national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

# Framework for Managing Programme Performance Information

Published by the National Treasury
Private Bag X115
Pretoria
0001
South Africa

Tel:  +27 12 315 5948
Fax: +27 12 315 5126

The *Framework for Managing Programme Performance Information* is also available on www.treasury.gov.za

Layout: National Treasury Communications Directorate

Printing and Binding: Formeset Printers Cape (Pty) Ltd

Publication date: May 2007

**ISBN : 978-0-621-37152-9**
**RP : 86/2007**

# What you should know...

After reviewing this Framework for Managing Programme Performance Information you should understand the following issues:

- The importance of performance information as a management tool
- The link between this Framework and the Government-wide Monitoring and Evaluation System
- The role of performance information in planning, budgeting and reporting
- Key concepts, including the criteria for good performance indicators
- An approach to developing performance indicators
- The capacity required to manage and use performance information
- The roles of key government institutions in performance information management
- The publication of performance information.

# CONTENTS

# LIST OF ACRONYMS

| | |
|---|---|
| **DPLG** | Department of Provincial and Local Government |
| **DPSA** | Department of Public Service and Administration |
| **ENE** | Estimates of National Expenditure |
| **MEC** | Member of the Executive Council |
| **MFMA** | Municipal Finance Management Act |
| **PFMA** | Public Finance Management Act |
| **Stats SA** | Statistics South Africa |

## Chapter 1

# INTRODUCTION

## 1.1 Why is measuring performance important?

Performance information indicates how well an institution is meeting its aims and objectives, and which policies and processes are working. Making the best use of available data and knowledge is crucial for improving the execution of government's mandate. Performance information is key to effective management, including planning, budgeting, implementation, monitoring and reporting. Performance information also facilitates effective accountability, enabling legislators, members of the public and other interested parties to track progress, identify the scope for improvement and better understand the issues involved.

The public sector delivers services essential to the well-being and development of the nation. To ensure that public service delivery is as efficient and economical as possible, all government institutions are required to formulate strategic plans, allocate resources to the implementation of those plans, and monitor and report the results. Performance information is essential to focus the attention of the public and oversight bodies on whether public institutions are delivering value for money, by comparing their performance against their budgets and service delivery plans, and to alert managers to areas where corrective action is required.

Performance information also plays a growing role in budget allocations and will increasingly be used to monitor service delivery. This means the information must be accurate, appropriate and timely.

The most valuable reason for measuring performance is that what gets measured gets done. If an institution knows that its performance is being monitored, it is more likely to perform the required tasks - and to perform them well. In addition, the availability of performance information allows managers to pursue results-based management approaches, such as performance contracts, risk management, benchmarking and market testing.

This document outlines key concepts in the design and implementation of management systems to define, collect, report and use performance information in the public sector.

**The Power of Measuring Results**

- *If you do not measure results, you can not tell success from failure*
- *If you can not see success, you can not reward it*
- *If you can not reward success, you are probably rewarding failure*
- *If you can not see success, you can not learn from it*
- *If you can not recognise failure, you can not correct it*
- *If you can demonstrate results, you can win public support*

*Adapted from Osborne and Gaebler, 1992, Reinventing Government*

## 1.2 Aims of the Framework

This Framework aims to:

- Clarify definitions and standards for performance information in support of regular audits of such information where appropriate
- Improve integrated structures, systems and processes required to manage performance information
- Define roles and responsibilities for managing performance information
- Promote accountability and transparency by providing Parliament, provincial legislatures, municipal councils and the public with timely, accessible and accurate performance information.

## 1.3 Policy and legal requirements

This section describes the policy and legal requirements aimed at improving public sector financial and performance information management related to this Framework.

[1] Section 20(2)(c) of the Public Audit Act (25 of 2004) requires the Auditor-General's audit reports to reflect an opinion or conclusion on the reported information relating to performance against predetermined objectives of the auditee, which include constitutional institutions, departments, trading entities, public entities, municipalities and municipal entities, and other institutions as indicated by sections 4(1) and 4(3) of the act.

### 1.3.1 Constitution

Section 92 of the Constitution states that "members of the Cabinet are accountable collectively and individually to Parliament for the exercise of their powers and the performance of their functions", and that they must "provide Parliament with full and regular reports concerning matters under their control". Section 133 provides for the accountability of members of the executive council (MECs) of a province to the provincial legislature. Similar arrangements are specified for municipalities in the Municipal Structures Act (1998).

### 1.3.2 Public sector management reform

The implementation of the Public Finance Management Act (PFMA) (1999), the Municipal Finance Management Act (MFMA) (2003) and the Public Service Act (1994 as amended) has enhanced control over public expenditure and empowered public sector managers. One challenge for the public sector is to use resources in a more efficient way. Further policy initiatives and legal requirements have been introduced to achieve this, including the integration of performance concepts from the *Estimates of National Expenditure* (ENE) and other budget documents.

### 1.3.3 The Government-wide Monitoring and Evaluation System

In 2004, the Cabinet initiated plans for a monitoring and evaluation system for government, and the Presidency subsequently developed the Government-wide Monitoring and Evaluation Framework.

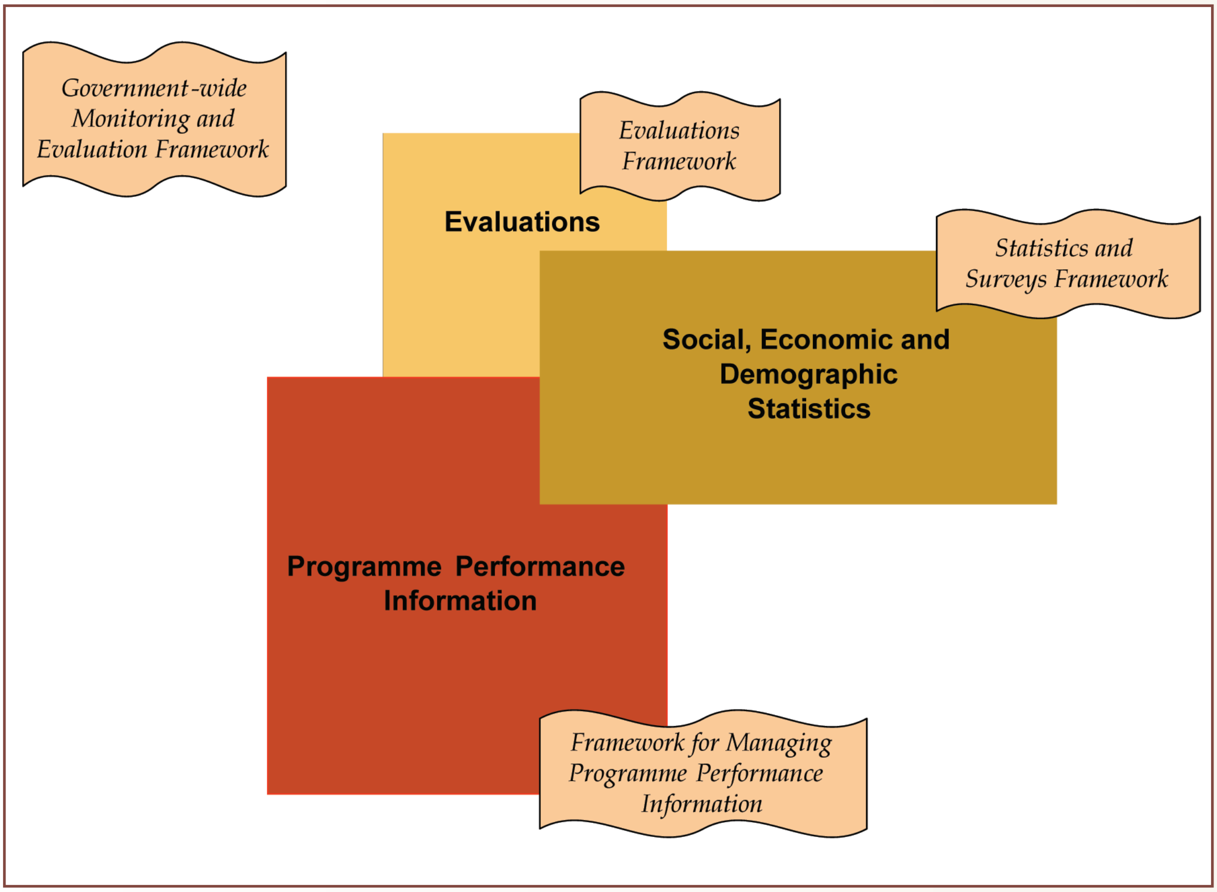
Although there are various existing systems gathering valuable information within government, there are also a number of gaps in the information needed for planning the delivery of services and for reviewing and analysing the success of policies.

The Government-wide Monitoring and Evaluation System seeks to enhance these systems by describing them and explaining how they relate to each other.

The system has three components:
- Programme performance information
- Social, economic and demographic statistics
- Evaluations.

The following figure illustrates the relationship between these components. It highlights that there will be frameworks dealing with each component. The *Framework for Managing Programme Performance Information* deals with the management of the programme performance information component, although the terminology and definitions outlined in it are generally applicable throughout the Government-wide Monitoring and Evaluation System.

**Figure 1: Components of the Government-wide Monitoring and Evaluation System**




## 1.4 Applicability of the Framework

The Framework is applicable to all entities in the national, provincial and local spheres of government.

## 1.5 A word on terminology

The Framework outlines a set of agreed terms for performance information for use within the public sector. The term "performance information" is used as a generic term for non-financial information about government services and activities. In addition, "performance indicator" and "performance measure" are sometimes used interchangeably. The Framework will, for consistency, use the term "performance indicator".

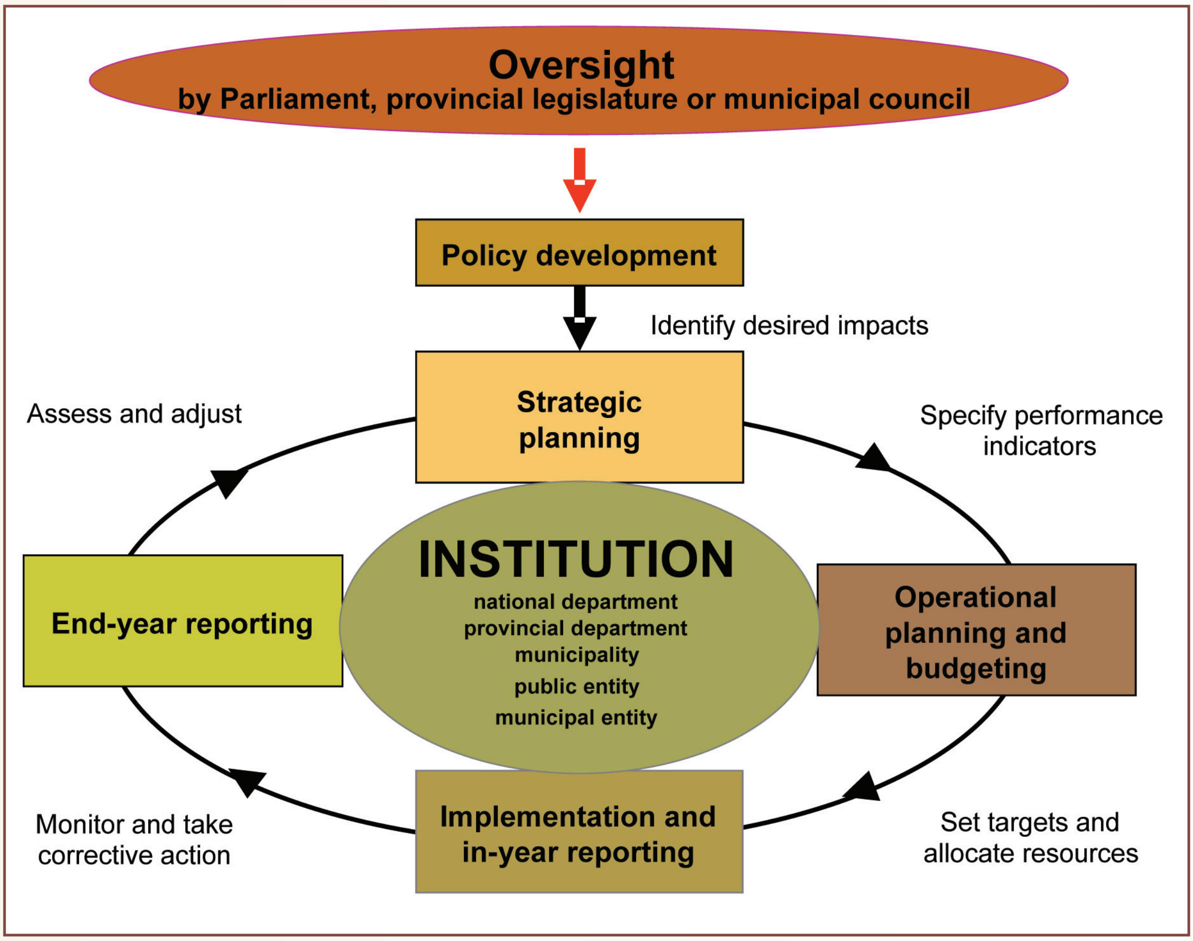
## Chapter 2

# PLANNING, BUGETING AND REPORTING

The planning, budgeting and reporting cycle describes the relationship between these processes and emphasises that the executive is accountable to the relevant elected representative body for the entire process. Full and regular reports are required at each stage of the process.

At any given time within government, information from multiple years is being considered: plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

**Figure 2: Planning, budgeting and reporting cycle**




The documents associated with each stage provide the relevant performance information. Table 1 sets out the documents and information relevant to the three spheres of government.

**Table 1: Accountability reports of the three spheres of government**

| Accountability cycle | Accountability documents | Performance information |
|---|---|---|
| **National and provincial departments and public entities** | | |
| Policy development | • Policy documents<br>• Explanatory memoranda accompanying bills | • Identify baseline information informing policy<br>• Set out desired effect of policy |
| Strategic planning | • Strategic plans<br>• Corporate plans | • Indicate outputs to be produced<br>• Specify performance indicators |
| Operational planning and budgeting | • Operational plans<br>• Budgets<br>• Performance agreements | • Set performance targets<br>• Indicate available resources<br>• Allocate responsibilities |
| Implementation and in-year reporting | • Monthly budget reports<br>• Quarterly performance reports | • Report progress with implementation of plans and budgets |
| End-year reporting | • Annual reports | • Report on performance against plans and budgets |
| **Municipalities and municipal entities** | | |
| Policy development | • Policy documents<br>• Explanatory memoranda accompanying ordinances | • Identify baseline information informing policy<br>• Set out desired effects of policy |
| Strategic planning | • Integrated development plans | • Indicate outputs to be produced<br>• Specify performance indictors |
| Operational planning and budgeting | • Municipal budgets<br>• Service delivery and budget implementation plan<br>• Performance agreements | • Set performance targets<br>• Indicate available resources<br>• Allocate responsibilities |
| Implementation and in-year reporting | • Monthly budget statements<br>• Mid-year budget and performance assessments | • Report progress with implementation of plans and budgets |
| End-year reporting | • Annual reports | • Report on performance against plans and budgets |

The performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils and the public to track government performance, and to hold it accountable.

Performance information also needs to be available to managers at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasises planning and managing with a focus on desired results, and managing inputs and activities to achieve these results.

# Chapter 3

## KEY PERFORMANCE INFORMATION CONCEPTS

Performance information needs to be structured to demonstrate clearly how government uses available resources to deliver on its mandate.

### 3.1 Inputs, activities, outputs, outcomes and impacts

When describing what government institutions do for purposes of measuring performance the following terms are used:

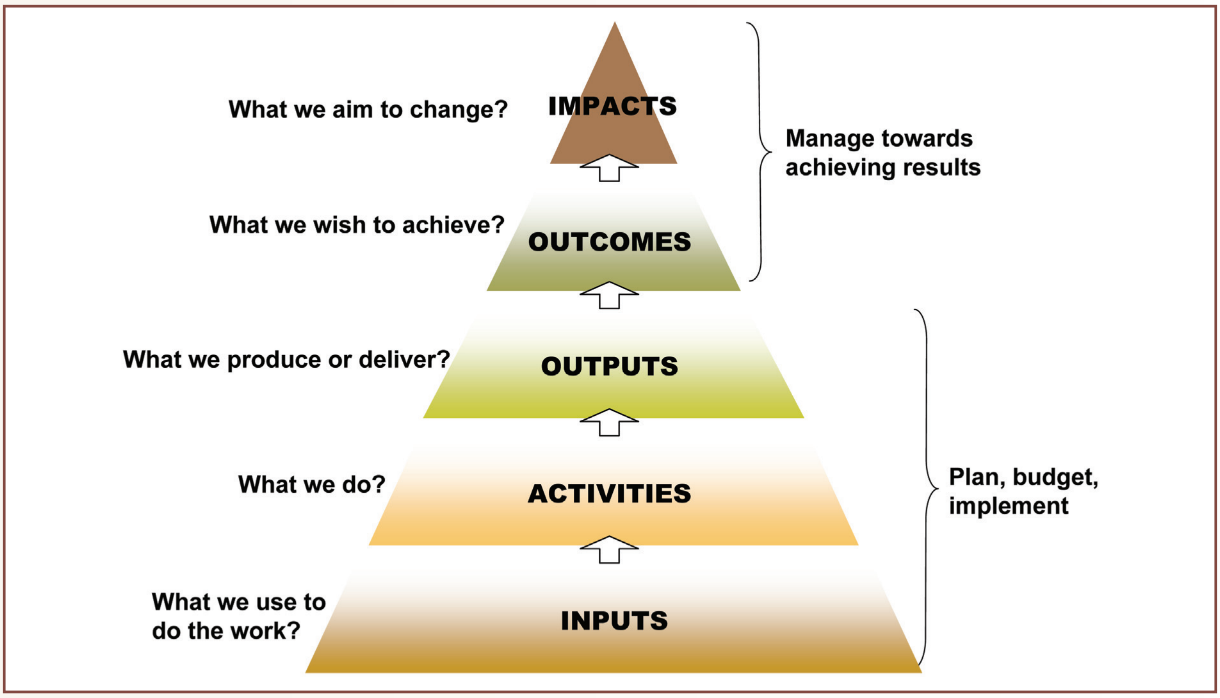
(a) **Inputs:** all the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
(b) **Activities:** the processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
(c) **Outputs:** the final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver".
(d) **Outcomes:** the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
(e) **Impacts:** the results of achieving specific outcomes, such as reducing poverty and creating jobs.

When monitoring and assessing outcomes and impacts, it needs to be kept in mind that government interventions can also have unintended consequences. These also need to be identified and monitored so that risks can be managed and corrective action can be taken.

In managing for results, budgets are developed in relation to inputs, activities and outputs, while the aim is to manage towards achieving the outcomes and impacts.

Figure 3 illustrates the relationship between these core performance information concepts.

**Figure 3: Key performance information concepts**



## 3.2 Performance indicators

Suitable indicators need to be specified to measure performance in relation to inputs, activities, outputs, outcomes and impacts. The challenge is to specify indicators that measure things that are useful from a management and accountability perspective. This means managers need to be selective when defining indicators.

Defining a good performance indicator requires careful analysis of what is to be measured. One needs to have a thorough understanding of the nature of the input or output, the activities, the desired outcomes and impacts, and all relevant definitions and standards used in the field. For this reason it is important to involve subject experts and line managers in the process.

A good performance indicator should be:

(a) **Reliable:** the indicator should be accurate enough for its intended use and respond to changes in the level of performance.

(b) **Well-defined:** the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use.

(c) **Verifiable:** it must be possible to validate the processes and systems that produce the indicator.

(d) **Cost-effective:** the usefulness of the indicator must justify the cost of collecting the data.

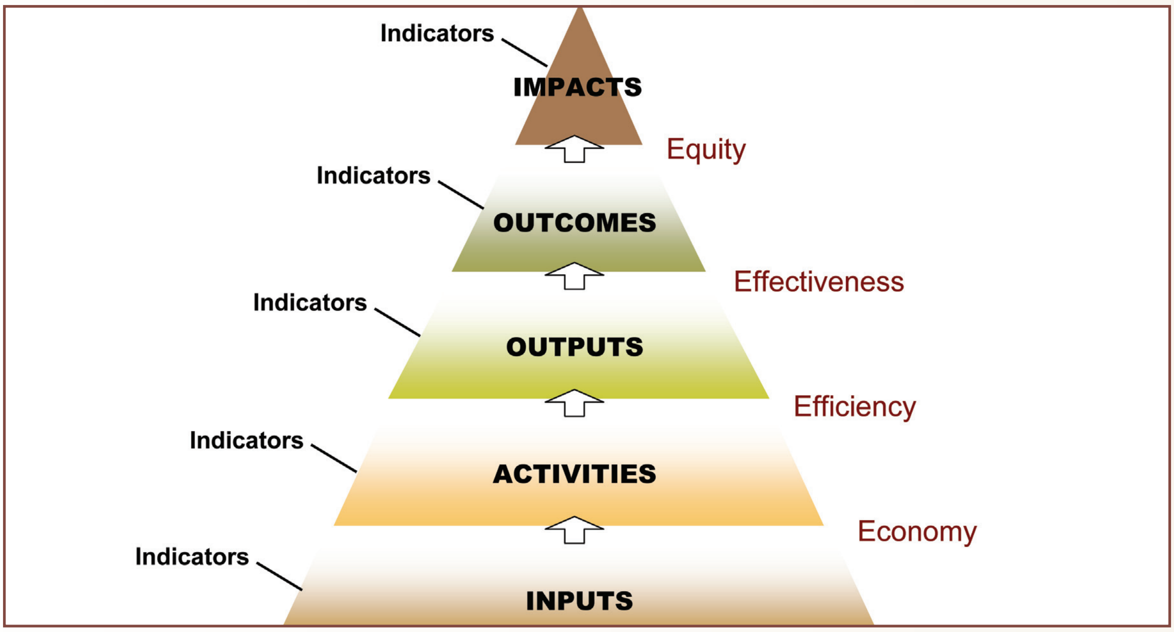
(e) **Appropriate:** the indicator must avoid unintended consequences and encourage service delivery improvements, and not give managers incentives to carry out activities simply to meet a particular target.

(f) **Relevant:** the indicator must relate logically and directly to an aspect of the institution's mandate, and the realisation of strategic goals and objectives.

Institutions should include performance indicators related to the provision of goods and services. These describe the interface between government and the public, and are useful for monitoring and improving performance as it is relevant to the citizens of the country.

Figure 4 illustrates that performance indicators are relevant at all levels of the logic model. It also illustrates the way in which economy, efficiency, effectiveness and equity are conceptualised.

**Figure 4: Indicators of economy, efficiency and effectiveness, equity**



Where possible, indicators that directly measure inputs, activities, outputs, outcomes and impacts should be sought. This is not always possible and in such instances, proxy indicators may need to be considered.

Typical direct indicators include, cost or price, distribution, quantity, quality, dates and time frames, adequacy and accessibility.

- **Cost or Price indicators** are both important in determining the economy and efficiency of service delivery.
- **Distribution indicators** relate to the distribution of capacity to deliver services and are critical to assessing equity across geographical areas, urban-rural divides or demographic categories. Such information could be presented using geographic information systems.
- **Quantity indicators** relate to the number of inputs, activities or outputs. Quantity indicators should generally be time-bound; e.g. the number of inputs available at a specific point in time, or the number of outputs produced over a specific time period.
- **Quality indicators** reflect the quality of that which is being measured against predetermined standards. Such standards should reflect the needs and expectations of affected parties while balancing economy and effectiveness. Standards could include legislated standards and industry codes.
- **Dates and time frame indicators** reflect timeliness of service delivery. They include service frequency measures, waiting times, response time, turnaround times, time frames for service delivery and timeliness of service delivery.
- **Adequacy indicators** reflect the quantity of input or output relative to the need or demand - "Is enough being done to address the problem?".
- **Accessibility indicators** reflect the extent to which the intended beneficiaries are able to access services or outputs. Such indicators could include distances to service points, travelling time, waiting time, affordability, language, accommodation of the physically challenged.

All government institutions are encouraged to pay particular attention to developing indicators that measure economy, efficiency, effectiveness and equity using data collected through these and other direct indicators.

- **Economy indicators:** explore whether specific inputs are acquired at the lowest cost and at the right time; and whether the method of producing the requisite outputs is economical. Economy indicators only have meaning in a relative sense. To evaluate whether an institution is acting economically, its economy indicators need to be compared to similar measures in other state institutions or in the private sector, either in South Africa or abroad. Such indicators can also be compared over time, but then prices must be adjusted for inflation.

- **Efficiency indicators:** explore how productively inputs are translated into outputs. An efficient operation maximises the level of output for a given set of inputs, or it minimises the inputs required to produce a given level of output. Efficiency indicators are usually measured by an input:output ratio or an output:input ratio. These indicators also only have meaning in a relative sense. To evaluate whether an institution is efficient, its efficiency indicators need to be compared to similar indicators elsewhere or across time. An institution's efficiency can also be measured relative to predetermined efficiency targets.

- **Effectiveness indicators**: explore the extent to which the outputs of an institution achieve the desired outcomes. An effectiveness indicator assumes a model of how inputs and outputs relate to the achievement of an institution's strategic objectives and goals. Such a model also needs to account for other factors that may affect the achievement of the outcome. Changes in effectiveness indicators are only likely to take place over a period of years, so it is only necessary to evaluate the effectiveness of an institution every three to five years; or an institution may decide to evaluate the effectiveness of its different programmes on a rolling 3-5 year schedule.

- **Equity indicators:** explore whether services are being provided impartially, fairly and equitably. Equity indicators reflect the extent to which an institution has achieved and been able to maintain an equitable supply of comparable outputs across demographic groups, regions, urban and rural areas, and so on. Often specific benefit-incidence studies will be needed to gather information on equity. The aim of such studies would be to answer the question: "Who benefits from the outputs being delivered?" Usually equity is measured against benchmark standards or on a comparative basis.

Institutions may also use the results of opinion surveys as indicators of their performance. Such indicators should not replace the above two categories of indicators, but rather complement them. If an institution uses such surveys, it is important that they be professionally designed.

## 3.3 Performance targets

Once a set of suitable indicators has been defined for a programme or project, the next step is to specify what level of performance the institution and its employees will strive to achieve. This involves specifying suitable performance targets relative to current baselines.

Each institution needs to collect a wide range of performance information for management purposes, however not all this information is relevant in accountability documents. The institution should specify in its planning documents a set of performance targets it will report against in its accountability documents. The set of indicators selected for accountability reporting ought to provide a holistic view of the institution's performance.

In the case of concurrent functions, national departments need to identify a core set of indicators that need to be reported by provincial and local governments to ensure comparability.

**The baseline** is the current level of performance that the institution aims to improve. The initial step in setting performance targets is to identify the baseline, which in most instances is the level of performance recorded in the year prior to the planning period. So, in the case of annual plans, the baseline will shift each year and the first year's performance will become the following year's baseline. Where a system for managing performance is being set up, initial baseline information is often not available.

This should not be an obstacle - one needs to start measuring results in order to establish a baseline.

**Performance targets** express a specific level of performance that the institution, programme or individual is aiming to achieve within a given time period.

**Performance standards** standards express the minimum acceptable level of performance, or the level of performance that is generally expected. These should be informed by legislative requirements, departmental policies and service-level agreements. They can also be benchmarked against performance levels in other institutions, or according to accepted best practices.

The decision to express the desired level of performance in terms of a target or a standard depends on the nature of the performance indicators. Often standards and targets are complementary. For example, the standard for processing pension applications is 21 working days, and a complementary target may be to process 90 per cent of applications within this time.

Performance standards and performance targets should be specified prior to the beginning of a service cycle, which may be a strategic planning period or a financial year. This is so that the institution and its managers know what they are responsible for, and can be held accountable at the end of the cycle. While standards are generally "timeless", targets need to be set in relation to a specific period. The targets for outcomes will tend to span multi-year periods, while the targets for inputs, activities and outputs should cover either quarterly or annual periods.

An institution should use standards and targets throughout the organisation, as part of its internal management plans and individual performance management system.

A useful set of criteria for selecting performance targets is the "SMART" criteria:

- **Specific**: the nature and the required level of performance can be clearly identified
- **Measurable:** the required performance can be measured
- **Achievable:** the target is realistic given existing capacity
- **Relevant:** the required performance is linked to the achievement of a goal
- **Time-bound:** the time period or deadline for delivery is specified.

## Chapter 4

# DEVELOPING PERFORMANCE INDICATORS

Even the best performance indicator information is of limited value if it is not used to identify service delivery and performance gaps, to set targets and to work towards better results. Determining a set of appropriate indicators depends on the nature of the institution's mandate.

Developing suitable performance indicators is a complex task. Six key steps may be identified in this approach:

**Step 1: Agree on what you are aiming to achieve**

The first step in developing robust indicators is to agree on the problem you seek to remedy. Based on an understanding of the problem, what is the solution? Or expressed in social terms, what would society look like if the desired changes could be effected? This enables you to define a clear set of outcomes and impacts. These are the institution's strategic goals and objectives, which need to be defined in measurable terms.

Well-defined strategic goals and objectives provide a better basis from which to develop suitable programmes and projects, as well as appropriate indicators. Once an institution has decided on what is to be achieved, it then needs to decide what it needs to deliver to do so.

**Step 2: Specify the outputs, activities and inputs**

The second step is often the most difficult - specifying what the institution needs to do to achieve the desired outcomes and impacts. You may find it useful to reverse the thought process: having defined the outcomes and impacts the institution is aiming to achieve, you should then examine:

- What parties are likely to be positively or negatively affected? What are their relevant characteristics? This information is important when planning interventions that will affect them and for designing appropriate indicators.
- What does the institution need to do in the short term to achieve the desired outcomes and impacts? These will be the outputs for the institution. The choice of outputs needs to take into account who will be affected by the intervention.
- What does the institution require to produce these outputs? These will be the activities the institution needs to undertake.
- What is needed to perform these activities? These will be the inputs the institution requires.

This approach to planning is called the "logic model", and is a useful way to plan and order information. In determining the logic model, risk and assumptions must be identified for each of the levels of the planning process.

Specifying appropriate outputs often involves extensive policy debates and careful analysis. The process of defining appropriate outputs needs to take into consideration what is practical and the relative costs of different courses of action. It is also important to assess the effectiveness of the chosen intervention.

**Step 3: Select the most important indicators**

There is no need to measure every aspect of service delivery and outputs. Fewer measures may deliver a stronger message. Institutions should select indicators that measure important aspects of the service that is being delivered, such as critical inputs, activities and key outputs. When selecting indicators, it is important to keep the following elements in mind:

- Clear communication: the indicators should communicate whether the institution is achieving the strategic goals and objectives it set itself. The indicators should also be understandable to all who need to use them.
- Available data: the data for the chosen indicators needs to be readily available.
- Manageability: the number of indicators needs to be manageable. Line managers would be expected to track a greater number of indicators pertaining to a particular programme than, say, the head official of the institution or the executive authority.

**Step 4: Set realistic performance targets**
When developing indicators there is always a temptation to set unrealistic performance targets. However, doing so will detract from the image of the institution and staff morale. Effective performance management requires realistic, achievable targets that challenge the institution and its staff.

Ideally, targets should be set with reference to previous and existing levels of achievement (i.e. current baselines), and realistic forecasts of what is possible. Where targets are set in relation to service delivery standards it is important to recognise current service standards and what is generally regarded as acceptable.

The chosen performance targets should:
- Communicate what will be achieved if the current policies and expenditure programmes are maintained
- Enable performance to be compared at regular intervals - on a monthly, quarterly or annual basis as appropriate
- Facilitate evaluations of the appropriateness of current policies and expenditure programmes.

**Step 5: Determine the process and format for reporting performance**
Performance information is only useful if it is consolidated and reported back into planning, budgeting and implementation processes where it can be used for management decisions, particularly for taking corrective action.

This means getting the right information in the right format to the right people at the right time. Institutions need to find out what information the various users of performance information need, and develop formats and systems to ensure their needs are met.

**Step 6: Establish processes and mechanisms to facilitate corrective action**
Regular monitoring and reporting of performance against expenditure plans and targets enables managers to manage by giving them the information they need to take decisions to keep service delivery on track. The information should help managers establish:
- What has happened so far?
- What is likely to happen if the current trends persist, say, for the rest of the financial year?
- What actions, if any, need to be taken to achieve the agreed performance targets?

Measuring, monitoring and managing performance are integral to improving service delivery.

## Chapter 5

# MANAGING PERFORMANCE INFORMATION

Effective management of performance information requires a clear understanding of different responsibilities, and the structures and systems involved in managing performance.

## 5.1 Responsibilities

(a) Executive authorities: Ministers, MECs and mayors are accountable to Parliament, provincial legislatures and municipal councils, and should provide these institutions with full and regular reports concerning matters under their control. Ministers, MECs and mayors should in turn ensure that the institutions under their control set up appropriate performance information systems so that they are able to fulfil their accountability reporting responsibilities. They should also oversee such systems to ensure that they are functioning optimally and comply with this Framework and other related standards and guidelines.

(b) Accounting officers: The accounting officer or head official of an institution is accountable for establishing and maintaining the systems to manage performance information. Their performance agreements should reflect these responsibilities. They should be assisted by chief information officers, and by ensuring there is appropriate capacity within the institution, as described in section 5.3 below.

(c) Line managers and other officials: Line managers are accountable for establishing and maintaining the performance information processes and systems within their areas of responsibility. Their performance agreements must reflect these responsibilities.

A range of officials is responsible for capturing, collating and checking performance data related to their activities. The integrity of the institution's overall performance information depends on how conscientiously these officials fulfil these responsibilities. Consequently, their performance agreements and assessments should deal explicitly with the quality of this aspect of their work.

## 5.2 Integrated performance information structures and systems

Performance information systems should be integrated within existing management processes and systems. The accounting officer or head official of an institution is responsible for ensuring that the institution has:

1. Documentation addressing the following:

   - Integration of performance information structures and systems within existing management processes and systems
   - Definitions and technical standards of all the information collected by the institution
   - Processes for identifying, collecting, collating, verifying and storing information
   - Use of information in managing for results
   - Publication of performance information.

2. Appropriate capacity to manage performance information
3. Appropriate systems to collect, collate, verify and store the information
4. Consultation processes that ensure the information needs of different users are taken into consideration when specifying the range of information to be collected
5. Processes to ensure the information is appropriately used for planning, budgeting and management within the institution, including:

   - Processes to set performance standards and targets prior to the start of each service delivery period

- Processes to review performance and take management action to ensure service delivery stays on track
- Processes to evaluate performance at the end of a service delivery period.

6. Processes to ensure that responsibility for managing performance information is included in the individual performance agreements of line managers and other officials
7. An identified set of performance indicators for reporting for oversight purposes.

## 5.3 Management capacity

The accounting officer or head official of an institution must ensure there is adequate capacity to integrate and manage performance information with existing management systems. Each institution will need to decide on the appropriate positioning of the responsibility to manage performance information. Ideally, this capacity should be aligned to the planning and financial management functions. This responsibility needs to focus on the overall design and management of indicators, data collection, collation and verification processes within the institution. Where such systems are lacking, it is necessary to support the relevant line manager to put them in place.

It must be emphasised that line managers remain responsible for establishing and running performance information systems within their sections, and for using performance information to make decisions.

## Chapter 6

# PUBLISHING PERFORMANCE INFORMATION

Institutions have a responsibility to publish administrative and performance information to:

- Account to Parliament and provincial legislatures in accordance with sections 92 and 114 of the Constitution
- Be transparent and accountable to the public in accordance with section 195 of the Constitution
- Provide private individuals and the private sector access to information held by government that they can use in decision-making
- Provide researchers access to information.

Institutions need to develop policies and procedures to publish performance information to meet these different needs.

## 6.1 Accountability reports

As noted earlier, the Constitution stipulates that Cabinet members are accountable collectively and individually to Parliament for the exercise of their powers and the performance of their functions, and must provide Parliament with full and regular reports concerning matters under their control. The Constitution requires a similar level of accountability from MECs to provincial legislatures. The Municipal Structures Act provides that mayors are accountable to municipal councils.

These "full and regular reports" are essentially the various accountability documents - the publication and tabling of performance information in Parliament, provincial legislatures and municipal councils, linked to the planning, budgeting, implementation and end-year reporting processes. Reporting responsibility rests with the ministers, MECs or mayors, along with their accounting officers.

## 6.2 Information to facilitate oversight

Institutions in the executive that have broad oversight responsibilities within government have a general duty to assist Parliament, legislatures and municipal councils to exercise better oversight themselves by publishing appropriate summary information. The Expenditure Reviews produced by the National Treasury fall into this category.

In certain cases the Constitution or legislation requires that reports be produced and tabled in Parliament, such as the South African Human Rights Commission report on progress with the implementation of the Bill of Rights.

These reports and publications are essentially secondary, since most performance information published is sourced from the institutions responsible for gathering the information. This has implications for who should be held accountable for the accuracy of the information. Ideally, the accounting officer or head official of the institution from which the information was obtained should sign off on the information.

The following table sets out the range of documents that various institutions might consider publishing to facilitate oversight:

**Table 2: Possible oversight reports**

| Institutions | Area of review |
|---|---|
| **National government** | |
| The Presidency | • Annual overview government performance<br>• Detailed evaluations of specific policy initiatives or sectors<br>• International reporting obligations, e.g. reports on the status of children |
| National Treasury | • National, provincial and local government expenditure reviews<br>• Detailed performance evaluations of specific sectors focusing on the economy, efficiency, effectiveness and equity of service delivery |
| Department of Provincial and Local Government | • Overviews of provincial and local government delivery of basic services |
| National departments with concurrent functions | • Overviews of sector service delivery<br>• Detailed performance evaluations of policies and areas of service delivery |
| Departments responsible for national public entities | • Overviews of entities' performance<br>• Detailed performance evaluations of entities |
| **Provincial government** | |
| The Premier's Office | • Annual overview of provincial government performance<br>• Detailed evaluations of specific policy initiatives or sectors |
| Provincial treasury | • Overviews of provincial expenditure<br>• Detailed performance evaluations of specific sectors focusing on the economy, efficiency, effectiveness and equity of service delivery |
| Department of Local Government | • Overviews of local government delivery of basic services |
| Provincial departments responsible for provincial public entities | • Overviews of entities' performance<br>• Detailed performance evaluations of entities |
| **Local sphere of government** | |
| Municipal councils | • Annual overview of municipality's performance<br>• Detailed evaluations of specific policy initiatives or sectors |
| Municipalities responsible for municipal entities | • Overviews of entities' performance<br>• Detailed performance evaluations of entities |
| **Constitutional institutions** | |
| Public Service Commission | • The performance of the public service<br>• Reviews of the implementation of human resources policies |
| South African Human Rights Commission | • Annual reviews of the implementation of the Bill of Rights<br>• Ad hoc reports |
| Auditor-General | • Audit reports<br>• General reports on systems used to manage performance information |
| Other constitutional entities | • According to their mandates |

To minimise the duplication of reporting responsibilities and requests for information, coordination among the oversight institutions is important. The Government-wide Monitoring and Evaluation System provides a mechanism for improved coordination. The general approach adopted by the National Treasury is primarily to use information that institutions publish in their accountability documents.

## 6.3 Providing public access to government-held information

A wide range of information collected by government can help decision-making in the private sector, civil society and the general public if placed in the public domain. Much of this information is already published by, for example, Stats SA, the Reserve Bank and the National Treasury. The challenge is to explore what other performance information could be made more accessible to the public, and what performance information should be placed in the public domain in more detailed formats than those currently used for accountability reporting.

Generally, the institution that gathers the information should be the institution that publishes the information. A suggestion for promoting transparency and accountability is that the key institutions responsible for line functions should produce a "Statistical Annual" that provides detailed information on the functioning of the sector. For example, each national department could produce a compendium of statistics relating to their area of responsibility.

## 6.4 Information for research

Publishing information for general public access is similar to publishing information for research purposes. In some cases, however, researchers require access to the basic data to carry out detailed statistical or econometric analyses. Each institution needs to develop appropriate protocols to facilitate access to government-held information for research purposes.

## 6.5 Information on the internet

The internet has become the principal medium for publishing performance information in the public sector. Every institution should maintain a website on which it publishes:

- All previous and current accountability reports - strategic plans, operational plans, budgets, quarterly performance reports, mid-term reports and annual reports
- Detailed performance information it holds that may be useful for decision-making in the private sector and civil society
- Data sets of performance information for research purposes.

## Chapter 7

# ROLES AND RESPONSIBILITIES

A number of institutions are involved in performance oversight, including:

## 7.1 The Presidency and Premiers' Offices

This Framework is one component of the Government-wide Monitoring and Evaluation System. The Presidency and Premiers' Offices have a direct interest in all aspects of performance information management, and play a role in:

- Providing the political impetus
- Exercising general oversight across government
- Providing input into the processes to select and define performance indicators, particularly to ensure that all institutions gather the information that the Presidency requires to monitor and evaluate the effectiveness of government policies and plans
- Using the information generated by other institutions and reported to the Presidency for purposes of monitoring, evaluating and reporting on overall government performance.

The Presidency and Premiers' Offices are among the key secondary users of performance information. As such, they will use performance information collected, collated and reported by other institutions within government to provide an overall picture of local, provincial and national performance.

## 7.2 The National Treasury and provincial treasuries

Under sections 215 and 216 of the Constitution, the National Treasury is responsible for prescribing the formats of budgets, and for measures to ensure transparency and expenditure control in each sphere of government. Given these provisions, the National Treasury's role in relation to performance information management is:

- Developing standards that may be required to facilitate the implementation of this Framework
- Developing formats for accountability reporting, including strategic plans, corporate plans, annual performance plans, budgets, in-year reports and annual reports
- Developing the core sets of performance information in collaboration with sector departments to ensure uniform information is produced to measure service delivery across provinces and municipalities
- Developing guidelines on the use of performance information in different circumstances.

In addition, the National Treasury and provincial treasuries are responsible for:

- Monitoring the implementation of the Framework by all institutions within their respective spheres
- Providing training on the use of performance information
- Providing input into the processes to select and define performance indicators
- Using the information generated by other institutions to monitor, evaluate and report on economy, efficiency, effectiveness and equity in the use of resources to deliver services.

## 7.3 National departments responsible for concurrent functions

The national departments responsible for concurrent functions need to be directly involved in developing the systems and structures to collect performance information on these functions across all spheres of government. This will ensure some degree of standardisation. So, for example, the national Department of Health has a responsibility to ensure the structures and systems used by provincial health departments to collect performance information are the same (or at least compatible), and that there is complete agreement on the types of information and definitions across the sector.

The national departments responsible for concurrent functions also need to play a supporting role, helping provincial departments to manage performance information, and providing systems training.

The national departments should also monitor the performance information produced by their provincial counterparts and use it to evaluate the overall delivery of services within their sector. The National Treasury proposes that a product of this monitoring should be a "Statistical Annual" on service delivery by sector, as suggested in section 6.3 above.

## 7.4 The Department of Public Service and Administration

The DPSA is responsible for leading the modernisation of the public service. It does this by assisting government departments to implement their management policies, systems and structural solutions within a generally applicable framework of norms and standards. The department will play a key role in linking performance information management to broader systemic and structural solutions, particularly the individual performance management system. Also important are the department's initiatives to improve service delivery through initiatives such as Batho Pele. The performance information generated by institutions will enable the DPSA to evaluate the success of these reforms and initiatives.

## 7.5 The Department of Provincial and Local Government and provincial departments of local government

The DPLG is responsible for monitoring the performance of provincial and local governments in relation to the fulfilment of their constitutional functions, particularly delivery of basic services. The national department is aided in this function by the provincial departments of local government.

The department is responsible for developing and implementing an integrated monitoring, reporting and evaluation system for local government, and for supporting the successful implementation of the Government-wide Monitoring and Evaluation System. The DPLG is also responsible for the development and implementation of monitoring, reporting and evaluation of the performance of provincial departments of local government and municipalities.

## Chapter 8

# CONCLUSION

The National Treasury will work with government departments and other institutions to identify performance indicators that may be used for budget decision-making and for tracking service delivery against targets.

The National Treasury will also develop a number of guides and training materials to support the implementation of this Framework.

Further information may be obtained at www.treasury.gov.za/performamceinformation.

## Annexure 1

# GLOSSARY

| Term | Description |
|---|---|
| **Accessibility indicators** | Explore whether the intended beneficiaries are able to access services or outputs. |
| **Accountability documents** | Documents that executive authorities use to give "full and regular" reports on the matters under their control to Parliament and the provincial legislatures in terms of the Constitution. They include plans, budgets, in-year reports and annual reports. |
| **Activities** | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. |
| **Adequacy indicators** | The quantity of input or output relative to the need or demand. |
| **Baselines** | The current performance levels that an institution aims to improve when setting performance targets. |
| **Cost indicators** | The overall cost (or expenditure) of producing a specified quantity of outputs. |
| **Distribution indicators** | The distribution of capacity to deliver services. |
| **Economy indicators** | Explore whether specific inputs are acquired at the lowest cost and at the right time, and whether production is economical. |
| **Effectiveness indicators** | Explore how well the outputs of an institution achieve the desired outcomes. |
| **Efficiency indicators** | Explore how productively inputs are translated into outputs. |
| **Equity indicators** | Explore the degree of equity and fairness with which services are provided. |
| **Framework for Managing Programme Performance Information** | A framework developed by the National Treasury that provides guidance on managing performance to national, provincial and local government. |
| **Government-wide Monitoring and Evaluation System** | A system developed by the Presidency that describes monitoring and evaluation in government. |
| **Impacts** | The results of achieving specific outcomes. |
| **Inputs** | The resources that contribute to production and delivery of outputs. |
| **Outcomes** | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. |
| **Outputs** | The goods and services produced by the institution for delivery. |
| **Performance indicators** | Identify specific numerical measurements that track progress towards achieving a goal. |

| Term | Description |
|---|---|
| **Performance standards** | Express the minimum acceptable level of performance, or the level of performance that is generally expected. |
| **Performance targets** | Express a specific level of performance that the institution, programme or individual aims to achieve within a given period. |
| **Price indicators** | The nominal or real prices of individual inputs. |
| **Quality indicators** | The quality of the input or output measured against predetermined standards. |
| **Quantity indicators** | The number of inputs, activities or outputs. |
| **Start and end times** | When an activity is to begin and end (the delivery date). |
| **Timeliness indicators** | Indicate whether activities and outputs are on time. |