumption that accommodation spending growth can be reduced to 3% a year, the PSC would still overspend its budget relative to the MTEF allocation in 2020/21, albeit by less than R3 million.

3.5 Planning

A number of concerns emerged through the diagnostic with respect to the planning performance targeting and reporting thereon.

The strategic and annual performance plans do not provide a clear theory of change (TOC) in achieving the Commission's mandate, however, it may be implicit. This means that the PSC's strategic intent is not sufficiently clear in its goals and objectives nor is the contribution of the activities and outputs to the stated goals and objectives explicitly clear.

At the branch or budget programme level, there are no "nested" delivery programme TOC and logic models, showing alignment of activities with the overall strategic intent (stated goals and objectives).

The existing performance measures are mostly focused on numbers of reports produced, rather than on quality, client/stakeholder satisfaction and impact of the PSC's advice/recommendations/directions. This makes it difficult, if not impossible, to establish if the Commission is making a difference in executing its mandate. As an example, the Strategic Objective "Improve labour relations in the public service" has a target of "80% of all properly referred grievance concluded". It is difficult to measure the benefit of this output if "conclusion" is the measure. Did labour relations improve in the 80% concluded? How do the individuals affected by the un-concluded 20% feel about labour relations?

The PSC/OPSC's APP and workplan contain a myriad of activities that require monthly, quarterly and annual reporting. Not all of them appear to be of equal importance, though they are repeated year after year (e.g. inspections on availability of LTSM at schools).

There is a sense that prioritisation of work is not yet optimal and that some activities may have to be scaled down, transferred to other institutions or even terminated – particularly those that are not specifically required by the PSC's statutory mandate. An explicit logic model will assist in such prioritisation. The need for this is becoming even more acute in

view of the Commission's budgetary pressures. This process has in fact already started with, for example, the Head of Department (HOD) performance evaluation function being transferred to the DPME and the secretariat function of the National Anti-Corruption Forum (NACF) being transferred to the Special Investigating Unit (SIU). There have also been debates about whether the National Anti-Corruption Hotline (NACH) is best placed in the Commission given that this mandate arose from a Cabinet memorandum and funds to host this are "drying up". Furthermore, statistics from the NACH indicate that the vast majority of calls relate to general enquiries and very few of them actually result in case reports. Where case reports are generated, most of these are not investigated by the PSC, but are referred to departments and other entities.

At the same time, the sense of some interviewees is that the Commission should scale up activities that would be more impactful, for example, providing a mentorship role to newly appointed executing authorities and HODs and mediating conflicts arising from the political-administrative interface.

"Chasing the numbers" contained in the strategic plan, APP and workplans appears (a) to be time consuming for branches and provinces in terms of monthly, quarterly and annual reporting and (b) happens at the expense of undertaking fewer, but more impactful, activities.

Clarifying the logic model / theory of change that underpins how activities are translated into outputs and outputs contribute to outcomes will (a) facilitate the process to identify priority activities, reconsider less impactful activities/outputs and replace them with more impactful activities/outputs and (b) clarify necessary refinements to performance measures and targets. Understanding of impact and measures to track impact such as stakeholder/client satisfaction and/or impact analysis mechanisms need to be determined based on the logic.

This process will support efforts to improve partnerships with other organisations to strengthen the impact of recommendations made by the PSC.

3.6 Operations

3.6.1 Workflow

The workload of the PSC broadly comprises two categories of work. The one is the stream of complaints, grievances and declarations which are received from public servants either directly to various parts of the PSC, through the NACH or disclosure system. The second 'own accord' stream of work comprises the evaluations, investigations and advocacy actions determined by internal research and other processes. These are characteristically different from each other in key respects however both of these streams of work however produce outputs and need to confront the need to have impact.

The PSC cannot control or direct the number or nature of the incoming stream of complaints, grievances and declarations whereas it can select topics and direct energy for the various investigations, and advocacy actions. Significantly, the complaints / grievances and declarations processes are a rich source of data for systemic investigations, research and advocacy.

It is clear from the interviews and data gathered regarding the complaints / grievances / declarations stream that:

- There is no consolidated view of the work volumes which is complicated by the fact that there are multiple channels and entry points for lodging complaints and grievances with the PSC;

- There is evidence that the distinction between complaints and grievances may not be well understood by public servants which means that these streams of cases may not be entirely distinct from each other;
- The focus is on number of cases and time to resolve matters but without a sense of case priority or categorisation;
- There is scant evidence of any risk-based approaches in the selection and processing of cases;
- Concerns were raised in the interviews that, despite the delegations, cluster and specialist committees, there are still consistency and quality issues across the organisation regarding investigations and reports;
- Numerous cases are referred to other authorities for investigation and action and the PSC has little control over the outcome of these which can compromise the PSC's reputation;
- Similarly, actioning recommendations emanating from investigated cases are largely not in the control of the PSC; and
- In the case of the financial interest declarations there is no risk-based approach which would potentially assist in improving impact. Also, the PSC is managing its declaration processing and verification process using a DPSA owned system.

The systemic evaluations, investigations monitoring and evaluation work by the PSC has delivered important and valuable advisory material for the public service. Findings in this regard are that:

- There are significant concerns that the impact of these outputs is broadly limited by their advisory nature. Some improved impact is achieved where the substance has been contained in instructions as has been the case with DPSA issued instructions.
- The national and provincial priorities are not necessarily harmonised. The tension between "national" and "provincial" priorities and issues need to be accommodated but it is not clear that this is optimally achieved yet. The development of an explicit and agreed logic model may assist in this regard by clarifying the contribution different products or outputs make to the achievement of PSC goals.

What is needed is:

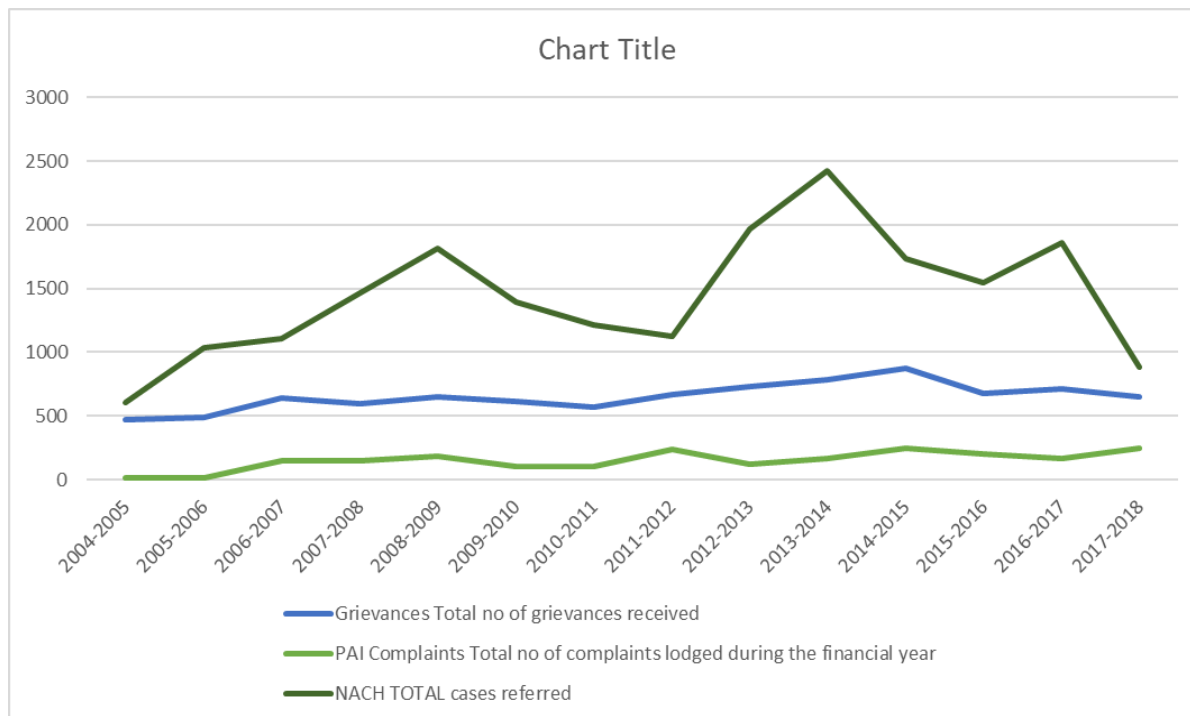
- 1) A clearer view of all business streams, a register of all incoming and referenced cases;
- 2) Categorisation and risk-based prioritisation of cases. Improved influence of case load on the identification of themes for systemic work (research etc.).
- 3) Improved harmonisation of priorities and approaches between national and provincial terrains.

3.6.2 Outputs and work volumes

Relative to the size of the public service the number of complaints and grievances actually seems small as the work volume figures relate to a 1.25 million strong public service.

For example, during the period 1 April – 30 September 2017, the call centre agents (or Early Resolution Officers – EROs) answered 16 455 calls during business hours (08h00-16h30). Out of the answered calls (16 455) the EROs generated 438 case reports. Of these, 410 case reports were referred to departments and public entities for further handling and investigation.

Figure 10: Grievances & Complaints Received and NACH cases Referred



During the 2016 / 2017 period, the PSC concluded 87% of grievance cases (615 of 709) of which 560 cases were for levels 2-12 and 456 (81%) of those cases were concluded within 30 working days upon receipt of relevant information. Fifty-five (55) cases were for levels 13 and above of which 51 (93%) were concluded within 45 working days of receipt of relevant information.

The PSC developed and gazetted the “PSC Grievance Referral Rules” in Government Gazette Number 40359 on 21 October 2016 for implementation by national and provincial departments. The “Rules” provide a guide to departments when discharging labour relations practices.

Two volumes of Grievance Management communiqués (Vol. 3 & 4) were published with the view to equip departments and the respective labour relations officers to deal with grievances.

Based on the trends emanating from investigations conducted by the PSC, a study was initiated to assess the increases in the number of complaints or grievances lodged as a result of non-implementation of arbitration awards and Labour Court orders by government departments.

Various strategic research projects and initiatives were undertaken by the PSC, spanning from the assessment of the impact of organisational restructuring, audit of qualification of SMS members in selected provinces, monitoring of career incidents of HoDs to conducting investigations of Procedure on Incapacity Leave and Ill-health Retirement (PILIR) application processes in identified provinces. As reported by the PSC, the key findings emanating from these assessments indicate that non-compliance with Human Resource Management prescripts is common in the Public Service. It would be very useful to qualify this statement as it can be interpreted as a generalisation. Specific areas of concern and pointed remedies would be useful.

During the period under review, the PSC established a Data Warehouse aimed at improving the PSC's access to Public Service data in order to enable the latter to provide meaningful support to parliamentary oversight, among other key stakeholders. Secondly, the PSC developed a Framework for the domestication of constitutional values and principles by departments as well as the Institutional Evaluation Tool which was piloted with three (3) departments for monitoring and evaluation of the constitutional values and principles.

The PSC held engagements with provincial and national departments as part of promoting compliance with the said values and principles.

The PSC conducted inspections at service delivery sites focusing mainly on hospitals, supply of medicines, border posts and delivery of learner and teacher support material.

As per the PSC report it conducted investigations aimed at improving public administration practices and good governance. In this regard, a total of 303 out of 360 (84%) investigations were finalised of which 210 of 303 (69%) were finalised within their respective timeframes which ranges from 45 days to 3 months. In relation to cases lodged through early resolution, the PSC received 27 cases of which 85% (18 of 21) of the cases were finalised. It would be useful to put these numbers in context in terms of the "population" of potential complaints.

The PSC managed the NACH facility in-house from the second quarter of 2016/17. A total of 1 856 NACH cases that were lodged with the PSC were referred to relevant national and or provincial departments. Since the in-house management of NACH, the PSC has observed an increase in the public interest to use NACH as a reliable mechanism to report alleged corruption cases.

With regard to NACH cases lodged telephonically, the PSC received a total of 48 424 calls of which 1 374 NACH cases were referred to national and provincial departments or public entities and, 1 125 cases registered on the database were closed while 2 499 case reports were generated.

Improved focus includes head of department performance evaluation function being transferred to the DPME and the secretariat function of the National Anti-Corruption Forum (NACF) being transferred to the Special Investigating Unit (SIU). There have also been debates about whether the National Anti-Corruption Hotline (NACH) is best placed in the Commission given that this mandate arose from a Cabinet memorandum and funds to host this are "drying up". Furthermore, statistics from the NACH indicate that the vast majority of calls relate to general enquiries and very few of them actually result in case reports. Where case reports are generated, most of these are not investigated by the PSC, but are referred to departments and other entities.

At the same time, the sense of some interviewees is that the Commission should scale up activities that would be more impactful, for example, providing a mentorship role to newly appointed executing authorities and HODs and mediating conflicts arising from the political-administrative interface.

The numbers of complaints and grievances dealt with by the PSC are all quite small, particularly in light of the size of the public service. This may say something about the PSC's reputation in the "market" and, to some extent, raises questions about how much it revealed about the need there is for its services. The malign effect of having limited resources may be a contributing factor, but that problem is not going to go away.

The PSC sees for itself a broad mandate to promote constitutional values and principles although the efforts in this regard appear to be in their piloting stages. Suggestions were made in the interviews that this issue is on top of the key challenges facing the Public

Service and that it needs to focus its energies on those that really matter. This priority needs to be tested against other systemic issues, the most appropriate course of action needs to be agreed and finalisation of the associated tools, methodology and client engagement strategy need to be considered and developed.

The challenge is that much of the reporting on performance provides throughput figures, as reflected above, and little detail about the portfolio of complaints it deals with, and the implications thereof for the public service. More such content in the reporting would be fundamentally useful in building relevance of the PSC.

3.7 Governance

During the interviews and documents review, the following themes emerged:

- The governance arrangements of the PSC are complex, and there is a view that this is compounded by the “double structure” of the PSC and OPSC.
- The quality of reports appears to be of huge concern, though quality or client/stakeholder satisfaction is not measured in the Commission’s performance indicators. There is also no dedicated section that can assist with standard setting and quality assurance. Directors and higher seem to spend a considerable proportion of their time in collecting data and reporting on these, rather than quality assuring, with the latter often left to the DG and Commissioners.
- There are also concerns about productivity, with anecdotal evidence that some units or employees are not fully utilised, while others are overburdened.
- The quality and productivity concerns appear to be a factor of 1) work not being effectively measured, reported on and managed; 2) quality assurance not being sufficiently institutionalised; 3) some employees not having the required skills; and 4) morale and motivation being negatively affected by some staff members and managers feeling that their skills are under-utilised and that their work isn’t meaningful or impactful enough – the “budget crunch” and poor work facilities compound this, as does the perception among staff that institutional reorganisation may have negative implications for them.

3.7.1 Systems

- Most high-volume work is highly standardised, yet ICT systems are not yet fully developed. Good progress has, however been made with the following:
 - Videoconferencing
 - This has reduced the need for physical travelling to attend meetings.
 - Integrated grievances and complaints management system
 - This is a recently introduced system (2017/18) and users are still being trained.
 - M & E data warehouse
 - This is a significant development and will bring all existing data systems together, including access to transversal systems through Vulindlela
 - E-disclosure system for financial interests

- This is a DPSA system, which brings its own complications, though the PSC uses it for SMS disclosures
- NACH system
 - A totally new system was introduced when it was decided to insource it – this is essentially a call centre system customised for the PSC.
 - It has recently been decided that all complaints and grievances are to be initially logged here and then routed – e.g. to the integrated complaints and grievances system (this is a seamless process – because both use the same platform).
- Key ICT priorities appear to be:
 - Introducing an Electronic Document Management and Reporting System (EDMRS), inclusive of an e-submission system (the submission system that is in use is more than two decades old and can no longer be maintained or enhanced).
 - Introducing a technology solution for lodging complaints and grievances that fall within the PSC's jurisdiction.

Business process mapping needed to inform procedural and systems improvements is necessary. The diverse paths taken through the organisation compounded by multiple entry points into the PSC system needs to be rationalised.

3.7.2 Organisational arrangements

The Institutional Practice Review's brief was seemingly to provide the PSC with its own administrative support structure rather than having a government department supporting it, the argument being that the latter may jeopardise the PSC's independence. To this end a consultant; Mr. Cobus Terblanche was appointed. He made proposals on the organisational structure needed for this. However, this work seemingly excluded a review of the OPSC's business processes. It also didn't entail a detailed work study investigation into work volumes and the organisational capacity needed to manage these.

Interviewees appeared to be in agreement that the previous centralised system of the PSC was not effective – at the time, the provincial offices were mere “post offices” of the national office. The current decentralised way of working, supported by the delegations, is deemed to be far more effective. Once provincial offices were given additional capacity (around 2014/15) and accorded proper delegations, backlogs in high-volume activities have dropped (e.g. outstanding grievances and complaints). The “clustering” of provincial offices to deal with grievances and complaints (through the specialist panels), is deemed to be useful.

In certain cases, the additional provincial capacity is not deemed to be adequate, especially to conduct inspections, research and assist with monitoring and evaluation. There is a suspicion that there may be surplus capacity at the national office which could be re-allocated to the provincial offices.

Furthermore, the budget cuts mean that the provincial offices can no longer do inspections or investigations in the remote geographical areas because there is very little money for travel and subsistence.

The provincial directors report to the branch heads but the latter are not deemed to be familiar with the broad spectrum of work in the provincial offices. In addition, it is alleged that the national Commissioners and nationally-based officials don't necessarily understand the

provincial dynamics. This raises the question whether it would not be possible to have a supervisor-supervisee relationship between the provincial commissioners and the provincial directors.

The decentralised system with appropriate delegations and structure of various cluster and specialist committees has improved production. This remains a complex interface between the broad layer of commissioners and the administration but, with the present structural arrangements and supported by delegations, it is worth pursuing improvements and not seeking major change to the present arrangements. Quality of outputs remains an issue however suggested remedies relay on improved templates and review process within the present arrangement and not a singular quality process and assurance structure. Quality cannot be added at the end of a process nor can it be a final step – it needs to be included along the full process chain.

4 Conclusion and Actioning of Recommendations

The diagnostic report sets out various recommendations for the improvement of PSC performance. The intention is for these recommendations to be considered by the PSC in terms of suitability, priority and urgency and for a plan of action to be designed to implement such in a structured and measured programme of action. The start of the actioning process will be the discussion of the report and recommendations at the strategic session planned for 19 to 21 June 2018.

Annexures

A Register of Recommendations

Budget crunch

- 1) Two options present themselves regarding the budget, which if not attended to will cause the PSC's financial position to worsen indefinitely:
 - a. The budget is increased (which appears unlikely in the prevailing fiscal environment); or
 - b. The size of the establishment is reduced further and spending on accommodation is reduced.
- 2) Improved costing of CoE (which is over-estimated) and G&S (which is underestimated) is necessary to avoid virements. Particular attention is necessary in accordance with the "Guidelines for costing and budgeting for compensation of employees for the preparation of expenditure estimates for the 2019 medium term expenditure framework (MTEF) (National Treasury) June 2018".
- 3) Work, in the medium term, needs to be done to understand, negotiate and draw budget benefits from the possible rationalisation of the human rights constitutional institutions. .

Mandate

- 4) Focus in the immediate or short term on improving effectiveness and impact within the present mandate and organisational arrangements. Specific actions in this regard are set out in the other recommendations of this report;
- 5) Any shift to a new organisational form should be preceded by a structured feasibility study and business case, similar to those that are developed when public entities or departments are formed – inclusive of consultation with key stakeholders. This, although not necessarily formally required, will assist in comprehensively recording the agreed intention, solution, high-level predictive costing, and implementation actions; and
- 6) The focus should, in the immediate term, be on improving effectiveness in the present scope of work before expanding reach to include Local Government or Public Entities.

Planning

- 7) An explicit logic model should be developed that maps activities to outputs to objectives and the contribution thereof to goals (impact).
 - a. Align all work (external demand and own accord) with the intended goals and impact;
 - b. Clarify how work will contribute to goals and impact;
 - c. Identify priority activities, reconsider less impactful activities/outputs and replace them with more impactful activities/outputs;

- d. Clarify assumptions regarding the delivery logic, how PSC outputs are and will be used and role of stakeholders and partners;
- 8) Use the logic model to improve the performance framework for the PSC;
 - a. Improve the understanding and measurement of impact; and
 - b. Align the performance measures and targets with the logic.

Prioritisation, impact, stakeholder management

- 9) Develop a mechanism to prioritise work based on, amongst other things, the impact that can be achieved;
- 10) Consider measurement of impact and feedback from partners and stakeholders that can support an improved understanding of impact;
- 11) Consider risk-based approaches for the various streams of work to enable deeper investigation and more impactful outputs where benefit is greatest;
- 12) Speed up the production processes of impactful outputs; and
- 13) Given the existing agreements with other institutions,
 - a. Strengthen these arrangements; and
 - b. Further investigate additional synergies with other institutions.

Quality

- 14) Clearly place research and associated reports on the Logic model and priority framework to assist in focussing the research and report writing;
- 15) Differentiate and make it easy for the reader to discern between;
 - a. Obligatory progress reports,
 - b. Remedial reports with recommendations upon which action is sought, and
 - c. General information reports.
- 16) A standardised report framework should be developed (including consideration of the above types of report) and:
 - a. Summary fact sheet for executive consumption with purpose, key findings and recommendations;
 - b. Executive summary limited to 3 or so pages for senior managers giving more details on purpose, key findings and recommendations
 - c. Full report framework with provision for detailed methodology and annexures.
- 17) Scale down the extensive coverage given in numerous reports on the mandate, mission, vision and services provided by the PSC and focus more on tangible results.

Organisational and operational management

- 18) Develop an overall sense of business process maps of present workflows and use that as a basis for the determination of improved workflows that show a single view of internal operations and generate data to track and manage production processes, building on the present data warehouse.

Human Resourcing

- 19) Develop and implement a change management plan with appropriate employee engagement actions to take staff along the journey associated with the actions that flow from this report.
- 20) Develop and launch the necessary HR strategy and associated processes to implement redefine processes, structures and jobs, and enhance skills and/or re-deploy staff.

B PSC Mandate, Powers and Functions and Appointment

The PSC derives its mandate from sections 195 and 196 of the Constitution, 1996¹¹, which sets out the values and principles governing public administration which should be promoted by the PSC, as well as the powers and functions of the PSC.

Section 195(1) of the Constitution lists the following basic values and principles governing public administration:

“Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

- (a) A high standard of professional ethics must be promoted and maintained.*
- (b) Efficient, economic and effective use of resources must be promoted.*
- (c) Public administration must be development-oriented.*
- (d) Services must be provided impartially, fairly, equitably and without bias.*
- (e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.*
- (f) Public administration must be accountable.*
- (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.*
- (h) Good human-resource management and career-development practices, to maximise human potential, must be cultivated.*
- (i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.”*

Section 196(4) of the Constitution outlines the Commission's powers and functions, namely to:

- (a) promote the values and principles set out in section 195, throughout the public service;*
- (b) investigate, monitor and evaluate the organisation and administration, and the personnel practices, of the public service;*
- (c) propose measures to ensure effective and efficient performance within the public service;*
- (d) give directions aimed at ensuring that personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the values and principles set out in section 195;*
- (e) report in respect of its activities and the performance of its functions, including any finding it may make and directions and advice it may give, and to provide an evaluation of the extent to which the values and principles set out in section 195 are complied with; and*

¹¹ The Constitution of the Republic of South Africa, 1996 (promulgated by Proclamation No. 108 of 1996).

(f) either of its own accord or on receipt of any complaint-

(i) to investigate and evaluate the application of personnel and public administration practices, and to report to the relevant executive authority and legislature;

(ii) to investigate grievances of employees in the public service concerning official acts or omissions, and recommend appropriate remedies;

(iii) to monitor and investigate adherence to applicable procedures in the public service; and

(iv) to advise national and provincial organs of state regarding personnel practices in the public service, including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the public service.

(g) exercise or perform the additional powers or functions prescribed by an Act of Parliament.

In addition, the Public Service Commission Act No 46 of 1997 empowers the Commission to perform inspections, conduct inquiries and make rules in relation to its activities. In particular, the Commission may:

(a) Inspect departments and other organisational components in the public service. The Commission is provided with access to the necessary official documents and information for it to perform its functions;

(b) Conduct an inquiry into any matter that it is authorised to do by the Constitution. For the purpose of the inquiry, the Commission is empowered to summons any person who may be able to provide information of material importance to the inquiry; and

(c) Make rules as to the investigation, monitoring and evaluation of those matters to which section 196(4) of the Constitution relates; as to the powers and duties of Commissioners, including delegated powers and duties; and as to the manner in which meetings of the Commission will be convened.

In terms of section 196(7) of the Constitution, the Commission consists of 14 commissioners appointed by the President. Of these:

- Five commissioners are approved by the National Assembly in accordance with subsection (8) (a); and
- One commissioner for each province is nominated by the Premier of the province in accordance with subsection (8) (b).

In terms of section 197(10) of the Constitution, a commissioner is appointed for a term of five years, which is renewable for one additional term only, and must be a woman or a man who is:

- a South African citizen; and
- a fit and proper person with knowledge of, or experience in, administration, management or the provision of public services.

Presently the Office of the Public Service Commission (OPSC) is a government department, and as such is listed in Schedule 1 of the Public Service Act, 1994. The Director-General: OPSC is the accounting officer and has all the associated responsibilities assigned to him in terms of the Public Service Act (PSA) and the Public Finance Management Act (PFMA).

In terms of section 7(3)(b) of the PSA, he is “*responsible for the efficient management and administration of his department, including the effective utilisation and training of staff, the maintenance of discipline, the promotion of sound labour relations and the proper use and care of State property, and he or she shall perform the functions that may be prescribed*”. In terms of Chapter 5 of the PFMA, the accounting officer has extensive responsibilities for the financial management of the department. This includes providing National Treasury before the beginning of a financial year, in the prescribed format, with a breakdown per month of the anticipated revenue and expenditure for that financial year; each month submit information in the prescribed format on actual revenue and expenditure for the preceding month (in-year monitoring); and when necessary, an explanation of any material variances and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget.

Over and above the PSA and PFMA requirements, in terms of section 14 of the Public Service Commission Act, 1997 the Director-General is responsible for the administration of the office “*subject to the control and directions of the Commission*”.

The Public Service Act (see section 1: definitions) designates, in the case of the Office of the Commission, the executive authority as the Chairperson of the Commission. In terms of section 3(7) of the Public Service Act, an executive authority has the powers and duties relating to:

- “(a) the internal organisation of the department concerned, including its organisational structure and establishment, the transfer of functions within that department, human resources planning, the creation and abolition of posts and provision for the employment of persons additional to the fixed establishment; and*
- (b) the recruitment, appointment, performance management, transfer, dismissal and other career incidents of employees of that department, including any other matter which relates to such employees in their individual capacities, and such powers and duties shall be exercised or performed by the executive authority in accordance with this Act.”*

The above means that the DG of the OPSC must not only comply with the PSA and PFMA but must do so in close consultation with the Chairperson (as executive authority) and the Commission as a whole. This requires a careful “balancing act” in view of competing requirements as will be shown further on in this report.

C Interviews

For the diagnostic, data was gathered through interviews with the following interviewees:

Table 13: List of PSC / OPSC Interviews

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Date	Interview
6 April 2018	PSC Support - Ms Fienie Viviers (CD: PSCS)
9 April 2018	LPM Branch - Ms Kholofele Sedibe (DDG: LMP)
11 April 2018	IAC Branch (excl PAI) - Mr Matone Malatsi (DDG: IAC); Mr Johannes Mudau (D: NACH); Mr Kgabo Morifi (Actg D: PERP); Mr Tshepo Matlhare (D: MCI)
12 April 2018	Public Admin Investigations Ms Faith Mashikinya (CD: PAI) Mr Linga Naidoo (D: PAI 3) Ms Moipone Kgaboesele (D: PAI 1)
16 April 2018	Northern Cape Provincial Office: Ms MA Marais (Prov Commissioner); Mr Jacques Malan (PD)
19 April 2018	HRMD - Mr Daniel Ndondlolozi (D: HRMD); Ms Adeliën Tsienyané (DD)
20 April 2018	Gauteng Provincial Office Mr MH Seloane (Prov Commissioner); Ms Gabi Nkwanyana (PD); Adv Lawrence Cronje (DD: LRI); Mr Lukhozi (DD: Res); Ms Thembi Letsoko (DD: Res)
23 April 2018	Ms CP Nzimande (National Commissioner)
9 May 2018	Dr WH Boshoff (FS Commissioner); Ms Lindelwa Nonjaduka (D: Planning, Monitoring & Reporting); Ms SS Nkosi (National Commissioner); Dr MP Sithole (KZN Commissioner)
11 May 2018	Ms Irene Mathenjwa (DDG: M & E); Mr Mpho Basitere (D: IT)
16 May 2018	Northern Cape Provincial Office: Ms MA Marais- Martin (Prov Commissioner) – Second discussion

D Bibliography

In addition, the key documents listed in the Bibliography were analysed.

Table 14: Bibliography

Table 14: Bibliography		
Category	Document type	Status
Mandate	Chapter 10 of the Constitution	Available
	Booklet on the mandate of the PSC, March 2014	Available
	PSC Act, 1997	Available
	PS Act, 1994	Available
	Annotated Review of the Constitutional and Legislative Mandate of the Public Service Commission, Feb 2016 (Review conducted by the PSC's Institutional Development Task Team)	Available
Strategic planning	Strategic plan for 2015/16 – 2019/20	Downloaded from PSC website
Annual performance planning	APP for 2017/18	Downloaded from PSC website
	APP for 2016/17	Downloaded from PSC website
	APP for 2015/16	Received from Bontle
Annual workplans	Workplan for 2017/18	Received from Bontle
	Workplan for 2016/17	Received from Bontle
	Workplan for 2015/16	Received from Bontle
Annual reporting	PFMA annual report for 2016/17	Downloaded from PSC website
	PFMA annual report for 2015/16	Downloaded from PSC website
	PFMA annual report for 2014/15	Downloaded from PSC website
	Annual report to citizens for 2016/17	Downloaded from PSC website
	Annual report to citizens for 2015/16	Received from Bontle
	Annual report to citizens for 2014/15	Received from Bontle
ENE & budget	ENE 2018/19	Downloaded from NT website
	ENE 2017/18	Downloaded from NT website
	ENE 2016/17	Downloaded from NT website
	Detailed breakdown of MTEF budget for 2018/19 & beyond	Received from Bontle
	Costing of goods & services 2018/19	Received from Bontle
	Letters to NT & responses on most recent budget	Received from Bontle

Table 14: Bibliography		
Category	Document type	Status
	ODA proposals submitted to Natalie	Received from Bontle
Governance rules & delegations	Delegation of powers & assignment of duties by the PSC to individual Commissioners & OPSC employees, May 2015	Received from Bontle
	Delegation of powers to Provincially based Commissioners, June 2015	Received from Bontle
	Governance Rules of the PSC, Mar 2015	Received from Bontle
	(Unsigned) TOR for Governance Structures, Feb 2018	Received from Bontle
Grievance rules & protocols	PSC Protocol doc on handling of grievances, June 2017	Received from Bontle
	Letter to HODs on implementation of PSC rules on referral and investigation of grievances, Nov 2016	Received from Bontle
Org structure	PSC & OPSC Org structure (in Visio)	Received from Bontle
	Approved post establishment of OPSC, Mar 2018	Received from Bontle
Branch protocols & procedures	IAC branch	Received from Bontle
	M & E branch	Will check with DDG: M & E once interview takes place
	LMP branch	Grievance rules & protocols received
Branch additional docs	<p>NACH</p> <p>Document that sets out the decision taken by Cabinet on the rationalisation of the various anti-corruption hotlines and implications of this decision for the NACH.</p> <p>Breakdown over a certain period (year/quarter) of the volume of incoming calls received by NACH, distinguishing between:</p> <p>Answered calls</p> <p>Unanswered calls</p> <p>Dropped calls</p> <p>If there is a breakdown that will distinguish between categories of NACH calls and which of these have been resolved by the NACH itself and which of these were referred to various investigating authorities, this would also be helpful.</p> <p>If there is also a breakdown that will indicate the resolution rate, and the average period that it takes to resolve or close cases, this will also be useful.</p>	Received from Johannes Mudau