

Report of the Portfolio Committee on Public Service and Administration on consideration of the first and second quarter performance 2020/21 financial year for the budget vote 07 of the National School of Government, Dated 24 February 2021

1. BACKGROUND

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Committee) having considered first and second quarter performance of 2020/21 financial year of National School of Government, reports as follows:

2. INTRODUCTION

Parliament through its Committees has a constitutional responsibility to oversee quarterly programme performance information of the departments and their entities in a specific financial year. The Money Bills Amendment and Related Matters Act (2009) describe the process of exercising this responsibility. The Act states that portfolio committees of parliament must conduct reviews of the finances of their respective departments and entities and if required, issue recommendations on the forward use of resources.

Programme performance information focuses on information that is collected by government departments in the course of fulfilling their mandates and implementing policies. Quarterly performance reports serve as a vital tool used by parliamentary committees to ensure accountability, transparency and oversight on how government resources are spent.

Committees are expected to monitor both financial and non-financial performance of the departments. The Public Finance Management Regulations compel departments and their entities to prepare quarterly report within 30 days after the end of each quarter. Committees conduct oversight over performance reports to fulfil Parliament's oversight and accountability mandates as enshrined in the Constitution and under the rules established by the National Assembly.

On February 03, 2021, the Committee considered the first and second quarter performance of 2020/21 of the National School of Government. Performance information was in accordance with the Strategic Plan, Annual Performance Plan and Medium Term Strategic Framework 2019-2024. The report further provides an overview of the presentations made before the

Committee mainly focusing on the achievements, output in respect of the performance indicators and targets set for the above mentioned financial year. The report outlines the findings/observations of the Committee relating to the National School of Government performance.

3. LEGISLATIVE MANDATE

Section 197 of the Constitution provides for a public service within public administration, which must function, and be structured, in terms of *national legislation*, and which must loyally execute the lawful policies of the government of the day. The NSG, as a national public service department, thus draws its mandate from national legislation – the Public Service Act, 1994 (Proclamation 103 of 1994), as amended. This is the core mandate which establishes the NSG for it to fulfil a function of providing training or causing the provision of training to occur within the public service. Accordingly, section 4 of the Act provides the following mandate:

- (1) There shall be a training institution listed as a national department (in Schedule 1 of the Act).
- (2) The management and administration of such institution shall be under the control of the Minister (Public Service and Administration).

- (3) Such institution, shall provide such training or cause such training to be provided or conduct such examinations or tests or cause such examinations or tests to be conducted as the Head of the institute may with the approval of the Minister decide or as may be prescribed as a qualification for the appointment or transfer of persons in or to the public service. The School may issue diplomas or certificates or cause diplomas or certificates to be issued to persons who have passed such examinations.

Whilst this piece of legislation empowers the NSG to fulfil its mandate, the limitation of the Public Service Act is that it is applicable to the national and provincial spheres of government. Another piece of enabling legislation - Public Administration Management Act, 2014 (Act No. 11 of 2014) - gives effect, *inter alia*, to the progressive realisation of the values and principles governing public administration across the three spheres of government.

4. STRATEGIC GOALS OF THE NSG

The NSG strategy is aligned to the MTSF as well as the performance agreement of the MPSA and is able to contribute to all of the aforementioned outcomes through ETD interventions, for example the reduction of wasteful, fruitless and irregular expenditure in public sector institutions; the reduction in incidents of corruption in the public sector; socio-economic rights; and gender mainstreaming in public sector institutions. The NSG has, with a focus on social compact and engagement with citizens, developed and implemented ETD interventions in supporting the progressive realisation of socio-economic rights of communities. This programme aims to capacitate Community Development Workers (CDWs), facilitate participatory community engagement for Ward Councillors, and Traditional Leaders for socioeconomic development.

The NSG responds to outcome 3 (professional, meritocratic and ethical public administration), and its contribution will be measured by the following outputs:

- A compulsory in-service training framework that is approved by 2020 and 8 compulsory programmes rolled out by 2022.
- The recognition of professionals in the public sector by a professional body by 2023 (working in partnership with the Department of Public Service and Administration).

5. BUDGET AND PROGRAMME PERFORMANCE

Budget Analysis

The total budget allocated for the National School of Government was R227.4 million in 2020/21 financial year. The School has spent R99.9 million for both first and second quarter of 2020/21 financial year. Spending for six months is at 44% of the annual budget and 98% of the year-to-date budget. The underspending is mainly on compensation of employees (R1.2 million) and is due to vacancies and budgeted salary adjustments not yet implemented.

Training revenue has been affected by the lockdown resulting in face-to-face training being delayed and only self-learning taken up by our clients. During this time NSG started shifting courses to virtual and aggressively advertising online programmes. The cost recovery model continues to remain a challenge to the sustainability of the NSG. The School had previously reported that, through the assistance of the National Treasury an additional funding of R44.3 million from the Department of Public Works & Infrastructure was secured for the current financial year to assist the Trading Account. The allocation of R55.m for the period ensured that the NSG is able to meet its obligations for compensation of employees and running costs.

The National School of Government had in the first and second quarter paid all service

providers within 30 days in all quarters. There were no cases of unauthorised expenditure, fruitless and wasteful expenditure and irregular expenditure in both quarters. The full reconfigured organisational structure of the NSG has been consulted extensively with the DPSC and is being submitted to the Minister for approval. Once approved, the NSG will consult with organised labour and follow a match and place process. In terms of employment equity, the NSG has fair representation of gender; females (57.5%), female SMS (55.8%), youth (24.1%) and PWD (2.8%)

Budget allocation and expenditure

	Annual Budget 2020/21	Adjusted Annual Budget 2020/21	April to Sept Pro-rata budget 2020/21	April to Sept Actual Expenditure 2020/21	April to Sept Variance budget compared to actual (over)/under	April to Sept Expenditure as % of pro-rata budget
	R'000	R'000	R'000	R'000	R'000	%
Administration	112,925	90,944	47,321	44,964	2,357	95%
Public Sector Organisational an	93,703	136,498	55,010	55,010	-	100%
Total Vote Expenditure	206,628	227,442	102,331	99,974	2,357	98%
	Annual Budget 2020/21	Adjusted Annual Budget 2020/21	April to Sept Pro-rata budget 2020/21	April to Sept Actual Expenditure 2020/21	April to Sept Variance budget compared to actual (over)/under	April to Sept Expenditure as % of pro-rata budget
	R'000	R'000	R'000	R'000	R'000	%
Compensation of Employees	62,420	58,644	29,302	28,041	1,261	96%
Goods and services	47,073	28,868	16,337	15,864	473	97%
Payments for capital assets	3,432	3,432	1,682	1,059	623	63%
Transfer to Trading Entity	93,703	136,498	55,010	55,010	-	100%
Total Vote Expenditure	206,628	227,442	102,331	99,974	2,357	98%
Donor Funding (EU Project)	11,391	11,391	1,331	1,331	0	100%
Total Expenditure	218,019	238,833	103,662	101,305	2,357	98%

(a) Programme 1: Administration

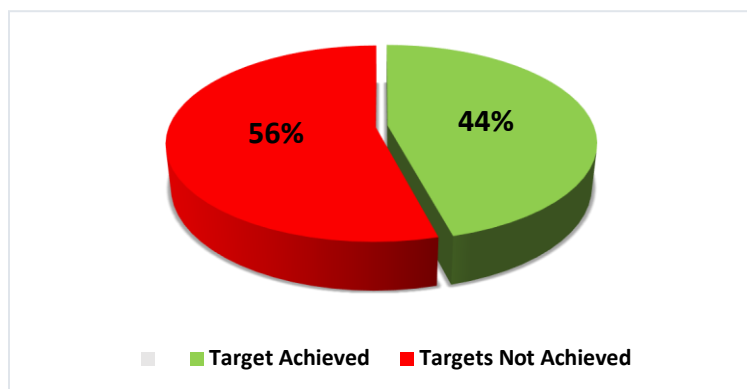
The purpose of the Administration Programme (Programme 1) is to facilitate overall management of the School and provides for responsibilities of the Principal, Branch Heads and other members of management. These responsibilities include providing centralised

administrative, legal and office support service, human resource and financial management, communication, special projects, international relations, and internal controls and oversight. The School had 10 planned targets under programme 1 in 2020/21 financial year. Of total targets, the School achieved six target and three not achieved.

(b) Programme 2: Public Sector Organisational and Staff Development

The Public Sector Organisational and Staff Development Programme (Programme 2) is responsible for facilitating transfer payments to the Training Trading Account for management development and training of public sector employees.

The School had in two quarters trained 3 755 against an annual target of 31 305 representing 12% annual achievement. By the end of the second quarter, of the 23 Annual Performance Plan targets set for the quarter, 10 targets were achieved as planned. The targets under this programme were impacted by the advent of Covid-19 pandemic.



6. FINDINGS AND OBSERVATIONS

The Portfolio Committee made the following observations and findings:

The Committee notes and welcomed the first and second quarter performance of 2020/21 financial year for the National School of Government. The Committee welcomed the report that the School had not incurred any irregular, unauthorised, fruitless and wasteful expenditure in both quarters.

The Committee welcomed progress made thus far regarding the online Pre-Entry Programme for Senior Management Service, which went live on 15 July 2019, continues to be rolled out. Since the start of the financial year, a total of 5819 learners enrolled for the Programme, with 1883 learners successfully completing. The School was encouraged to market this training programmes to all South African aspiring to join the public service in future years.

The Committee encouraged NSG to invest its infrastructure on the virtual and online training programmes in order to empower public servants with necessary training and

development. The NSG online training programmes should be inclusivity to all public servants

irrespective whether officials has laptop and data.

The Committee notes the reduction in Compensation of Employees budget, which place significant strain on the NSG, particularly in light of our expanded mandate to provide education, training and development. Furthermore, key posts in the Vote (Chief Director: Corporate Services and Director: Legal Services) cannot be filled.

The Committee was pleased that the Department of Public Service and Administration and National Treasury as well as the School had secured additional funding of R44.3 million from the Department of Public Works & Infrastructure for the current financial year to assist the Trading Account since the programme is funded through collection of funds of training offered and charged.

The Committee was concerned to establish that the School had experienced cybersecurity issues where their system was hacked. The School was advised to collaborate with other departments which have an exceptional cybersecurity system such as Defence Intelligence Services to assist and beef up its security.

The Committee applauds the School for the mandatory courses for all public servants in the public service. The School was encouraged to consider rolling-out mandatory courses to the local government municipalities.

The Committee encouraged NSG to fill the vacancies at the School, implement salary adjustments and finalize the organisational structure of the school.

6. The Portfolio Committee recommends as follows:

The House adopts and approve first and second quarter performance report of the Budget Vote 07 of the National School of Government.

Report to be considered