



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **All Accounting Officers**

### **OFFICE OF THE ACCOUNTANT-GENERAL PRACTICE NOTE 4 OF 2007/08**

#### **COMPLIANCE WITH THE DIVISION OF REVENUE ACT, 2006 (ACT NO. 2 OF 2006) – DORA**

##### **Purpose**

1. The purpose of this practice note is to give effect to:
  - 1.1 Section 24(1)(c) - Duties of transferring national officer in respect of Schedule 4 allocation;
  - 1.2 Section 25(6) - Duties of transferring national officer in respect of Schedule 5 allocation;
  - 1.3 Section 26(5) - Duties of receiving officer in respect of Schedule 4 allocation; and
  - 1.4 Section 27(5) - Duties of receiving officer in respect of Schedule 5 allocation;
2. This practice note deals with Sections 24(1)(c), 25(6), 26(5) and 27(5) of the 2006 DORA which relate to the evaluation of conditional grant programmes.

##### **Performance evaluation of conditional grants - Sections 24(1)(c), 25(6), 26(5) and 27(5) of the 2006 DORA**

3. In term of Section 24(1) of DORA the transferring national officer must evaluate the performance of Schedule 4 programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months after the end of the financial year.
4. In term of Section 25(2) of DORA the transferring national officer must evaluate the performance of Schedule 5 programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months after the end of the financial year.
5. In term of Section 26(5) of DORA the receiving officer must annually, within two months after the end of the financial year, evaluate its performance in respect of Schedules 4 programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer.

6. In term of Section 27(5) of DORA the receiving officer must annually, within two months after the end of the financial year financial year, evaluate its performance in respect of programmes funded or partially funded by an allocation and submit such evaluation to the transferring national officer.

### **Objectives and Scope of the Evaluation**

7. The main objectives of the evaluation are (focus is on both national and provincial levels of government):
  - 7.1 To assess the progress made to date by the programme against the objectives and outcomes set, focusing specifically on 2006/07 financial year;
  - 7.2 To determine how monitoring has been approached and what are the key competencies deployed to track and report on progress; and
  - 7.3 To provide a description of how the programme is managed, guided and supported by creating appropriate management and communication structures within the department.

The following questions should be answered in the evaluation exercise for 2006/07. Each province should answer the questions and the national department should consolidate the reports received.

### **Part 1: Progress made in 2006/07**

- Which activities are underway and what progress is made?
- What is the monitoring approach that the department has followed in tracking achievements set for the grant (map the process)?
- What has been the challenges experienced by the people responsible for monitoring (locating data sources, identification of information needed, instruments developed to collect data, data collection methods and data analysis)?
- Has the approach and mechanisms assisted the department to collect relevant information for:
  - Implementation purposes (tracking inputs, activities and outputs); and
  - Reporting requirements (tracking outcomes – performance), this is the expectation for the quarterly non-financial reports.
- Who is responsible for data collection, data analysis of the programme?

### **Part 2: Reporting**

- Describe the mechanism for communication that have been established to ensure to the necessary information is generated and utilized:
  - Progress review meetings – how often are they held to present and discuss reports (oral and written) of current issues and problems

- Project progress reports – what are the challenges met in developing performance reports as opposed to financial reports.

### **Part 3: Grant Framework requirements**

- Are the desired results being achieved (efficiency) – how have the resources been optimized?
  - To what extent are the results furthering the project purpose – have the programme achieved desired results expected with the resources provided?
  - What changes in the environment did occur to influence the programme positively or negatively (any policy changes etc.)?
  - Did the assumptions hold true for the programme?
  - Where the risks assessed and monitored?
8. In addressing each issue or question, departments should offer insights and suggestions as to what capacity building requirements may be necessary along the following dimensions: technical skills; managerial skills; existence and quality of data available; available technology, fiscal resources allocated for monitoring and institutional arrangements.

### **Methodology and Deliverables**

#### ***Evaluation Methodology***

##### ***Evaluation Team***

9. Departments administering or implementing conditional grants are required to set up evaluation teams for each grant with a member from the Monitoring and Evaluation unit/directorate as the coordinator of the evaluation exercise. It is imperative that the programme and/or project manager for each grant is part of the team.
10. Prior to the commencement of the evaluation exercise national transferring departments should set up evaluation teams that prepare a methodology, clearly indicating how it plans to reach the objectives of the evaluation and how the overall exercise will be conducted. The evaluation team will also design a detailed work schedule identifying clearly the activities to be undertaken during the evaluation. The evaluation teams should be set in all provinces and the National department playing a coordination role for the exercise.
11. Prior to the submission, the coordinating team should hold debriefing sessions at which all nine provincial departments are present to obtain feedback on information collected and to ensure that there are no factual errors prior to the submission of the completed consolidated report, with nine annexes.

##### ***Deliverables and Timetable***

12. The Evaluation Team will identify the key competencies required at the national and provincial levels for each grant administered by the national department. Provincial departments are to be provided evaluation concept document by **13 April 2007**.

13. Provincial departments implementing conditional grant programmes are to evaluate their programmes. Each evaluation report should include specific recommendations for the future, focusing on how to improve performance to meet the grant objectives. It is recommended that provincial evaluation reports should be completed by **18 May 2007** in order to allow time for analysis of documentation, discussions and to enable the Evaluation Team to test, revise and refine its draft findings, conclusions and recommendations so that final reports can be submitted to the national departments by **31 May 2007**.
14. It is estimated that national administrating departments will require a total of up to two months, beginning on **1 June 2007** for the analysis of documentation, discussions with provincial departments to revise and refine findings and to consolidate the conclusions and recommendations for submission to National Treasury by **31 July 2007**. Each consolidated evaluation report should include specific recommendations for both the national and provincial levels of government, focusing on how to improve performance to meet the grant objectives.

#### ***Technical Assistance***

15. The Technical Assistance Unit (TAU) at the National Treasury will at the request of the national department provide a technical assistant to assist both the national and provincial departments with the conceptualization, design and implementation of the evaluation process.
16. A copy of the standardized format and cover page for the report is attached (Annexure A).

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