

TECHNICAL **INDICATOR DESCRIPTORS** 2015/16

PROGRAMME 5:
**FINANCIAL ACCOUNTING & SUPPLY CHAIN
MANAGEMENT SYSTEMS**



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PERFORMANCE INDICATOR 5.1.1

Indicator title	Monitor financial management improvement in national and provincial institutions
Short definition	<p>The aim of these reports is to inform and update 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 compliance with the 30 days payment of suppliers rule to FOSAD
Purpose/importance	<p>To report on improvements in financial management across national and provincial spheres of government</p> <p>To update FOSAD and interested stakeholders on progress made and the status of compliance with the requirement to pay suppliers within 30 days</p>
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 remaining unpaid
Data limitations	Information submitted late or not submitted by clients to NT
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 each year
Indicator responsibility	Chief Directorate : Governance Monitoring and Compliance

PERFORMANCE INDICATOR 5.1.2

Indicator title	Develop and implement guidelines on new or revised accounting policies and regulations
Short definition	Develop and implement guidelines on generally recognised accounting practice (GRAP) standards and/or modified cash standards for all government entities
Purpose/importance	Ensure that there are directives for new developments and assist public sector entities with implementing and understanding the GRAP standards and the Modified Cash Standard (MCS)
Source/collection of data	Policy versions by government, effective standards of GRAP, FAQs issued by the ASB or NT, and 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 needs of and impact on the user community.
Data limitations	Extent of comment received on the draft documents published which should assist NT to ensure 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 • Maintain and enhance existing guidelines
Indicator responsibility	Chief Directorate: Technical Support Services

PERFORMANCE INDICATOR 5.1.3

Indicator title	Maintain and enhance Treasury Regulations and instructions
Short definition	Revise Treasury Regulations as or when necessary and issue NT Instructions as required
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/NT Instructions, circulars and frameworks previously issued by NT</p>
Source/collection of data	<ul style="list-style-type: none"> • Practice Notes/NT Instructions • NT Frameworks • Comments received on the revised Treasury Regulations issued for public comment
Method of calculation	Number of revisions made and subsequent Practice Notes or Instruction Notes issued
Data limitations	Limited inputs from other branches within NT
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly until publication of the revised Treasury Regulations
New indicator	No
Desired performance	<ul style="list-style-type: none"> • Complete ongoing maintenance and enhancement of Treasury regulations • Publication of amendments and related notes according to planned timeframes
Indicator responsibility	Chief Directorate: Governance, Monitoring and Compliance

PERFORMANCE INDICATOR 5.1.4

Indicator title	Improve FMCMM in departments
Short definition	The model is revised to introduce an improved electronic FMCMM platform; it moves from a compliance approach to include level 4, 5 and 6 questions where accountability, effectiveness, efficiency and optimal use of resources are more dominant
Purpose/importance	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 the optimal level, showing continuous learning and improvement in financial management of institutions
Source/collection of data	Maintain and enhance FMCMM in compliance with legislation and aligned with applicable norms and standards
Method of calculation	Maintained and enhanced FMCMM in compliance/aligned with the PFMA, Treasury Regulations and Instructions Notes, COSO Framework, Risk Management Framework and King III
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Longer time interval
New indicator	No
Desired performance	<ul style="list-style-type: none"> • Attain level 6 which is the optimal level showing continuous learning and improvement in financial management of institutions • Maintain and enhance FMCMM as required
Indicator responsibility	Chief Directorate: Governance, Monitoring and Compliance

PERFORMANCE INDICATOR 5.1.5

Indicator title	Improve FMCMM in municipalities
Short definition	A management tool that provides clear yard-stick measurements to which municipalities should aspire for process improvements. It pinpoints specific gaps in the detailed operational activities outlined in all 21 modules of financial management within the municipality, and the measures required to close them.
Purpose/importance	Responds to critical capacity problems in municipalities characterised by high vacancy rates in senior finance positions and limited skill sets to perform key financial management activities.
Source/collection of data	Maintain and enhance FMCMM in compliance with legislation and in alignment with applicable norms and standards
Method of calculation	Maintained and enhanced FMCMM
Data limitations	None
Type of indicator	Output indicator
Calculation type	Trend – increase in number of participating municipalities
Reporting cycle	Annually
New indicator	No
Desired performance	A score of 3 on each applicable question Successful rollout, maintenance of and enhancements to the FMCMM
Indicator responsibility	Chief Directorate: MFMA Implementation

PERFORMANCE INDICATOR 5.1.6

Indicator title	Conduct and support forensic investigations to eradicate fraud and corruption
Short definition	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>Purpose: To ensure that the public procurement system is fair, equitable, transparent, competitive and cost effective</p> <p>Importance: To ensure 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; forensic reports; external parties; media; anti-corruption task teams; Parliamentary committees; the Public Protector
Method of calculation	<ul style="list-style-type: none"> • Evidence of collation analysis of audit reports • Evidence of logging of and response to allegations by Executive Authorities, departments' Accounting Officers and officials; external parties; media; anti-corruption risk teams; Parliamentary committees; and the Public Protector
Data limitations	<ul style="list-style-type: none"> • Political interference • Inadequate evidence • Distraction of documentation
Type of indicator	Outputs and impact of reports
Calculation type	Cumulative
Reporting cycle	Quarterly reporting
New indicator	No
Desired performance	Completing the number of investigations and referral of cases as contemplated in the Annual Performance Plan
Indicator responsibility	Chief Directorate: Specialised Audit Services

PERFORMANCE INDICATOR 5.1.7

Indicator title	Review FMG support plans and establish alignment with the framework
Short definition	Evaluate the FMG support plans submitted by municipalities to see how they will be spending their funds. Check that spending plans are in line with the conditions of grants as indicated in the grant frameworks
Purpose/importance	Evaluating the alignment of the FMG support plan (submitted by municipalities) with conditions of the grant as indicated in the framework, as 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	The grant is available to all municipalities and spending is based on the content and submission of a Support Plan. This is monitored through quarterly performance evaluation reports.
Data limitations	The support plan can only be reviewed when a municipality provides information on progress made on it, through quarterly reports
Type of indicator	Activities
Calculation type	Cumulative
Reporting cycle	Annual and quarterly
New indicator	No
Desired performance	Review all 278 municipalities' FMG support plans and quarterly performance evaluation reports
Indicator responsibility	Chief Directorate: MFMA Implementation

PERFORMANCE INDICATOR 5.2.1

Indicator title	Research, develop and implement structural and policy reforms so that the internal audit and risk management functions become more responsive to government's needs
Short definition	Assess internal audit compliance with PFMA, MFMA and international professional practice standards of internal audit, and its state of readiness for quality assurance reviews
Purpose/importance	<ul style="list-style-type: none"> • Oversee progress in the maturity and capability of departments' internal audit function • Review internal audit functions to determine their level of compliance with the PFMA, MFMA, Treasury Regulations and international internal audit standards
Source/collection of data	Signed reports issued to the department, municipality or entity concerned
Method of calculation	Simple count of the reports issued
Data limitations	None
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Research and analyse challenges and their optimal solutions
Indicator responsibility	Chief Directorate: Internal Audit Support Chief Directorate: Risk Management

PERFORMANCE INDICATOR 5.2.2

Indicator title	Management of MFMA helpdesk
Short definition	Manage MFMA helpdesk, which assists municipalities, municipal entities and all other stakeholders to interpret and implement the MFMA, Regulations, MFMA Circulars and Guidelines.
Purpose/importance	The MFMA Helpdesk is an important tool which assists with the interpretation of the MFMA, the Regulations, Circulars and Guidelines. This helps to ensure consistent countrywide application of the Act and its regulations. The helpdesk also assists NT to identify gaps in the implementation of the legal framework and to address these through MFMA Circulars, Regulations or Guidelines.
Source/collection of data	Coordination of inputs from different units within NT to provide guidance to clients
Method of calculation	Average response times for queries received
Data limitations	No data limitations, as guidance is provided in terms of the legal framework
Type of indicator	Measurement of the quality of responses, including response times
Calculation type	Based on the average monthly or quarterly response time
Reporting cycle	Monthly and quarterly
New indicator	No
Desired performance	Average response time, in line with the Annual Performance Plan
Indicator responsibility	Chief Directorate: MFMA Implementation

PERFORMANCE INDICATOR 5.2.3

Indicator title	Assist municipalities with the preparation of financial recovery plans
Short definition	Review and respond to requests for assistance from municipalities in the development of financial recovery plans
Purpose/importance	Provide technical support to municipalities with the preparation of their financial recovery plans. The support is as and when needed, but for mandatory provincial intervention assistance must be provided with the preparation of the financial recovery plan.
Source/collection of data	In terms of Chapter 13 of the MFMA, resolving financial problems in municipalities may take the form of preparation of financial recovery plans. NT's Municipal Finance Recovery Service (MFRS) is responsible for assisting municipalities to prepare financial recovery plans, among others tasks.
Method of calculation	Requests for assistance with preparing financial recovery plans come from provinces and municipalities.
Data limitations	Number of municipalities assisted to review or prepare financial recovery plans
Type of indicator	The indicator measures the number of municipalities assisted to review or prepare their financial recovery plans
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Provision of assistance in response to requests, within the timeframes specified in the Annual Performance Plan
Indicator responsibility	Chief Directorate: MFMA Implementation

PERFORMANCE INDICATOR 5.2.4

Indicator title	Support and train personnel from provincial treasuries to prepare provincial consolidated financial statements and provincial revenue fund statements, and to implement GRAP standards
Short definition	Provision of support and training initiatives on provincial revenue funds and provincial consolidated financial statements, as well as to municipalities and public entities on GRAP standards
Purpose/importance	Enable financial management capacity building. The indicator measures the number of government personnel trained in these financial areas.
Source/collection of data	Number of trainees as indicated by training event attendance registers
Method of calculation	Number of attendees
Data limitations	None
Type of indicator	Measures activities
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	At least 250 trainees annually, as specified in the Annual Performance Plan
Indicator responsibility	Chief Directorate: Accounting Support and Reporting

PERFORMANCE INDICATOR 5.2.5

Indicator title	Facilitate financial management competencies training for municipal officials
Short definition	Provide training that enables municipal officials to comply with the financial management competency requirements of their positions, in alignment with municipal regulations
Purpose/importance	Promote compliance with required financial management competency levels
Source/collection of data	Data collated from various sources – Local Government Sector Education and Training Authority (LGSETA), listed training providers and municipalities – and maintained on a spreadsheet
Method of calculation	Number of officials per municipality and courses enrolled for the minimum competency levels
Data limitations	Data is captured in basic Excel which is onerous and needs automation for better disaggregation and analysis.
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly/annual
New indicator	No
Desired performance	Provide training for at least 750 learners a year
Indicator responsibility	Chief Directorate: Capacity Building

PERFORMANCE INDICATOR 5.2.6

Indicator title	Develop and implement the Financial Management Capacity Development Strategy
Short definition	Develop the strategy document outlining the NT's vision for public financial management capacity development, including the strategic objectives, enablers and separate implementation plans for the PFMA and MFMA aligned with the NT's strategic plans cascaded down to the level of Chief Directorates
Purpose/importance	Provide an agreed upon process to address identified capacity constraints and strengthen the implementation 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 internal and external key stakeholders
Type of indicator	The indicator measures inputs, outputs, activities and outcomes
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Strategy implemented in line with the Annual Performance Plan
Indicator responsibility	Chief Directorate: Capacity Building

PERFORMANCE INDICATOR 5.2.7

Indicator title	Management and implementation of academic support programme for prospective chartered accountants
Short definition	The programme is intended to provide academic support to public sector officials pursuing the chartered accountants profession
Purpose/importance	To contribute to addressing the shortage of financial management skills countrywide, especially in the public sector
Source/collection of data	The number of qualifying candidates is obtained through the chartered accountants' public sector forum (CAPSF)
Method of calculation	Number of candidates receiving support
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Report to the CAA steering committee every four months and to the Director-General at the end of each financial year
New indicator	No
Desired performance	<ul style="list-style-type: none"> • Support provided to the target number of candidates, as specified in the Annual Performance Plan • Inclusion of other qualifying government institutions in the CAA in order to increase the number of chartered accountants qualifying each year
Indicator responsibility	Chief Directorate: Capacity Building

PERFORMANCE INDICATOR 5.2.8

Indicator title	Quarterly interim financial statement reviews of selected priority departments
Short definition	Building the capacity of practitioners by reviewing interim financial statements and providing constructive feedback in order to improve the quality of the statements and the capacity of the practitioners
Purpose/importance	Enable financial management capacity building through practical feedback and experiential learning
Source/collection of data	Evidence of reviews conducted and reports issued
Method of calculation	Number of reviews conducted and reports issued
Data limitations	None
Type of indicator	Measures activities
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Perform 15 reviews and provide relevant departments with reports
Indicator responsibility	Chief Directorate: Accounting Support and Reporting

PERFORMANCE INDICATOR 5.2.9

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 , these statements must be published within 30 days of month end
Purpose/importance	<ul style="list-style-type: none"> • A requirement of the PFMA, used by the IMF and other interested parties to analyse monthly financial performance • Used as an early warning system by departments and NT
Source/collection of data	<ul style="list-style-type: none"> • Monthly reports published on time in the Government Gazette • The reports approved for publication by the Accountant-General
Method of calculation	<ul style="list-style-type: none"> • Monthly reports published on time in the Government Gazette • The reports approve for publication 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 5.2.10

Indicator title	Banking services for national government
Short definition	Assist departments with electronic verification of banking details and payments, and provide a daily bank statement reflecting all payments and receipts
Purpose/importance	Need to provide a bank statement daily to interface with 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 • 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 • Electronic verification of supplier banking details within four working days
Indicator responsibility	Chief Director: Accounting Support and Reporting

PERFORMANCE INDICATOR 5.2.11

Indicator title	Tabling of consolidated annual financial statements for national departments, public entities and RDP Fund
Short definition	Section 8 of the PFMA requires consolidated annual financial statements to be prepared and tabled. The RDP Act requires annual financial statements (AFS) for the RDP fund.
Purpose/importance	Audited financial statements for stakeholders on the results, and consolidated results for the year
Source/collection of data	<ul style="list-style-type: none"> • Evidence of completion of AFS for the RDP Fund • Evidence of correctly following the process for, and completion and publication of, the consolidated AFS as required in terms of applicable accounting frameworks
Method of calculation	Evidence of adherence to the required processes and frameworks, and tabling the statements on time, as scheduled
Data limitations	The consolidated AFS depends on receiving audited financial statements from all entities and departments. Delay in submissions from significant entities delays 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 5.3.1

Indicator title	Manage current transversal systems
Short definition	Maintenance of current transversal systems: Basic Accounting System (BAS), Financial Management System (FMS), Logis, Persal and Vulindlela Ensure that these systems are available to government users during working hours in line with SLA agreements
Purpose/importance	Ensure that transversal financial management systems continue to operate within agreed parameters
Source/collection of data	Call centre logs, mainframe audit trails and other formal user requests
Method of calculation	System availability, number of requests, complexity of requests and time taken to resolve requests
Data limitations	None
Type of indicator	Output and efficiency
Calculation type	Non-cumulative
Reporting cycle	Quarterly/annually
New indicator	No
Desired performance	Maintain 98 percent availability of systems during working hours or in line with SLA with service provider
Indicator responsibility	Chief Directorate : Financial Systems

PERFORMANCE INDICATOR 5.3.2

Indicator title	Delivery and rollout of an Integrated Financial Management System (IFMS) to national and provincial departments
Short definition	Develop, implement and maintain an integrated financial management system for government
Purpose/importance	The IFMS aims to replace ageing government systems presently in operation, and to improve the management of government resources
Source/collection of data	Measurements of project progress will include reviews of formal submissions by oversight structures, notifications in the Government Gazette, minutes of meetings, data repositories, requests for quotations issued and contracts signed
Method of calculation	<ul style="list-style-type: none"> • Evidence of progress against strategic decisions • Evidence of progress against plan
Data limitations	Inputs from key stakeholders affecting the quality of information and/or responses received (where required)
Type of indicator	Outputs and activities
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Project is delivered and implemented in line with the project plan
Indicator responsibility	Chief Directorate: Technical Support Services

PERFORMANCE INDICATOR 5.4.1

Indicator title	Review Preferential Procurement Policy Framework Act (PPPFA)
Short definition	Review the PPPFA that regulates the awarding of public procurement contracts with a specific focus on understanding the impact on government broader socio-economic objectives
Purpose/importance	The PPPFA should be reviewed so that it contributes to de-racializing the economy through public procurement
Source/collection of data	Database of contract awards to B-BBEE compliant companies
Method of calculation	Trend in percentage of awards to B-BBEE 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 and annual
New indicator	Yes
Desired performance	Revised PPPFA that supports government's socio-economic objectives and the designation of sectors
Indicator responsibility	National Treasury OCPO: Chief Directorate Policy, Norms and Standards

PERFORMANCE INDICATOR 5.4.2

Indicator title	Review government legislative framework and update supply chain management (SCM) policy
Short definition	Review SCM legislation to eliminate fragmentation. The policies will form the basis for developing standard operating procedures to regulate the public SCM system.
Purpose/importance	Legislation should enable efficient and effective procurement and delivery of services, goods and works to institutions of government & communities through service delivery. Standard operating procedures (SOPs) should ensure standards of performance for achieving these objectives.
Source/collection of data	Policy objectives, monitoring outcomes and SCM system performance management reporting
Method of calculation	Comparative SCM system performance reporting and Auditor-General reports
Data limitations	Central SCM performance management database and statistical variation tools required
Type of indicator	Input
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annual
New indicator	Yes
Desired performance	Policy and SOPs implemented as planned
Indicator responsibility	National Treasury OCPO: Chief Directorate Policy, Norms and Standards

PERFORMANCE INDICATOR 5.4.3

Indicator title	Simplify and rationalise SCM procedures in line with updated policy
Short definition	Review SCM procedures to ensure that they are aligned and correspond with policy revisions. Once procedures are aligned they must be standardised.
Purpose/importance	To ensure that policy and procedures are aligned and to allow for an easy and effective SCM process
Source/collection of data	Regulatory requirements and existing SCM procedures
Method of calculation	Establish if policies and procedures are aligned
Data limitations	N/A
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Procedures are updated and are in line with current policy
Indicator responsibility	National Treasury OCPO: Chief Directorate Policy, Norms & Standards

PERFORMANCE INDICATOR 5.5.1

Indicator title	SCM Advisory Support Services
Short definition	Provide consistent, reliable and high-quality SCM advisory support to departments
Purpose/importance	To ensure that SCM reforms are appropriately implemented as quickly as possible and to prevent problems before they arise, an advisory facility for SCM practitioners is needed.
Source/collection of data	<ul style="list-style-type: none"> • Evidence of helpdesk going live • Evidence of SCM learning network going live
Method of calculation	Helpdesk and learning network going live
Data limitations	N/A
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Helpdesk and learning network going live during 2015/16 year
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.5.2

Indicator title	SCM Operational Support Services
Short definition	Provide consistent, reliable and high-quality SCM operational support to departments
Purpose/importance	To ensure that SCM reforms are appropriately implemented as quickly as possible and to prevent problems before they arise, an advisory facility for SCM practitioners is needed.
Source/collection of data	<ul style="list-style-type: none"> • Evidence of the development of toolkits • Evidence of provision of operational support rendered to institutions
Method of calculation	<ul style="list-style-type: none"> • Toolkits developed and workshops conducted • Evidence of provision of operational support rendered to four institutions
Data limitations	N/A
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	<ul style="list-style-type: none"> • Toolkits developed and workshops conducted • Evidence of provision of operational support rendered to four institutions
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.5.3

Indicator title	SCM baseline study
Short definition	Conduct baseline study to ascertain “as is” state of SCM and SCM officials in all three spheres of government
Purpose/importance	This study aims to provide a clear picture of the challenges and opportunities for the SCM landscape, and to offer strategic insight into the most appropriate ways to substantially improve the present state of government SCM
Source/collection of data	<ul style="list-style-type: none"> • Evidence of development of baseline survey • Evidence of data being collated and report compiled
Method of calculation	<ul style="list-style-type: none"> • Baseline survey developed and conducted • Report compiled and consulted as appropriate
Data limitations	N/A
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	<ul style="list-style-type: none"> • Baseline survey developed and conducted • Report compiled and consulted as appropriate
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.5.4

Indicator title	i-Develop (Individual Development Assessment Toolkit)
Short definition	Electronic solution designed to measure skills and competencies, identify skills gaps and take remedial action
Purpose/importance	The ability to measure skills and competencies, to identify skills gaps and to take remedial action is important for improving capacity on a large scale in government. This solution is aimed at providing access to content for all SCM practitioners in government over the medium-term.
Source/collection of data	<ul style="list-style-type: none"> • Evidence of i-Develop software development • Evidence of piloting of the software having taken place
Method of calculation	<ul style="list-style-type: none"> • Extent of software development achieved • Extent of software piloting conducted during the year under review
Data limitations	N/A
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	<ul style="list-style-type: none"> • i-Develop software solution developed • Piloting of the software having taken place in 12 institutions in 2015/16 year
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.5.5

Indicator title	SCM education, training and development (ETD) solutions
Short definition	Design, develop and roll out a range of skills development programmes, each targeting specific audiences within the SCM function
Purpose/importance	A concerted ETD rollout is necessary to: <ul style="list-style-type: none"> • Strategically position SCM and improve governance and SCM performance • Enhance SCM competencies and skills thereby improving SCM capability and performance
Source/collection of data	SCM ETD directorates within national and provincial Treasuries, as well as validated service providers
Method of calculation	Quantity and quality of SCM ETD solutions developed and delivered
Data limitations	Service provider reporting of data
Type of indicator	Inputs, activities, outputs and outcomes
Calculation type	Quarterly and annual
Reporting cycle	Non-cumulative
New indicator	Substantially changed
Desired performance	<ul style="list-style-type: none"> • Development and delivery of the Executive SCM Development Programme • Skills Development Programmes developed, delivered and approved: Demand Management, Bid Committees and Contract Management • Project initiation, programme customisation and delivery of the SCM Certificate Learnership
Indicator responsibility	Director: SCM ETD

PERFORMANCE INDICATOR 5.5.6

Indicator title	SCM ETD development and delivery framework
Short definition	Manage the analysis, design, development, implementation, monitoring and evaluation of national frameworks, guidelines, and standards for SCM ETD
Purpose/importance	Develop and deliver SCM ETD solutions to develop and empower a corps of competent and committed employees through: <ul style="list-style-type: none"> • A structured approach to the development and delivery of these solutions • A documented body of knowledge aligned to the SCM master learning curriculum
Source/collection of data	<ul style="list-style-type: none"> • SCM ETD directorates within the OCPO, as well as validated service providers, to provide information about the extent of ETD development and delivery in the period under review • Evidence of development of the information lifecycle management (ILM) policy, process and prospectus having taken place • Evidence of the quantity and quality of SCM curriculum content for the public sector developed and delivered
Method of calculation	Extent of development of: <ul style="list-style-type: none"> • SCM ETD Framework • Integrated learning matrix policy, process and prospectus • Public sector SCM curriculum content
Data limitations	Reliability and consistency of data reported by service providers
Type of indicator	Activities and outputs
Calculation type	Quarterly and annual
Reporting cycle	Cumulative
New indicator	No
Desired performance	<p>During 2015/16, development, adoption and/or rollout of:</p> <ul style="list-style-type: none"> • SCM ETD Framework • Integrated learning matrix policy, process and prospectus <p>SCM curriculum content for the public sector</p>
Indicator responsibility	Director: SCM ETD

PERFORMANCE INDICATOR 5.5.7

Indicator title	SCM organisational and individual capacity development
Short definition	The development of SCM within the organisation as a whole; the focus is not only on individual capacity development
Purpose/importance	One of the four strategic objectives addressed in the CDS for public finance management is to enhance organisational capacity. Given the legislative mandate of SCM units within departments, it is critical that strong SCM units are appropriately structured to perform their functions.
Source/collection of data	Evidence of development of a generic functional structure for SCM within the offices of CFOs in national departments
Method of calculation	Extent of development of a generic functional structure for SCM within the offices of CFOs in national departments
Data limitations	None
Type of indicator	Success of implementation is more medium to long-term. An example of a success indicator may be higher staff morale in that employees now have greater clarity about what is expected of them.
Calculation type	Cumulative
Reporting cycle	Would depend on how frequently the information is required. It is recommended that the status of progress of organisational capacity initiatives is monitored and reported on at least once every year.
New indicator	N/A
Desired performance	Develop a generic functional structure for SCM within the office of the CFO in national departments during 2015/16
Indicator responsibility	Chief Director: Capacity Building

PERFORMANCE INDICATOR 5.6.1

Indicator title	Review bid specifications against SCM policy and applicable procurement instructions
Short definition	Review bid specifications to ensure compliance with policy, norms and standards and any SCM prescripts
Purpose/importance	Ensure that bid specifications are compiled in a way that is fair, ethical and transparent
Source/collection of data	<ul style="list-style-type: none"> Evidence of reviews 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 the application of SCM prescripts and compiling incorrect specifications.
Type of indicator	It measures inputs used in compiling a specification (SCM prescripts) and resulting output in terms of advertised specification.
Calculation type	Non-cumulative: each specification is reviewed on its own merit and has no impact on other reviews
Reporting cycle	Quarterly
New indicator	No
Desired performance	150 bid specifications reviewed annually
Indicator responsibility	Process owner: Chief Director: SCM – GMC Managing and reporting Directorate: Monitoring and Compliance

PERFORMANCE INDICATOR 5.6.2

Indicator title	Review procurement plans against core functions of the organisation
Short definition	Review procurement plans from all spheres of government to ensure contribution to and alignment with the core functions of the organisation. 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 that departments use procurement plans as a tool to manage their procurement process. The reports generated highlight gaps identified in the 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 • 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 • Evidence of correspondence with procurement plan owners
Data limitations	Limited budget information available for public entities and municipalities Long turnaround times in responses from departments
Type of indicator	A combination of output (procurement plan), outcome(review of advertised and awarded tenders) and impact on service delivery
Calculation type	Reported performance is cumulative
Reporting cycle	Quarterly
New indicator	New
Desired performance	200 procurement plans reviewed each year
Indicator responsibility	Process owner: Chief Director: SCM - GMC Managing and reporting: Directorate Governance

PERFORMANCE INDICATOR 5.6.3

Indicator title	Review bid evaluation and adjudication minutes to ensure compliance with evaluation criteria and scoring
Short definition	Review minutes of bid evaluation and adjudication to assess objectivity of bid award process and ensure that evaluation and adjudication are aligned with the bid specification and the general and specific bid conditions
Purpose/importance	To ensure and assess the fairness of the tender award process
Source/collection of data	Tender complaints received, court cases, media 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 • Existence of reports or other records of relevant reviews
Data limitations	Long turnaround times if clients do not respond on time on queries raised.
Type of indicator	It measures input, output, outcome, activity and impact (value for money achieved)
Calculation type	Non-cumulative: each case is reviewed on its own merit and has no impact on other cases reviewed
Reporting cycle	Quarterly
New indicator	No
Desired performance	400 sets of BEC/BAC minutes reviewed annually
Indicator responsibility	Process owner: Chief Director : SCM - GMC Managing and reporting Directorate: Monitoring and Compliance

PERFORMANCE INDICATOR 5.6.4

Indicator title	Evaluate the implementation of projects against contract specifications and conditions of tender
Short definition	Physical verification of projects to ensure that the project is implemented in line with specified contract agreements and conditions of tender
Purpose/importance	Ensure that projects are delivered on time within approved specifications and that value for money is achieved
Source/collection of data	<ul style="list-style-type: none"> • Evidence of number of projects visited • Evidence of having considered relevant factors, such as report-back, when undertaking visits
Method of calculation	Number of planned site visits against actual number visited (physically verified)
Data limitations	Access limitations to verify some projects due to geographical location as well as restricted access imposed by officials
Type of indicator	It measures outcome and impact (value for money)
Calculation type	Non-cumulative; each project is measured on its own merits
Reporting cycle	Quarterly
New indicator	No
Desired performance	Average of 25 visits per quarter and 25 contract reviews per quarter
Indicator responsibility	Process owner: Chief Director : SCM - GMC Managing and reporting Directorate: Monitoring and Compliance

PERFORMANCE INDICATOR 5.7.1

Indicator title	Develop a Strategic Procurement Framework (SPF) tailored for the different forms of procurement
Short definition	A SPF which will serve as a strategic sourcing guide for procurement officials
Purpose/importance	A well-documented SPF provides guidance on strategic sourcing strategies for all types of goods and services
Source/collection of data	Evidence of specific activities undertaken in maintaining and refining the SPF
Method of calculation	Extent of work undertaken in maintaining and refining the SPF
Data limitations	None
Type of indicator	Impact - success of the implementation of the SPF will be realised over the medium to long term and should help to reduce expenditure and improve service delivery. This indicator will measure the impact on expenditure.
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Effective rollout of refinements to the SPF
Indicator responsibility	Chief Director: Strategic Procurement

PERFORMANCE INDICATOR 5.7.2

Indicator title	Develop sourcing strategies for identified commodities/procurement categories
Short definition	Development of sourcing strategies for identified commodities/procurement categories on a project basis, using the SPF (indicator 28)
Purpose/importance	Ensure a collaborative, structured and systematic approach to analysing commodity spend, establishing demand and understanding market dynamics; using this information to acquire goods and services effectively; and supporting government's service delivery objectives.
Source/collection of data	<ul style="list-style-type: none"> • Evidence of activity relating to the 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 actual procurement strategy proposals completed against the planned number
Data limitations	None
Type of indicator	Successful implementation of developed sourcing strategies will be realised over the medium to long term and should result in reduced expenditure and improved service delivery. This indicator will measure the savings achieved, and the level of economy and efficiency.
Calculation type	Count – number of proposals concluded and accepted
Reporting cycle	Annually and longer (depending on the contract period)
New indicator	No
Desired performance	For 2015/16 year, sourcing strategy proposals for government Health and Education sectors will be developed.
Indicator responsibility	Chief Director: Strategic Procurement

PERFORMANCE INDICATOR 5.7.3

Indicator title	Implement sustainable Price Referencing System (PRS)
Short definition	Develop and implement a web-enabled PRS that can be accessed by SCM officials and used as a guide to benchmark product value 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, assisting departments, municipalities and public entities to 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 Stats 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 access 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 impact
Calculation type	Non-cumulative. Usage trend over the review period.
Reporting cycle	Quarterly
New indicator	No
Desired performance	Design and implementation of PRS on a nationally accessible platform
Indicator responsibility	Chief Director: Strategic Procurement

PERFORMANCE INDICATOR 5.7.4

Indicator title	Maintain existing transversal term contracts and establish the national procurement system
Short definition	A transversal contract refers to a contract for common goods or services or <i>ad hoc</i> goods and services in which more than one government institution participates. A national procurement system refers to expansion of the present portfolio of transversal contracts to include various commodities purchased routinely by departments.
Purpose/importance	Contracts are maintained and sourced primarily to achieve economies of scale through bulk purchasing
Source/collection of data	An annual transversal term contract register is maintained by the Chief Directorate: Transversal Contracting
Method of calculation	Arithmetic counting of existing transversal term contracts
Data limitations	None identified
Type of indicator	Impact measures transversal term contracts maintained, identification of activities through the contract management cycle, conducting of benchmark exercise to measure economies of scale
Calculation type	Performance is non-cumulative and is in line with the contract/contract cycle
Reporting cycle	Quarterly reporting
New indicator	No
Desired performance	Maintain and establish transversal term contracts that achieve value for money and improved service delivery
Indicator responsibility	Chief Director: Transversal Contracts

PERFORMANCE INDICATOR 5.8.1

Indicator title	Develop, implement and maintain a Central Supplier Database
Short definition	Develop, implement and maintain a Central Supplier Database to reduce the administrative burden on suppliers and on SCM practitioners
Purpose/importance	Reducing the amount of paper and increasing electronic referencing will significantly reduce service providers' costs of doing business with the State and improve the quality of reference and administrative data. SCM efficiency will also improve.
Source/collection of data	Evidence of development and implementation of government's Central Supplier Database
Method of calculation	Extent of development and implementation of government's Central Supplier Database
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Development and implementation of the Central Supplier Database in government during 2015/16
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.8.2

Indicator title	Establish an e-Tender Portal
Short definition	Establish a portal where all government tenders can be accessed by interested parties
Purpose/importance	Centralising the publication of government tenders will offer many benefits to government and service providers, including improved efficiencies, reduced amount of paper and manual processing and broad access to tender information
Source/collection of data	Evidence of development and implementation of the e-Tender portal
Method of calculation	Extent of development and implementation of the e Tender portal
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Development and implementation of the e Tender portal during 2015/16 year
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.8.3

Indicator title	Develop e-Procurement specifications
Short definition	Develop e-Procurement specifications in anticipation of the procurement and implementation of a government IFMS
Purpose/importance	As national and provincial government's resource planning systems are being replaced, this is an opportune time to complete specifications in line with the intended strategy of the OCPO. Technology is a significant resource for rolling out procurement reform.
Source/collection of data	Evidence of development of e-Procurement specifications
Method of calculation	Extent of development of e-Procurement specifications
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Completion of e Procurement specifications during 2015/16
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.8.4

Indicator title	Develop IFMS SCM specifications
Short definition	Develop IFMS-SCM specifications in anticipation of the procurement and implementation of an IFMS for government
Purpose/importance	As national and provincial government's resource planning systems are being replaced, this is an opportune time to develop comprehensive specifications in line with the intended strategy of the OCPO. The technology is of significant value in SCM reform.
Source/collection of data	Evidence of development of IFMS SCM specifications
Method of calculation	Extent of development of the IFMS-SCM specifications
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Completion of the IFMS SCM specifications during 2015 /16
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.8.5

Indicator title	Develop e-Commerce centre
Short definition	Conceptualise and establish a government e-Commerce centre
Purpose/importance	e-Commerce is a very efficient way of conducting commercial transactions, as has been demonstrated in developed countries. It offers government the opportunity to increase its efficiency in conducting business whilst reducing costs.
Source/collection of data	Evidence of the concept and design of a government e-Commerce centre having been carried out
Method of calculation	Extent of the concept and design of a government e-Commerce centre developed
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Completion of the eCommerce centre specifications during 2015/16
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.8.6

Indicator title	Develop an e- SCM Performance Management Module
Short definition	Develop an electronic solution for managing the performance of government's SCM function
Purpose/importance	The SCM function is presently being overhauled. The dynamic nature of such a change needs constant monitoring so that progress can be measured and performance improves consistently over time.
Source/collection of data	Evidence of the concept and design of a SCM Performance Management Module for government having been developed
Method of calculation	Extent of the concept and design of a SCM Performance Management Module for government developed
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Completion of the SCM Performance Management Module specifications during 2015/16
Indicator responsibility	OCPO

PERFORMANCE INDICATOR 5.8.7

Indicator title	Assessment of local government systems
Short definition	Conduct an assessment of SCM systems in local government
Purpose/importance	Standardising SCM functionality in local government must start with a clear understanding of the key activities and principles employed in the function at present. The diversity in scale, size, capability and requirements amongst various municipalities will also be taken into account, as this forms a key input to the design process.
Source/collection of data	Evidence of the assessment of local government SCM systems having been conducted
Method of calculation	Extent of the assessment of local government SCM systems having been conducted
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Completion of the assessment of SCM systems in local government, during the 2015/16 year
Indicator responsibility	OCPO