



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Programme 5: Financial Accounting & Reporting

Technical Indicator Descriptions

2014 / 15

Performance Indicator 5.1

Indicator title	Maintenance of current transversal systems – Basic Accounting System (BAS), Financial Management System (FMS), Logis, Persal and Vulindlela.
Short definition	To maintain government transversal financial management systems to operate optimally
Purpose/importance	To ensure that the transversal financial management systems continue to operate without errors and without inhibitions
Source/collection of data	Call Centre Logs and other formal User Requests
Method of calculation	Number of requests, Complexity of requests and time taken to resolve requests
Data limitations	Lack of Policy and complexity of Requests may limit resolution of problem
Type of indicator	Output and Efficiency
Calculation type	Non-Cumulative
Reporting cycle	Quarterly/Annually but sometimes longer interval depending on complexity of request
New indicator	No
Desired performance	A minimum of 98 % availability is desirable, and systems maintenance should contribute towards sustainability of such availability
Indicator responsibility	Chief Director : Financial Systems

Performance Indicator 5.2

Indicator title	Availability of systems during working hours
Short definition	To ensure the transversal financial management systems are available to government users during working times
Purpose/importance	To facilitate payment of government services and salaries
Source/collection of data	Mainframe Audit Trails
Method of calculation	Systems up-time between 07H00-17H00
Data limitations	Impact of Departmental LAN/WAN cannot be provided for
Type of indicator	Impact and efficiency of administrative operations
Calculation type	Non-Cumulative
Reporting cycle	Quarterly/Annually
New indicator	No
Desired performance	desirable minimum of 98% systems availability is desirable
Indicator responsibility	Chief Director : Financial Systems

Performance Indicator 5.3

Indicator title	Delivery and rollout of an Integrated Financial Management System (IFMS) to national and provincial departments.
Short definition	To develop, implement and maintain an integrated financial management system for government
Purpose/importance	Important to the recording, measuring and reporting transactions and / or events within a financial year by departments.
Source/collection of data	Formal submissions to oversight structures, notifications in the government gazette, minutes of meetings, data repositories, requests for quotations issued, contracts signed.
Method of calculation	Advancement of procurement process in accordance with project schedule; project governance implemented; compilation of user requirements in respect of identified policies and procedures; hits on the website.
Data limitations	Inputs from key stakeholders impacting the quality of information and / or responses receive (where required).
Type of indicator	Outputs and activities
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Activities targeted for completion during the 2014/2015 financial year: <ul style="list-style-type: none"> the publication of a request for proposal (RFP) for the IFMS solution (software, configuration, customisation and lead site services); repository of all user and system requirements aligned to new legislation, regulations and policies issued in the past 24 months; capacitated programme management office; functioning and dedicated website for the IFMS;
Indicator responsibility	Chief Director: Technical Support Services

Performance Indicator 5.4

Indicator title	Monitoring improvement of financial management in national and provincial institutions and submission of progress reports to parliamentary oversight committees.
Short definition	<p>The aim of these reports is to inform and update the oversight bodies with the status of compliance and financial management improvement results in institutions that must comply with the PFMA. Reports include:</p> <ul style="list-style-type: none"> • Update on financial management improvement to SCOPA • Update on the status of compliance with the "30 days payment of suppliers " to FOSAD
Purpose/importance	<ul style="list-style-type: none"> • To report on improvement of financial management in national and provincial spheres of government. • To update FOSAD and interested stakeholders on the progress made and the status of compliance with the requirement to pay suppliers within 30 days.
Source/collection of data	<ul style="list-style-type: none"> • Results from the Financial Management Capability Maturity Model (FMCMM) • Results of Audit Outcomes from the Auditor-General • Number of exception reports submitted by departments monthly
Method of calculation	<ul style="list-style-type: none"> • FMCMM Assessment scores received from departments • Number of audit outcomes • Number of invoices paid within 30 days, after 30 days and those that remains unpaid
Data limitations	Information submitted late or not submitted by clients to the National Treasury
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Submission of all reports to relevant institutions by 30 November of each year
Indicator responsibility	Chief Director : Governance Monitoring and Compliance

Performance Indicator 5.5

Indicator title	Fraud and corruption investigations and performance audits.
Short definition	To conduct investigations in all spheres of government on a broad range of financial management and internal control systems in public procurement processes
Purpose/importance	<p><u>Intentions:</u> To promote that public procurement is done in accordance with a system which is fair, equitable, transparent, competitive and cost effective</p> <p><u>Importance:</u> To enforce compliance with Public sector legislation in each sphere of government</p>
Source/collection of data	Audit reports, allegations by Executive Authorities ,Departments' Accounting Officers and Officials; External parties; Media; Anti -Corruption Task Teams; Parliamentary Committees and the Public Protector
Method of calculation	<ul style="list-style-type: none"> • Nature of allegations and its impact. • The amount involved in the allegation and • The source of allegation
Data limitations	<ul style="list-style-type: none"> • Political Interference • Inadequate evidence • Distraction of documentation
Type of indicator	Outputs and Impact of the reports
Calculation type	Non-Cumulative
Reporting cycle	Quarterly reporting
New indicator	No
Desired performance	Completing 20 investigations for the 2014 / 15 year
Indicator responsibility	Chief Director: Specialised Audit Services

Performance Indicator 5.6

Indicator title	Support for anti-corruption task team (ACTT) targets.
Short definition	Produce forensic reports and provide expert witnesses for criminal proceedings
Purpose/importance	Provision of professional consultant on public procurement processes
Source/collection of data	South African Police Services and Forensic Reports
Method of calculation	Nature of allegations and its impact
Data limitations	NPA reluctant to use Public Sector Financial Management Legislation to prosecute on Procurement Fraud ; Political Interference Inadequate evidence Distraction of documentation
Type of indicator	Activities and output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Refer 25 cases for criminal proceedings and civil recovery, per year
Indicator responsibility	Chief Director: Specialised Audit Services

Performance Indicator 5.7

Indicator title	Guidelines of generally recognised accounting practice (GRAP) standards and/or modified cash standards.
Short definition	The development of implementation guidelines for entities required to prepare their annual financial statements in terms of the Standards of GRAP or the Modified Cash Standard (MCS). Implementation guidelines include checklists, tools, FAQs and summaries of the Standards.
Purpose/importance	To assist public sector entities with the implementation and understanding of the Standards of GRAP and the MCS.
Source/collection of data	Effective Standards of GRAP, FAQs issued by the ASB or the National Treasury, matters identified at technical forums and by preparers of the financial statements.
Method of calculation	Each effective standard should have an implementation guide. Other tools will depend on the need and impact on the user community.
Data limitations	Extent of comment received on the draft documents published which should assist the National Treasury in ensuring that all implementation matters are adequately addressed.
Type of indicator	Outputs
Calculation type	Cumulative – for the year
Reporting cycle	Annually
New indicator	No
Desired performance	<ul style="list-style-type: none"> • Develop new guidelines annually by 31 March each year • Maintain and enhance existing guidelines
Indicator responsibility	Chief Director: Technical Support Services

Performance Indicator 5.8

Indicator title	Policies, frameworks, guidelines, regulations and practices in line with approved reporting frameworks
Short definition	The development of financial management policies to standardise practices within an institution leading to improved compliance with legislation (incl. reporting frameworks).
Purpose/importance	To assist public sector entities with the implementation and understanding of the requirements of the PFMA.
Source/collection of data	Treasury Regulations, reporting frameworks and / or matters identified at technical forums.
Method of calculation	Number of policies issued (dealing with each major area of financial management).
Data limitations	Extent of comment received on the draft documents published which should assist the National Treasury in ensuring that all best practices have been identified and / or incorporated.
Type of indicator	Outputs
Calculation type	Cumulative – for the year
Reporting cycle	Annually
New indicator	No
Desired performance	<ul style="list-style-type: none"> • Develop new guidelines, policies, frameworks, guidelines, regulations and practices by 31 March each year • Maintain and enhance existing guidelines, policies, frameworks, guidelines, regulations and practices
Indicator responsibility	Chief Director: Technical Support Services

Performance Indicator 9:

Indicator title	Maintain MFMA helpdesk.
Short definition	Facility is designed for municipalities, municipal entities and all other stakeholders to assist with the interpretation and implementation of the Municipal Finance Management Act, Regulations, MFMA Circulars, Guidelines, etc.
Purpose/importance	The MFMA Helpdesk is an important tool which assists with the interpretation of the MFMA, the Regulations, Circulars, Guidelines, etc. to ensure a consistent application of the Act and its regulations countrywide. The Helpdesk is also a tool which assists the National Treasury with identifying gaps in the implementation of the legal framework and clarifying these gaps either via a MFMA Circular, a regulation or appropriate guideline document.
Source/collection of data	Inputs collated from different units within NT for purposes of concluding appropriate guidance to clients.
Method of calculation	Average response times for queries received
Data limitations	None
Type of indicator	The indicator measures quality of responses including response times.
Calculation type	Indicator calculated based on average response time over a monthly or quarterly period.
Reporting cycle	Monthly and quarterly
New indicator	No
Desired performance	Conclude 75% of responses within 28 days
Indicator responsibility	Chief Director: MFMA Implementation

Performance Indicator 5.10.1

Indicator title	Maintain and enhance financial management capability maturity model (FMCMM) - Departments
Short definition	The Model is revised to introduce an improved electronic FMCMM platform and the model will now move forward from the compliance approach to include level 4, 5 and 6 questions where accountability, effectiveness, efficiency and optimal use of resources is more dominants
Purpose/importance	<p>To evaluate and monitor financial performance and compliance management in government institutions and to ensure that institutions move from the control level of 3 towards the attainment of level 6 which is an optimising level to show continuous learning and improvement in financial management of institutions.</p> <p>Attainment of level 6 which is an optimising level to show continuous learning and improvement in financial management of institutions</p>
Source/collection of data	Evidence of completion of revision of the FMCMM, and piloting as planned
Method of calculation	<p>Successful development and implementation of the revised FMCMM</p> <ul style="list-style-type: none"> •
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Longer time interval
New indicator	No
Desired performance	<p>The revised Model will be piloted at the following institutions</p> <ul style="list-style-type: none"> • DEPARTMENTS – National Treasury, Home Affairs • CONSTITUTIONAL – Icasa • PUBLIC ENTITIES – Fasset, ASB, State Theatre • PROVINCIAL TREASURY – KZN and Free State
Indicator responsibility	Chief Director: Governance monitoring and Compliance

Performance Indicator 5.10:.2

Indicator title	Maintain and enhance financial management capability maturity model (FMCMM) - Municipalities
Short definition	Designed to be a management tool to provide clear yard-stick measurements against which municipalities should aspire for process improvements; it pinpoints specific gaps in the detailed operational activities outlined in all the 21 modules of Financial Management within the municipality, as well as the necessary measures required to close them. In this context, the FMCMM for local governments is a checklist instrument that ensures timeous identification of weak areas or omissions for management closure
Purpose/importance	A tool of this nature responds to the critical capacity problems in municipalities characterised by high vacancy rates in senior finance positions and limited skills sets to perform the key financial management activities within the municipal environment.
Source/collection of data	Evidence of successful development and implementation of the tool, as planned
Method of calculation	Non-cumulative
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Conclusion of the development of the tool, and implantation thereof, as per the plan
Indicator responsibility	Chief Director: MFMA Implementation

Performance Indicator 5.11

Indicator title	Maintain and enhance Treasury regulations and instructions.
Short definition	Revised Treasury Regulations and issuing of National Treasury Instructions
Purpose/importance	<p>To ensure that the revised Treasury Regulations are up to date and relevant and to introduce the revised provisions dealing with strategic planning, annual performance plans, financial misconduct and supply chain management.</p> <p>To elevate and include in the revised Treasury Regulations the peremptory provisions included in the Practice Notes/National Treasury Instructions, circulars and frameworks previously issued by the National Treasury.</p>
Source/collection of data	<ul style="list-style-type: none">• Evidence of work completed, in relation to planned progress, in respect of enhancement of Treasury regulations and instructions
Method of calculation	<p>Number of Practice Notes/National Treasury Instructions issued by the National Treasury since the year 2000</p> <p>Number of chapters updated in the Treasury Regulations subsequent to the revision of the entire set of the Treasury Regulations</p>
Data limitations	Timely inputs received from other branches within the National Treasury
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly until publication of the revised Treasury Regulations
New indicator	No
Desired performance	Complete ongoing maintenance and enhancement of Treasury regulations and instructions as planned
Indicator responsibility	Chief Director: Governance monitoring and compliance

Performance Indicator 5.12

Indicator title	Review and respond to requests for development of financial recovery plans.
Short definition	Review and respond to requests for development of financial recovery plans.
Purpose/importance	Assist municipalities with the preparation of the financial recovery plans
Source/collection of data	In terms of chapter 13 of MFMA the resolution of financial problems in municipalities may take the form of preparation of financial recovery plan. Municipal Finance Recovery Services (MFRS) in the National Treasury is responsible for assisting municipalities with the preparation of the financial recovery plan, amongst others.
Method of calculation	The request for assistance with the preparation of the financial recovery plan comes from the province and municipalities.
Data limitations	Number of municipalities assisted with the review or the preparation of the financial recovery plan
Type of indicator	The support is made available as and when a need arise, except for mandatory provincial intervention assistance must be provided with the preparation of the financial recovery plan
Calculation type	Number of municipalities assisted with the review or the preparation of the financial recovery plan.
Reporting cycle	Non-cumulative
New indicator	Quarterly
Desired performance	No
Indicator responsibility	Chief Director: MFMA Implementation

Performance Indicator 5.13

Indicator title	Review of FMG support plans and alignment with framework.
Short definition	Evaluating the FMG support plans submitted by municipalities to see how municipalities will be spending the funds. To also see that it is in line with the conditions of the grant as indicated in the grant framework.
Purpose/importance	To verify whether FMG support plans submitted by municipalities are in line with the respective conditions of the grant as indicated in the framework which is published in the Division of Revenue Act (DoRA).
Source/collection of data	<ul style="list-style-type: none">• Evidence / reports of activity where reviews have taken place;• Correspondence of the results of such reviews, with relevant stakeholders
Method of calculation	Number of reviews conducted
Data limitations	The plan can only be reviewed once the municipality submits details therein and updated information on progress made.
Type of indicator	Activity
Calculation type	Non- Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	The review of all 278 municipality's FMG support plans.
Indicator responsibility	Chief Director: MFMA Implementation

Performance Indicator 5.14

Indicator title	Quarterly evaluation of municipalities' performance reports and submission of reports.
Short definition	All municipalities have to submit quarterly reports on the performance of the FMG, as required by the Division of Revenue Act (DoRA). Receive the reports from municipalities and analyse the reports to see how the grant is performing.
Purpose/importance	To ensure that the grant is performing in line with the FMG support plan submitted by the municipality.
Source/collection of data	The report is submitted by municipalities on a quarterly basis.
Method of calculation	Number of reports reviewed quarterly
Data limitations	The content of quarterly performance evaluation reports submitted by municipality.
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	The review of all 278 municipality's quarterly performance evaluation reports.
Indicator responsibility	Chief Director: MFMA Implementation

Performance Indicator 5.15

Indicator title	Support to provincial treasuries for preparation of provincial consolidated financial statements, provincial revenue fund statements and implementation of GRAP standards.
Short definition	Provision of support and training initiatives on provincial revenue funds, provincial consolidated financial statements, as well as to municipalities and public entities on GRAP standards.
Purpose/importance	Capacity building. The indicator is an important measure of the number of people in government trained on these areas.
Source/collection of data	Number of trainees is collected by way of attendance registers at training events.
Method of calculation	Number count of trainees
Data limitations	None
Type of indicator	Measures activities
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	desirable total of 200 trainees from provincial treasuries, municipalities and public entities, per annum
Indicator responsibility	Chief Director: Accounting Support & Reporting

Performance Indicator 5.16

Indicator title	Internal audit and state of readiness for quality assurance reviews to assess compliance with PFMA, MFMA (and international professional practice standards of internal audit) and adoption of best practice.
Short definition	To communicate the number of assessments (reviews) done on internal audit functions to determine their level of compliance with applicable prescripts (PFMA or MFMA, Treasury Regulations, International Internal Audit Standards)
Purpose/importance	To oversee progress in maturity and capability of the internal audit function in departments
Source/collection of data	Signed reports issued to the department, municipality or entity concerned
Method of calculation	Count of the number of reviews completed
Data limitations	None
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Conduct reviews at 21 institutions (focusing mainly on municipalities) annually
Indicator responsibility	Chief Director: Internal Audit Support

Performance Indicator 5.17

Indicator title	Financial management capacity development strategy.
Short definition	A document outlining the National Treasury vision under public financial management capacity development. This is supported by the strategic objectives, enablers and separate implementation plans for both PFMA and MFMA aligned to the National Treasury strategic plans cascaded down to the level of the chief directorates.
Purpose/importance	To provide for an agreed upon process to address the identified capacity constraints and strengthen the implementations of public financial management reforms across the three spheres of the government.
Source/collection of data	Capacity Development Strategy implementation plans
Method of calculation	Reports on progress made on the implementation plans
Data limitations	Non-responsiveness and limited buy-in by the relevant internal and external key stakeholders.
Type of indicator	The indicator measures inputs, outputs, activities and outcomes.
Calculation type	Cumulative.
Reporting cycle	Annually.
New indicator	No
Desired performance	<p>For the 2014 / 15 year:</p> <ul style="list-style-type: none">• Support development and delivery of PFM related qualifications and short learning programmes;• Support development of occupational profiles, job descriptions and performance agreements for nine PFM disciplines; and• Establish learnerships for accounting, internal audit and supply chain.
Indicator responsibility	Chief Director: Capacity Building

Performance Indicator 5.18

Indicator title	Implementation of academic support programme for chartered accountants' academy and other accountants in government.
Short definition	The programme is intended to provide academic support to public sector officials that are pursuing the chartered accountants profession.
Purpose/importance	To contribute towards addressing shortage of financial management skills countrywide especially public sector.
Source/collection of data	Number of qualifying candidates is obtained through the chartered accountant public sector forum (CAPSF).
Method of calculation	Number count
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Report to the CAA steering committee is done every four months and once to the Director-General at the end of each financial year.
New indicator	No
Desired performance	Inclusion of other qualifying government institutions to the CAA in order to increase number of qualified chartered accountants each year; and Enlisting a total 24 participants in the chartered accountants academy and similar programmes in government
Indicator responsibility	Chief Director: Capacity Building

Performance Indicator 5.19

Indicator title	Facilitate opportunities for relevant municipal officials to attain financial management competencies.
Short definition	To ensure that municipal officials affected by the issued municipal regulations on minimum competency levels comply with the requirements for their positions.
Purpose/importance	To outline the level of compliance to the issued minimum competency levels
Source/collection of data	LGSETA, listed training providers and municipalities through an Excel spread sheet
Method of calculation	Number of officials per municipality and courses enrolled for the minimum competency levels
Data limitations	Data is in basic Excel and needs automation for better disaggregation and analysis. At the moment analysis of the status quo remains onerous until automated through other means.
Type of indicator	Indicator is measuring inputs and output and may influence outcomes once full compliance is reached.
Calculation type	Cumulative
Reporting cycle	Quarterly/Annually
New indicator	No
Desired performance	Facilitating 1000 learning opportunities for relevant municipal officials to attain financial management competencies
Indicator responsibility	Chief Director: Capacity Building

Performance Indicator 5.20

Indicator title	Timely and accurate publication of monthly statements of actual revenue and actual expenditure for the National Revenue Fund (NRF).
Short definition	In terms of section 32 of the PFMA this must be published within 30 days after month end
Purpose/importance	<ul style="list-style-type: none">• Requirement of the PFMA, used by IMF and other interested parties for purposes of analysing monthly financial performance; and• Used as an early warning system by departments and the National Treasury
Source/collection of data	<ul style="list-style-type: none">• Monthly reports published on-time in the Government Gazette; and• Approval for publication of these reports by the Accountant-General
Method of calculation	<ul style="list-style-type: none">• Monthly reports published on-time in the Government Gazette; and• Approval for publication of these reports by the Accountant-General
Data limitations	None
Type of indicator	Outputs
Calculation type	Monthly and cumulative
Reporting cycle	Monthly
New indicator	No
Desired performance	Reports published every month in the Government Gazette
Indicator responsibility	Chief Director: Accounting Support and Reporting

Performance Indicator 5.21

Indicator title	Banking services for national government.
Short definition	Assist departments with electronic verification of banking details, payments and provide a daily bank statement reflecting all payments and receipts
Purpose/importance	Need to provide a bank statement daily to interface into ledger. Departments can then follow up on exceptions and perform bank reconciliations
Source/collection of data	<ul style="list-style-type: none">• Evidence of number of transactions verified daily;• Evidence of completion of the daily bank reconciliation; and• Evidence of the system functioning correctly
Method of calculation	<ul style="list-style-type: none">• Number of transactions verified monthly and quarterly
Data limitations	None
Type of indicator	Output
Calculation type	Daily with a cumulative balance
Reporting cycle	Daily
New indicator	No
Desired performance	<ul style="list-style-type: none">• Daily bank reconciliation of NRF; and• Electronic verification of supplier banking details within four working days
Indicator responsibility	Chief Director: Accounting Support and Reporting

Performance Indicator 5.22

Indicator title	Tabling of consolidated annual financial statements for national departments, public entities and Reconstruction and Development Programme (RDP) Fund.
Short definition	Section 8 of PFMA requires preparation and tabling of the consolidated annual financial statements. RDP act requires AFS for RDP fund.
Purpose/importance	Audited financial statements for the stakeholders on results and consolidated results for the year.
Source/collection of data	<ul style="list-style-type: none">• Evidence of completion of annual financial statements for the RDP Fund• Evidence of correctly following the process for, and completion and publication of the consolidated annual financial statements as required in terms of applicable accounting frameworks.
Method of calculation	Evidence of adhering to the necessary processes and frameworks, and tabling the statements on time, as scheduled.
Data limitations	The consolidated AFS is dependent on receiving audited financial statements from all entities and departments. The delay in the submission of significant entities will delay the submission of consolidated AFS.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Financial statements are submitted annually
New indicator	No
Desired performance	Tabling the appropriate quality of financial statement annually, on 31 October
Indicator responsibility	Chief Director: Accounting Support and Reporting

Performance Indicator 5.23

Indicator title	Issue instructions on designated sectors as requested by the dti.
Short definition	Designate sectors for local procurement
Purpose/importance	To enhance the concept of localisation so as to contribute to job creation
Source/collection of data	Dti research
Method of calculation	Number of instructions, and applicable sectors, issued
Data limitations	None
Type of indicator	Output
Calculation type	Number count
Reporting cycle	As and when sector is designated
New indicator	Yes
Desired performance	Issue instructions on designated sectors, as planned in advance
Indicator responsibility	Office of the Chief Procurement Officer

Performance Indicator 5.24

Indicator title	Preferential procurement legislation.
Short definition	Regulate the awarding of public procurement contracts
Purpose/importance	Contribute to de-racializing the economy through public procurement
Source/collection of data	Database on contract awards to BBBEE compliant companies
Method of calculation	Percentage of award trends to BBBEE compliant companies
Data limitations	Database statistical variation tools required
Type of indicator	Impact contribution to an equitable economy in SA
Calculation type	Cumulative
Reporting cycle	Quarterly & Annual
New indicator	No
Desired performance	<p>For the 2014 / 15 year:</p> <ul style="list-style-type: none">• Develop guidelines for exemptions from the existing PPPFA;• Complete a policy impact analysis of multiple objectives including youth empowerment, women empowerment, SMME development and job creation
Indicator responsibility	Chief Director: :Policy, Norms & Standards

Performance Indicator 5.25

Indicator title	SCM norms and standards frameworks.
Short definition	Guidelines Norms and Standards required for the performance of SCM
Purpose/importance	To ensure that there are standards of performance to achieve certain Government Objectives
Source/collection of data	Policy objective and monitoring outcomes
Method of calculation	Development of standard operating procedures as planned
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	For the 2014 / 15 year: <ul style="list-style-type: none">• Develop standard operating procedures for emergency procurement; and• Apply and implement the policy.
Indicator responsibility	Chief Director: Policy, Norms & Standards

Performance Indicator 5.26

Indicator title	Simplified and rationalised SCM environment.
Short definition	Doing away with the fragmentation in the SCM process and aligning all bidding documents with mandatory requirements for bidding
Purpose/importance	To ensure easy and effective ways to do business with Government.
Source/collection of data	Completion of a coherent set of standardised bidding documents
Method of calculation	Number of standardised bidding documents published
Data limitations	None
Type of indicator	Output
Calculation type	Count, cumulative
Reporting cycle	Quarterly and annual
New indicator	No
Desired performance	Standardised bidding documents: RFPs, contracts, procurement plans, SBD forms.
Indicator responsibility	Chief Director: Policy, Norms & Standards

Performance Indicator 5.27

Indicator title	SCM Treasury regulations.
Short definition	Regulate the public sector supply chain management (SCM) system
Purpose/importance	Efficient and effective procurement and the delivery of services, goods & works to institutions of government & communities through service delivery
Source/collection of data	<ul style="list-style-type: none">• Evidence, and number, of relevant Treasury regulations being developed and implemented by target departments and entities; and• Evidence of development, and publication of revised Guide for Accounting Officers
Method of calculation	<ul style="list-style-type: none">• Extent of development of relevant Treasury regulations;• State of readiness for deployment of Treasury regulations;• Number of Treasury regulations promulgated; and• Evidence of state of completion of revised Guide for Accounting Officers (and evidence of rolling out the revised guide)
Data limitations	None
Type of indicator	Activity and output
Calculation type	Cumulative
Reporting cycle	Quarterly & Annual
New indicator	Yes
Desired performance	Promulgated Treasury regulations and revised Guide for Accounting Officers
Indicator responsibility	Chief Director: Policy, Norms & Standards

Performance Indicator 5.28

Indicator title	SCM human capital development
Short definition	SCM human capital development (HCD) can be defined as: (i) a process of ensuring that the unique set of SCM skills and abilities currently contained within an organisation are identified, nurtured and developed to the optimal advantage of the organisation; and (ii) a process of ensuring that any deficits in the SCM skills pool are filled with employees with the correct skills set. SCM HCD implementation framework seeks to define a workable approach to HCD for SCM officials in the public sector.
Purpose/importance	The HCD implementation framework provides strategic direction in terms of addressing the SCM capacity development issues in the public sector from a human capital development perspective.
Source/collection of data	<ul style="list-style-type: none">• Evidence of activity relating to development and completion of the SCM human capital development framework, including an SCM job specification framework
Method of calculation	<ul style="list-style-type: none">• Extent of completion of the relevant documentation; and• Extent of progress in rolling out the SCM human capital development framework and SCM job specification framework
Data limitations	None
Type of indicator	Activity and output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Finalise the SCM human capital development framework, including an SCM job specification framework, during the 2014 / 15 year.
Indicator responsibility	Chief Director: Capacity Development

Performance Indicator 5.29

Indicator title	SCM organisational capacity development.
Short definition	This concerns the development of SCM within the organisation as a whole, and not just focussing on individual capacity development
Purpose/importance	One of the four strategic objectives addressed in the CDS for PFM is to enhance organisational capacity. Considering the legislative mandate of SCM units within the office of the CFO, it is critical that strong SCM units are developed with the required capability to perform their functions.
Source/collection of data	Evidence of development of a generic functional structure for SCM within budget and treasury offices within municipalities
Method of calculation	Extent of development of a generic functional structure for SCM within budget and treasury offices within municipalities
Data limitations	None
Type of indicator	Activity and output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Develop a generic functional structure for SCM within budget and treasury offices within municipalities, during the 2014 / 15 year.
Indicator responsibility	Chief Director: Capacity Development

Performance Indicator 5.30

Indicator title	SCM ETD development and delivery.
Short definition	Manage the analysis, design, development, implementation, monitoring and evaluation of national frameworks, guidelines, and standards for supply chain management (SCM) education, training and development (ETD)
Purpose/importance	To develop and deliver SCM ETD solutions intended to develop and empower a corps of competent and committed high-performance employees.
Source/collection of data	<ul style="list-style-type: none">• SCM ETD Directorates within the Office of the Chief Procurement Officer, as well as validated service providers to provide detail as to the extent of ETD development and delivery achieved during the period under review• Evidence of quantity and quality of SCM ETD solutions developed and delivered
Method of calculation	
Data limitations	Reliability and consistency of data reported by service providers
Type of indicator	Activities and outputs
Calculation type	Quarterly and annually
Reporting cycle	Cumulative
New indicator	No
Desired performance	During the 2014 / 15 year: Implement the SCM ETD framework through the development of supporting products, guidelines and tools.
Indicator responsibility	Director: SCM ETD

Performance Indicator 5.31

Indicator title	Number of bid specifications reviewed to ensure alignment with policy and other applicable procurement instructions.
Short definition	Review of bids specifications to ensure compliance with norms and standards and any available SCM prescripts.
Purpose/importance	To ensure that the specification is compiled in a way that fair, ethical and transparent.
Source/collection of data	<ul style="list-style-type: none">• Evidence of reviews being conducted;• Number of reports issued to bid specification owners
Method of calculation	Total number of reviewed specifications against targeted reviews
Data limitations	Incorrect information used to review. Entities not understanding application of SCM prescripts and compile incorrect specifications.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Average of 30 reviews per quarter or higher
Indicator responsibility	Process owner Chief Director : SCM - GMC Managing and reporting Directorate: Monitoring and Compliance

Performance Indicator 5.32

Indicator title	Number of procurement plans reviewed to ensure contribution to and alignment with the core functions of the organisation.
Short definition	Reviewing of procurement plans from all spheres of government. The process includes reviewing proposed projects in the procurement plan against advertised projects per various tender bulletins. It also analyses planned projects against allocated budgets.
Purpose/importance	The objective of the review is to ensure the departments use procurement plans as a tool to manage their procurement process. The report highlights gaps identified in submitted procurement plans which may hinder timely service delivery.
Source/collection of data	<ul style="list-style-type: none"> • • Evidence of procurement plans having been reviewed; and • Evidence of correspondence with procurement plan owners.
Method of calculation	<ul style="list-style-type: none"> • Number of procurement plans submitted; • Number of reviews completed; and • Evidence of correspondence with procurement plan owners.
Data limitations	Budget information available for public entities and Municipalities. Longer turnaround times on responses from departments
Type of indicator	Activity and output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Complete 120 reviews during the 2014 / 15 year
Indicator responsibility	Process owner: Chief Director : SCM - GMC Managing and reporting: Governance Directorate

Performance Indicator 5.33

Indicator title	Number of projects visited to ensure delivery in line with the specifications of the contract.
Short definition	Physical verification of projects to ensure they are in line with specified approved requirements, e.g. schools infrastructure project.
Purpose/importance	To ensure that projects re delivered on time within approved specification and value for money is achieved.
Source/collection of data	<ul style="list-style-type: none">• Evidence of number of projects visited and• Evidence of having considered relevant parameters when undertaking visit
Method of calculation	Output –
Data limitations	None
Type of indicator	Output and activity
Calculation type	Cumulative – Total number of planned projects against sites visited (physically verified)
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	100 projects verified annually
Indicator responsibility	Process owner Chief Director : SCM - GMC Managing and reporting Directorate: Monitoring and Compliance

Performance Indicator 5.34

Indicator title	Number of contracts reviewed to ensure alignment with the conditions and deliverables of the tender.
Short definition	Reviews to ensure all procurement process are adhered to and are in line with SCM legislation and regulations
Purpose/importance	To ensure five pillars of public sector procurement (value for money, open and competitiveness, ethics and fair dealing, accountability and reporting and equity) are adhered to and implemented.
Source/collection of data	Procurement plans, tender complaints received , court cases, newspaper articles, internet, etc.
Method of calculation	<ul style="list-style-type: none"> • Evidence of contract reviews having taken place; • Correspondence with relevant procurement owners and accounting officers in relation to contract reviews; and • Reports relating to concluded reviews.
Data limitations	<p>Longer turnaround times as clients are not responding on time on queries raised.</p> <p>At times complaints received are baseless which renders information received irrelevant (this is after days of conducting ground work)</p>
Type of indicator	Activity and outputs
Calculation type	Cumulative
Reporting cycle	Mainly quarterly based on cases reported per quarter
New indicator	Yes
Desired performance	<p>Performance higher than targeted performance, average of 25 contract reviews per quarter.</p> <p>The indicator depends on reported cases (performance can be measured by the turnaround time it takes to review a contract)</p>
Indicator responsibility	<p>Process owner Chief Director : SCM - GMC</p> <p>Managing and reporting Directorate: Monitoring and Compliance</p>

Performance Indicator 5.35

Indicator title	Number of bid evaluation and adjudication minutes reviewed to ensure compliance with the evaluation criteria/scoring through the procurement process.
Short definition	Reviewing minutes of bid evaluation and adjudication to assess fairness of the bid awarding process and to ensure it is aligned to bid specification and bid conditions (general and/ specific)
Purpose/importance	To ensure/ assess the fairness of the tender award process
Source/collection of data	Tender complaints received, court cases, newspaper articles on tender disputes.
Method of calculation	<ul style="list-style-type: none"> • Evidence of reviewing bid adjudication and evaluation minutes; • Correspondence between the OCPO and the procurement owners; and • Existence of reports or other records of relevant reviews
Data limitations	Longer turnaround times as clients are not responding on time on queries raised.
Type of indicator	Activity and output
Calculation type	Cumulative
Reporting cycle	Mainly quarterly based on cases reported per quarter
New indicator	Yes
Desired performance	<p>Performance higher than targeted performance, average of 75 bid evaluations and adjudication minutes reviews per quarter.</p> <p>The indicator depends on reported cases (performance can be measured by the turnaround time it takes to review a set of minutes (evaluation and adjudication))</p>
Indicator responsibility	<p>Process owner Chief Director : SCM - GMC</p> <p>Managing and reporting Directorate: Monitoring and Compliance</p>

Performance Indicator 5.36

Indicator title	Develop Strategic Procurement Framework (SPF), tailored to the needs of different forms of procurement.
Short definition	A Strategic Procurement Framework which will serve as a guide for procurement officials who want to embark on strategic sourcing initiatives.
Purpose/importance	To ensure that government has a well-documented strategic procurement framework that gives guidance as to the process to be followed for developing sourcing strategies for all types of goods and services
Source/collection of data	<ul style="list-style-type: none">• Evidence of consultation with key stakeholders on the development of the SPF;• Evidence of development of the SPF;• Evidence of approval of the SPF; and• Evidence of implementation planning and initial rollout of the SPF.
Method of calculation	<ul style="list-style-type: none">• Progress of activity against plan; and• Existence of an approved SPF
Data limitations	None
Type of indicator	Activity and output
Calculation type	Cumulative over the period of project implementation
Reporting cycle	Annually
New indicator	Yes
Desired performance	Increased number of government departments who implement the SPF and adhere to the guideline methodology for strategic procurement.
Indicator responsibility	Chief Director: Strategic Procurement

Performance Indicator 5.37

Indicator title	Develop sourcing strategies for identified commodities / procurement categories.
Short definition	This involves the development of sourcing strategies for identified commodities / procurement categories on a project basis, using the SPF (indicator 36)
Purpose/importance	To ensure a collaborative, structured and systematic approach to analysing commodity spend, establishing demand, understanding market dynamics and using this information to acquire goods and services effectively; and as a result support government's service delivery objectives.
Source/collection of data	<ul style="list-style-type: none"> • Evidence of activity relating to development of sourcing strategy proposals for targeted procurement categories; • Completion of sourcing strategy proposals for targeted procurement categories; • Evidence of structured engagements completed with key stakeholders for targeted procurement categories
Method of calculation	<ul style="list-style-type: none"> • Number of procurement strategy proposals completed against the planned number
Data limitations	None
Type of indicator	Success of the implementation of developed sourcing strategies will be realised over the medium to long term and could be seen in possible reduced expenditure (savings) or improved service delivery. This indicator will measure the impact on expenditure (savings achieved) Economy and efficiency
Calculation type	Count – number of proposals concluded and accepted
Reporting cycle	Annually and even longer (depending on the contract period)
New indicator	Yes
Desired performance	For the 2014 / 15 year, sourcing strategy proposals for health, travel and accommodation, cell phone subscriptions, ICT hardware will be developed.
Indicator responsibility	CD: Strategic Procurement

Performance Indicator 5.38

Indicator title	Implement sustainable Price Referencing System (PRS)
Short definition	A web-enabled Price Referencing System that can be accessed by SCM officials and used as a guide to benchmark low-value products during the procurement process.
Purpose/importance	The purpose of the PRS is to provide Accounting Officers and Accounting Authorities (AOs/AAs) with a monthly schedule of standard fair-value prices, for certain low-value products procured by government. These prices must be considered as a benchmark during the procurement process, thereby assisting the departments, municipalities and public entities (entities) derive value-for-money from government procurement spend.
Source/collection of data	<ul style="list-style-type: none"> • Evidence of data collection from relevant sources including Statistics SA and other reputable sources still to be determined • Evidence of activity relating to targeted outcomes for the year
Method of calculation	<ul style="list-style-type: none"> • Number of users who accesses the web-based PRS on a monthly basis • Delivery of targeted outputs for the year under review
Data limitations	None
Type of indicator	Activity and Outcome
Calculation type	Monthly, non-cumulative. Usage trend over the review period.
Reporting cycle	Quarterly
New indicator	New
Desired performance	<p>For the 2014 / 15 year:</p> <ul style="list-style-type: none"> • Refine system of price referencing for 20 common items across government. • Develop implementation strategy.
Indicator responsibility	Chief Director: Strategic Procurement

Performance Indicator 5.39

Indicator title	Design and implement supplier database.
Short definition	Consolidate supplier information at a central point to enable government wide access to a Supplier Master list
Purpose/importance	The central supplier database will reduce cost and effort of doing business with state for private sector and reduce administrative burden to officials. It is an important first step in simplification and standardisation of SCM
Source/collection of data	<ul style="list-style-type: none">• Evidence of establishment of central database hosted at SITA;• Evidence of envisaged use of the supplier database
Method of calculation	<ul style="list-style-type: none">• Verification of the existence of a database on 31 March 2014• Evidence of roll out of implementation plan
Data limitations	Hosting arrangements by SITA may impact on availability of database
Type of indicator	Input indicator
Calculation type	Non- cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	for the 2014 / 15 year, rollout of implementation activities against the plan is envisaged
Indicator responsibility	Chief Director: ICT

Performance Indicator 5.40

Indicator title	Maintain the existing transversal term contracts.
Short definition	A transversal contract refers to a contract for common goods or services or ad hoc goods and services in which more than one government institution participates.
Purpose/importance	Primarily to leverage economies of scale through bulk purchasing.
Source/collection of data	<ul style="list-style-type: none">• An annual transversal term contract register is maintained by the Chief Directorate Transversal Contracting; and• Evidence of leveraging economies of scale as a result of leveraging transversal contracting
Method of calculation	Arithmetic counting of existing transversal term contracts
Data limitations	None identified
Type of indicator	Output and outcome
Calculation type	Cumulative for number of contracts renewed
Reporting cycle	Quarterly reporting
New indicator	No
Desired performance	For the 2014 / 15 year, 17 transversal term contracts require renewal
Indicator responsibility	Chief Director: Transversal Procurement

Performance Indicator 5.41

Indicator title	Establishment of the national procurement system.
Short definition	Expansion of larger-scale procurement for common goods and services
Purpose/importance	To leverage buying power of State through economies of scale
Source/collection of data	All government institutions
Method of calculation	<ul style="list-style-type: none">• Evidence of activity for identifying and implementing more strategic contracts for items commonly procured by the State;• Number of additional strategic contracts concluded
Data limitations	None
Type of indicator	Inputs and outcomes
Calculation type	Number of additional strategic contracts introduced
Reporting cycle	Quarterly reporting
New indicator	No
Desired performance	For the 2014 / 15 year, the aim is to identify and implement five additional strategic contracts for centralisation.
Indicator responsibility	Chief Director: Transversal Procurement