

KPA 2: Governance and Accountability

Governance and Accountability (G&A) comprises activities linking management structures, accountability and ethics to service delivery improvements. Effective governance and accountability in the organisation of structures, delegations and resources ensures checks and balances to minimise mismanagement and improve efficiencies in the delivery of services. Effective governance and accountability enables political and administrative leadership in departments to respond effectively to the findings and recommendations of oversight committees.

The broader performance areas are 1) service delivery improvements, 2) management structures, 3) accountability, and 4) ethics. Within these areas, over twelve (12) standards have been established on the foundation of existing legislation and regulations. The assessment for 2013 reveals that there are substantive overall improvements in KPA 2 across government departments and provinces. Good practice cases in this KPA focused on three standards:

1. SDIPs - Departments have an approved service delivery charter, standards and service delivery improvement plans and adheres to these to improve services.
2. Prevention of Fraud and Corruption - Departments have measures and the requisite capacity in place to prevent and combat corruption
3. Risk Management - Departments have basic risk management elements in place and these function well.

These standards are chosen on the basis that they reflect areas of continual concern for government and areas of weakness from previous MPAT reports. Departments were chosen on the basis that their experiences might provide useful insights on improving management practices or that that registered significant progress in the standard identified. The cases selected are:

- Service Delivery Improvement Mechanisms: The Eastern Cape Department of Rural Development and Agrarian Reform- *Drive with reflection and passion.*
- Service Delivery Improvement Mechanisms: The National Department of Home Affairs - *Learning by doing*
- Risk Management: The National Department of Mineral Resources-*Mobilising and Mainstreaming*
- Risk Management: The North West Department of Agriculture and Rural Development - *From theory to practice*
- Prevention of Fraud and Corruption: The North West Department of Agriculture and Rural Development - *Mobilisation and internal cooperation*
- Prevention of Fraud and Corruption: The National Department of Mineral Resources - *Procedure and details matter*

Learning from the cases suggests that it takes time to move towards higher levels of excellence in governance and accountability. Departments recognise that they are on a journey, part of which, is to secure a clean governance and accountability environment, as may, for example, be reflected in the reports of the Auditor-General. Compliance is only the first step in the journey of securing optimal governance and accountability for the

use of public resources and authority. There is a willingness to share information on how compliance matters are contributed to change in society. Within this space, there is a sense that not all matters of full compliance can be achieved at one time and a more incremental learning approach would provide a basis for deeper replication and success.

SOME LESSONS FOR IMPROVING PRACTICE IN GOVERNANCE AND ACCOUNTABILITY

The cases are chosen on the basis of their potential learning value for the wider public service and not because they resemble best practice on a specific standard. The title of each case captures the central learning thread of each of the captured practices. In each instance, we look at policies and planning around the standard, capacity and involvement of officials, the role of leadership, the manner in which implementation unfolds and the impact of the practices on the work of the Department. Even though it's difficult to generalise specific experiences to the wider public service and to Governance and Accountability in general, the following lessons are derived from the cases documented for the 2012-2013 financial year. These are captured in accordance to the broad areas of analytical description that informed the practice documentation process. For brevity purposes, in each area we summarise the three to four most important learnings emanating from the documented experiences.

Policy and planning

Mainstreaming governance and accountability into operational actions: Success in the establishment of specific governance and accountability related practices in on the foundations of ensuring that those in the delivery process understand the relevance of particular exercises and activities for their work. Where Corporate Services officials were able to make the link between compliance and actual day-today work place improvements, they succeeded in securing senior-level buy-in. In these instances, emphasis was on substantive governance analysis and not on endless process and the creation of added management structures. In such instance, compliance activities are integrated into ongoing operations and hence a feature of Annual Performance Plans.

Governance compliance establishes the foundations for substantive dialogue: Even though there might not be initial buy-in on specific standards, exercises towards compliance and related debates often serve to facilitate dialogue on the substantive rational for specific instruments. However, the manner in which instruments are interpreted vary and require some accommodation of the fact that standards are achieved in different ways and hence suggest the utility of accommodating different types of compliance related evidence.

Separate the strategic from the operational: There are areas which are substantively operational in nature and often don't and should not require full engagements from senior that have to deliver on their own APP's. Where a distinction has been made between operational level and strategic issues there is deeper buy-in and engagement by senior officials. A key strategy in some instances is the practices have having strategic management meetings as separate to operational level meetings.

Governance is expensive and internal cooperation allows for efficient implementation: Existing standards imply added human resources and budgets within Departments. As this is not always possible or even desirable, Departments are establishing alternative

strategies to facilitate compliance through cooperative engagements between different units. Even as there is a push for bigger compliance budgets and added human resources to secure implementation, it may well be prudent to consider more creative institutional approaches - including the possibility of single Governance and Accountability units incorporating all compliance functions.

Capacity and involvement

Moving beyond the generic: Even as there is a tendency to replicate national norms and standards for governance and accountability in a generic manner, the evidence points to the importance of ensuring that these are contextualised for the work of Departments. In instances, where examples of the consequence of failure are used, there is deeper appreciation within Departments on the importance of compliance.

Building interest and engagements through substantive reflection: Many of the existing standards and norms are predicated on participation of officials within Departments. Such an approach is often less than optimal and practices suggest that it's better to focus on generating value adding documents as a basis for active buy-in. Substantive and relevant people often don't have the added time to attend meetings that are beyond their scope of active delivery and hence would engage if documents speak to the substance of what they are required to produce or deliver.

Appropriate frameworks, coupled with experience are essential for effective implementation: Too much attention is sometimes focused on having the proper frameworks in place and too little on experiences necessary for governance and accountability related practices, such as in audit and investigative processes. Compliance in some areas is reliant on experience and hence important to ensure proper knowledge exchange to build experience and to retain skilled individuals for detailed work, such as in the case of work-flow analysis for SDIP's.

Creating a culture of learning and change: Workshops on G&A issues have been strategic for most departments. However, the experiences also point to the importance of having day-to-day advisory capacity on areas of uncertainty in compliance processes. Where there are trained champions (i.e. Ethics Advisors) and proactive engagements with managers on challenges, compliance is optimised.

The role of leadership

Prevention through consistent actions and success: Even though success is partially achieved through the building of awareness on policies, more is achieved when individuals recognise that actions are taken for even the most basic infringement of policies. The knowledge that each individual may be subject to a thorough investigation serves as an immense deterrent to those who might be tempted to breach governance and accountability rules. Consistency from seniors often serves to build a delivery culture within public institutions.

Standards are crucial to productivity improvements: Where political and administrative leadership articulate standards that should be achieved, creativity unfolds. Establishment and adherence to standards cannot be left to officials as they are often conservative and

minimise effort by establishing easily achievable standards. Evidence suggest that when Ministers and others articulate people's concerns in delivery processes and when they establish certain benchmarks, greater efforts unfold on ensuring delivery at a higher level.

Building a compliance culture requires securing demonstrable senior level support: Current practices suggest that champions who succeed in efforts to ensure compliance work at securing substantive leadership support. Rather than act in a reactive manner, such individuals often work at bringing on board seniors at critical moments in their efforts to drive change and to affirm the importance of specific governance and accountability related activities. Building the confidence and understanding of the HoD has proven fundamental to success in a number of instances.

Having a champion who engages passionately matters: Even outside of having individual with initial substantive knowledge of a compliance issue, the evidence suggest that appointing key champions for specific governance and accountability issues have an impact on performance. Governance is a shared responsibility and allocating responsibility beyond the confines of individual operations responsibilities can be effective where governance related resources and capacities are limited.

Organisation and resourcing

Attention to details and proper procedure: Governance and accountability issues are subject to wider scrutiny and embody a high level of sensitivity. Failures are often experienced because there has been a lack of attention to detail and a failure to follow proper institutional practices. Building such a culture takes time and often reliant on ensuring that data is properly stored and managed and that there is appreciation for specific procedures (not bureaucracy).

Securing dedicated capacity for engagements: The overwhelming view across Departments that specific standard adherence practises require that there be dedicated human and financial capacity. In instances, where such dedicated capacity exists, there is much to suggest deeper levels of engagement. However, there are deep variations in perspectives on the resources required and the number of personnel needed for coordinative action. Further engagements are needed are needed on the costs of governance and accountability practices across government and how this may be optimally managed.

Workflow analysis is crucial to improvements: Detailed work-flow or production related analysis appear to contribute well to performance where these are utilised. Even as this might be most relevant in the area of service delivery improvement, current practices suggest that they help to optimise other practices within the governance and accountability process. Where there is systematic reflection on flows and the manner in which work unfolds, there is deeper appreciation of risk, fraud, intern-audit priorities, information that needs to be stored, amongst others.

SERVICE DELIVERY IMPROVEMENT PLANS (SDIP)

THE NATIONAL DEPARTMENT OF HOME AFFAIRS: LEARNING BY DOING¹

Service improvements in the delivery areas of the Department of Home Affairs have long been the subject of wider public discourse. Outside of the need for Departmental compliance with national standards and related requirements, service improvement efforts unfolded since the Department's formal establishment. With varying levels of success, the Department has over the past years managed to secure wider public recognition on its efforts and is proclaimed in wider media to have registered improvement and citizen satisfaction success in specific service delivery areas. Although the Department has been slow in compliance with national requirements on the production of service plans and related charters, there have been many change initiatives to suggest that it has achieved much and is modestly moving towards higher levels of excellence. In appreciating the scale of delivery, there is acceptance that a more incremental and learning oriented approach would provide the basis for success in the Department.

This case broadly reflects on the experience and approach used to drive delivery on the basis of specific standards. In particular, it captures the substantive efforts that were focused on ensuring deeper levels of engagement on securing buy-in and on ensuring that the delivery process is supported by detailed work-flow analysis. Of particular significance are efforts that were put in place to facilitate speedy delivery in a context where there is a need to insure security and information credibility. Central to the Home Affairs strategy was a realisation that change in service delivery would require that efforts be integrated into the operational work of service focused units and that the process unfolds on the basis of learning by doing. The case demonstrates the importance of detailed technical work on the work flow process and the importance of securing buy-in from internal stakeholders within the delivery process. It also further highlights the importance of real quantifiable data as a measure for success and the importance of linking these to the perspective of service recipients.

Context and Background

Whilst the move towards documenting its service improvement strategy for wider compliance is more recent, the Department of Home Affairs has engaged in service improvement change efforts since initial formation as an integrated National Department. Whilst not achieving a high score on the Management Performance Assessment Tool (MPAT), it is evident the Department has engaged in service improvements at a substantive level, with limited time to engage in matters of compliance, including the production of a Service Charter.

"We are currently focusing on the matter of the Service Charter and we looking at what other Departments are doing....this is a complex process."

During the early stages of institutional building, it was widely recognised that there was a need to move towards an integrated system for the delivery of civic services, from the base of separate systems of varying quality and information credibility. This initial momentum on integrating desperate civic level information established recognition that overall system development and improvement would be essential to active and improved delivery and client experiences.

¹This case study was drafted for the Department of Performance Monitoring and Evaluation (DPME) Management Performance Assessment Tool (MPAT) practice case series by Mr. Salim Latib (edited by Professor Anne Mc Lennan), from the Wits School of Governance (WSG), at the University of the Witwatersrand, Johannesburg, South Africa.

During the early years, there was an articulate disconnect between internal improvement efforts and client experiences. In face of which, pressures for change encouraged deeper reflections of action that are needed to improve citizen experiences with basic civic services. Given the wider interest in improvements, a turnaround team, inclusive of representatives from National Treasury, Department of Public Service and the Public Service Commission was established. A key strategy of the turnaround team, during the initial stages, was to engage in change processes in key high impact areas of the Department. In this respect, work unfolded in the area of Identity Document (ID) processing and delivery, with the support of a consulting company. The initial work that was undertaken established the standards for other areas, such that it served to establish a momentum for further change in other delivery areas. Even as the Department has prioritised further improvements in birth registration and the issuing of ID documents as part of its SDIP, there is appreciation of the importance of spreading the positive experiences to other areas of delivery. This has promoted efforts directed at ensuring that a service improvement strategy unfolds on the basis of coordinative efforts from the centre of the Department.

By all accounts, Home Affairs is a huge Department with service offices across the country and globally. There has generally been an expansion on the Department's footprint across the country, from just over 200 offices in 2006 to well over 400 in 2013. Its footprint has also expanded by way of 'connections' established at health centres for the registration of births. The Department employs over 9000 individuals, with over 70% engaged in direct service delivery. In view of the scale of service delivery work, this remains a priority for the Department and reflected in the recent establishment of a Departmental specific learning Academy.

Understanding the practice

The story of changes for enhanced service delivery is fairly complex as it spans a number of years and periods of leadership change. Rather than provide a narrative for each period or the overall time based trajectory of change, the approach here is to capture the essential components of the change process, by way of a descriptive analysis of planning for service improvements, the role of leadership and participation in the change process, and the manner in which the approach was organised and resources made available.

Policy and planning for service improvement

Rather than initiate an all-encompassing improvement strategy, the driving change team focused efforts on initiating improvements within particular delivery areas.

"Our strategy was to pick a major product and turn it around to build public confidence and build internal capacity...we worked with Princeton to document our experience....this has resulted in operations management being introduced across government."

The basic turn-around motivation was that there was a need to secure quick-wins as a basis for wider improvements in Home Affairs services. The consequence of this was that the Department initially focused its improvement resources and capacity on the provision of civic services.

In contrast to Departments where the approach was to articulate a wider service improvement policy, Home Affairs focused attention on looking at a specific service area as basis for improvements. Building on this strategic orientation, initial efforts were focused on securing buy-in to a more detailed turnaround effort from unions and staff. As

anxieties emerged around the implications of turnaround actions, time was devoted to securing agreement that actions will not result in any cut in staff numbers.

“Our improvement efforts must also be understood in the context of the fundamental responsibility we have to secure data and ensure credibility of information...we had to facilitate the opening of the country and at the same time as ensuring security....this was the innovation needed...a constant battle, we made progress in services, but need to expand to other areas.”

On the back of commitment to retention of personnel and with a team that understood the importance of driving change from within the framework of established public service rules, the Department contracted a consulting company to assist with detailed planning work. In practice, this entailed a participatory exercise of operationally mapping the current service delivery system and working on methodologies that would service to shorten delivery times.

“We have a DG currently who is numerical...this is useful as it gets us to focus on the numbers and evidence...we can do things differently...we were fortunate to have Ministers who were drivers of change...the current Ministers is committed to modernisation and understands that this requires resources. They establish huge standards for us.”

Of particular importance in this was the commitment towards modernisation and the use of new information technologies. The overall policy trajectory was hence one of ensuring that the function of service improvement is led from the relevant sections of the Department, on the foundations of internal participation and on the basis of sound technical analysis of the workflow process.

Capacity and involvement

Even as there is a propensity to explain some level of success on the basis of new technologies in delivery, the improvement process in some Home Affairs services was largely predicated on the active involvement of official's at all levels of delivery. The turn-around team and appointed consultants constantly worked with officials on the steps within the delivery process and how these could be improved.

“The turn-around team and consultants had to work with officials throughout the process...so we were involved in all stages ...we are using the learnings to influence the strategy for introducing the smart cards. The turnaround for the smart card is three days...we learned from the consultants...the role of consultant is now limited”

The change process was largely incremental and based on constant learning and internal mobilisation. In addition to active communication to build awareness of the need for improvements and the fact that it will not result in staff cut-backs, efforts were focused on securing constant inputs and buy-in for changes. Core to the ID improvement effort was initiatives directed at simplifying the delivery process and instituting performance improvements. Rather than impose these improvements, the strategy was to ensure that individuals remained involved in identifying changes that would help in productivity and on establishing performance that would help to achieve quicker turnaround times.

Key to involvement in the change process was initiatives directed at enhancing capacity of front-line staff and on promoting transparency on performance. In addition to widening training on service delivery, the Department initiated actions directed at publicising work flows and performance related data. In practice, this meant that sections and units were able to visually see their turnaround time periods relative to other sections and units. In practice, this initiative entailed construction of a team approach to delivery. Performance

meetings together with initiatives directed at recognising performance assisted in sustaining efforts and for ensuring that non felt threatened by the change process.

“Lots of learning had to take place, we send many people for training during the change process...moving away from the old way of doing things...this has led to us establishing the Home Affairs Academy.”

A key element of the change process was the introduction of tracking system, within which information became accessible to clients and to managers. Through the system, it became possible for all to appreciate where there were delays and for actions to be taken on improving processes and speeding up delivery where needed. Accountability of official’s began to shift away from hierarchical accountability towards accountability for performance on the basis of data that is available to all internally and in some instances to the wider public.

“We must acknowledge that we still have huge gaps. We still have a lot of work to be done to get staff to appreciate service delivery and to have a customer centric view...we still have a long-way to go...the lessons from the surveys are feeding into this process and gives us very good feedback.”

Leadership over service delivery improvements

Involvement in service improvements from Directors-General and Ministers have always been integral to service improvement efforts. Given the wider public discourse, senior leaders remained directly engaged with matters relating to service improvements and in fact served as key champions and drivers for the processes. Within Home Affairs, this often translated into visible actions on the part of both the administrative and political leadership.

Since the initial turn-around effort, the Director-General focused attention on ensuring that there was appreciation for the need to change and that resource are made available to secure the overall change efforts. Given the commitment made to achieve certain delivery standards for civic services, such as the provision of ID documents within sixty days, the head of Department remains constantly involved in assessing the data and monitoring of progress to achieve the established standards.

The drive at the level of the political leadership of the Department has always been central to the turn-around strategy and in ensuring that changes are visible.

“The big change came around 2006, when the Minister requested the assistance of Treasury, DPSA and the OPSC.”

Not only were Ministers interested in the data around delivery times, but they often involved themselves in encouraging change in the front-line of service delivery, through the active mobilisation of staff around a common vision of service improvement. Ministers were particularly important in processes directed at securing the culture change needed through actions directed at ensuring that they remain visible at service points across the country. Ministers and their deputies often visited delivery centres and played a key role in promoting improvements in the front office interactions with clients. The Department has also introduced a system where Senior Managers are made responsible for particular Provinces. Their contact numbers are distributed and people are able to call them directly.

“Performance of each office and each official is established through the track and trace system...we are able to engage with actual data within the framework of the APP.”

Organisation and resourcing the improvement process

The change process for service improvements unfolded on the basis that changes in some targeted areas would eventually result in change in other areas. The overall perspective is that visible improvements in delivery of civic services, would eventually translate into visible delivery in other areas.

“During the early times, we recognised the importance of bringing in operational management skills...we saw the need for modernisation...we introduced an online verification system and the tracking system...we rolled out the project, consultants only assisted.”

Prior to the World Cup in 2010, the focus was primarily in civic services. In practice, this entailed moving capacity from a Service Delivery Improvement unit in the corporate services section to civic services.

“As a result of the turnaround, we brought the Service Delivery Branch, which was responsible for provinces together with Civil Services...we brought this together to have an overall view of the delivery process...a bird’s eye view...this alignment was important to drive this process...”

Hence, the initial strategy of fully integrating the service improvements effort, into the ongoing operational work of prioritised section within the Department. As progress was registered in the initial targeted area, there was recognition that this needs to be spread across the Department and that service delivery improvements are needed across all delivery areas. Building on the positive experiences in civil services, changes were also initiated in immigrations and, in particular, on the processing of VISA applications for the world cup in 2010. Skills developed for detailed process analysis and for driving cultural change proved to be central in establishing a more effective system for the processing of VISA applications. Given the number of VISA applications processed and the ability to improve delivery in a context of increased security concerns, the Department demonstrated a high level of capability.

As part of the change strategy, the Department also committed resources towards changes in the front-office set-up of many of its delivery centres. Included in this process, was the establishment of mobile units for service delivery and on ensuring that all offices have appropriate connections to the IT based verification systems. The introduction of new modern technologies for verification thus consumed resources for service improvements and remained central to success as it facilitate flows that were central to reducing the turn-around times. Whilst service charters were not a central feature of the process, the Department had established commitment to services within a specific time frame through its tracking system and through publically stated targets on the time it takes to provide key civic services.

In the 2012/2013 SDIP the Department has listed all of its civic services, together with the service standards - in the form of the time it would take to process a particular application. In addition to the qualitative standards, it has now also started the process of introducing qualitative standards for delivery, including issues related to staff engagements with members of the public and the further role out of systems for managing queues at Home Affairs Offices. Queue management systems have been introduced in some offices and, pending initial assessments, will be rolled out to further offices. As part of the efforts to improve delivery quality, the Department has also conducted satisfaction surveys and data is used to support improvements. As part of these efforts, front-line staffs are provided with training opportunities and incentives have been established for improvements in delivery quality.

The incremental targeted approach to service improvement meant that the Department focused its attention on priority areas on the basis of wider public concern, rather than on establishing a strategy that focused on compliance in all areas. Organisationally, this meant that, outside of overall Strategic Planning, there was no central resource or capacity for driving service improvements across all delivery areas. This gap has been recognised and the more recent shift has been towards re-establishing a section that deals with service delivery across the whole Department. Even as the Department has broadened the focus to other areas of delivery, there is a sense that change should slowly shift to other areas and that a targeted step-by-step orientation would be much more effective than an overall diffused strategy in a context of limited available resources.

The Department has established a systematic framework for looking at complaints. A unit dealing with this also collates the data and this is used for learning and for introducing further changes. At front-offices, individuals have been appointed to assist people when there are challenges and for dealing with complaints with responsible managers.

Impact and value of practice

By all accounts, Home Affairs service improvements have resulted in the meetings of very specific standards on the turnaround time for services delivered. In the past it took an average of over 250 days to deliver and ID document. This has since been reduced substantively to an average of around 27 days, well below the benchmark of 6 to 8 weeks that the Department has established.

“In terms of our information, we now have 80% of people happy with the services and 20% not so happy...this was the opposite before...we did a customer survey and things are looking good.”

The success achieved in the delivery of ID documents has translated into the establishment of similar benchmarks in other areas and the incorporation of new innovations for the future. A number of modalities have been developed to broaden access and delivery to client groups and change initiatives have become part of the overall culture of the Department.

The general view is that initial efforts in specific value-add areas created the foundations for learning and incremental change. Whilst there have been areas of resistance, the overall ethos of the Department has changed and strides are being reflected in other areas of work. The challenge for the future relates to the Departments engagement with matters within immigration and, in particular, the manner in which it engages with refugees. Even as there is a keenness to ensure better service delivery, there is an ingrained awareness that better client satisfaction needs to be balanced with the imperatives of ensuring that systems are secure and that security imperatives within Home Affairs functions are not compromised.

Conclusions and lessons learned

Officials in Home Affairs remain modest to the success achieved and well aware that the journey for better service delivery continues and likely to evolve as new challenges are confronted. However, building on the initial experiences, there is growing commitment to a more structured approach to improvements and hence the adoption of wider and all-encompassing strategies and activities, as may be reflected in a full SDIP. The approach to be taken is likely to be informed by some of the lessons learned.

- *Establishing a targeted and incremental approach to change:* Improving delivery is a complex process and often success needs to be registered in a targeted and focused manner. In choosing a specific area for immediate improvement and for driving

change, the Department was able to create the foundations for deeper change across all delivery areas. Rather than engage all areas through wider policy, the approach was to focus on specific services and engage with staff on changes that can be instituted to improve productivity.

- *Workflow analysis is crucial to improvements:* To improve delivery, it proved to be fundamentally important to build an understanding, from the perspective of those involved in delivery, on all of the steps and activities within the delivery process. Building such analysis (production and operations management) was crucial to initiatives to speed up processes and to establish alternative approaches to meet established standards.
- *Standards are crucial to productivity improvements:* By establishing very specific standards on delivery times for specific products, such as ID document, the Department established a momentum around solutions to meet such standards. This served to create a momentum on measurement, transparency on what is and can be achieved and served to encourage team work and improvement reflections.
- *Creating a culture of learning and change:* Even as changes were introduced, there was appreciation of the fact that some changes would have unintended consequences and hence a culture of constant improvement and change would need to be established. Such an approach served to ensure that individuals respond to challenges and find more creative approaches to delivery that a central model would not be able to encompass.

Even as there might be other lessons that can be derived from the experience, the above are identified as important for others within the public service and the wider public sector. Of particular importance in this experience is the move from the specific to the general. Without the more detailed experiences in a particular targeted area it would not have been possible to visualize the role of a more centrally coordinated strategy for service improvements. Given the experiences, the Department is now able to translate learning on how change can be driven in other areas of delivery. Even as changes continue to unfold in areas where standards have been met, the approach now is to move learning in other areas of work.

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SERVICE DELIVERY IMPROVEMENT PLANS (SDIP)

EASTERN CAPE DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM: DRIVE WITH REFLECTION AND PASSION²

The Eastern Cape Department of Rural Development and Agrarian Reform established its Service Delivery Improvement Plan (SDIP) and Service Charter in a context of limited knowledge and information on the process for establishing and using such instruments for service improvements. Central to compliance and substantive action was the appointment internal champion for the process and for generating the SDIP. Reflections on the experience, suggest that the SDIP process has had a substantive impact on the manner in which agricultural support services are delivered and the approach that officials take towards their areas of responsibility. The basic have been established for change and the Charter and Plan now stands as the backbone for the continuing journey towards service excellence.

The case reflects on the experience in generating the SDIP and the manner in which a service improvement focus has been mainstreamed in the work of the Department. It traces the approach by which the Department established its delivery standards and the framework established to ensure consistent follow up on intended improvements. Core to the strategy has been a willingness to engage with passion on the substance of what is intended and to drive change through active learning. Even outside of having the required experience in the production of the SDIP and related Charter, there was a willingness to engage with the issues and intention embodied in the nationally established norm. The case demonstrates the importance of learning by doing and the significance of a having a champion to ensure success that goes beyond mere formalistic compliance.

Context and background

The move towards introducing a SDIP and Charter were, in part, driven by the reality that the Department did not perform well in past Management Performance Assessment Tool (MPAT) assessments. The Head of Department was concerned that non-compliance was reflecting badly on the overall status of the Department in the province and nationally and hence requested that this area be championed by a specific official within the Department.

When the relevant official was designated as the Champion for the SDIP, there was no foundation to build upon, as the Department had not done this in the past and there was limited knowledge and information on what was required.

"...I came from an Audit background and actually had no idea what was required....I asked many questions and received good assistance from the Office of the Premier...I was never exposed to any session on SDIP or received any training on this."

The Department has a number of agriculture and rural development services that it provided directly to specific sector clients and to affected general citizenry. Even as it engages in many frontline delivery issues, there was, in the past, no real systematic

²This case study was drafted for the Department of Performance Monitoring and Evaluation (DPME) Management Performance Assessment Tool (MPAT) practice case series by Mr. Salim Latib, Wits School of Governance at the University of the Witwatersrand, Johannesburg, South Africa.

approach towards establishing service standards or any form of benchmarking on its approach and standards in service delivery.

The Department employs over 3000 people, many of whom are in the frontline of delivery and based in three district offices and in specifically established delivery units within municipalities in the Province. In addition to having a regulatory role and a responsibility for research in its terrain of focus, the Department provides day-to-day veterinary services and agricultural extension services to commercial and subsistence farmers.

Understanding the practice

To appreciate the practice and related actions that unfolded on the SDIP and related Service Charter, the descriptive analysis follows the story from the perspective of the process and the substance of what unfolded at the level of planning and at an operational level. This is done with a view towards ensuring that there is coverage of the central issues that shaped how the Department achieved compliance and how the SDIP process has become a part of ongoing reflection and action within the Department.

Policy and Planning for Service Improvement

Work on SDIP was predicated on an overall analysis of the challenges facing the Department, as embodied in previous MPAT analysis. The Department established a systematic approach towards responding to these challenges. According to the Departmental Official responsible for monitoring:

“We looked at all of the areas and challenges that arose from previous MPAT and established an approach to ensure that we deal with each of the areas systematically...we had to understand the requirements and ensure that we respond appropriately”.

When the Department started the process on developing its SDIP and Charter, the Office of the Premier had completed an analysis of service delivery based on the Batho Pele framework. The analysis, whilst positive, revealed some of the challenges that were of significance to the delivery of service within the mandate of the Department and hence provided a useful basis for initiating an improvement plan.

“During the Batho Pele we consulted with farmers and got a good understanding of the challenges confronting farmers and the issues of concern...we used these to advise Departments on the areas that they need to worry about. The issues that worry people on the ground”

Even though there was strong commitment towards ensuring compliance with national norms and standards, the process within the Department unfolded on the basis of establishing a consensus on the need for such a plan. Initial engagements on the policy unfolded with the Executive Management Team of the Department. Reflecting on the process, the champion faced the reality of having to drive forward an area that she was not familiar with.

“ Not only did I have to familiarise myself with what is expected, I had to present to Managers on what the SDIP is about and many reflected confusion on what was required...it took time to explain what was needed and hence to drive the process.”

The initial commitment from the Senior Management established the foundations for driving a process of establishing the SDIP. On the outset, the approach was to ensure that there was a direct link between the SDIP and Annual Performance Plans. However, given that many were not familiar with the SDIP and the idea of a Service Charter, it became

necessary to assist reflections by identifying service areas and engage with officials on standards that could be established.

The Champion arranged a broad workshop with internal stakeholders, including those within districts and municipalities. This workshop served to provide the foundations for establishing a working understanding of what the SDIP entails and the standards that need to be established. Within this process, many participants noted that they were already meeting certain standards, but that there was a need to identify these and establish a basis for monitoring improvements. During this process, there was also reaffirmation of the need to ensure that the SDIP is linked to the Annual Performance Plan (APP) and to data collected for monitoring and evaluation purposes. Whilst the SDIP would be reported on separately, the approach was one of ensuring that there is a link with quarterly reports generated on the APP.

Capacity and involvement

A key element of the approach to driving the SDIP was building awareness and ensuring effective buy-in at all levels. To this end, the Champion worked determinedly to ensure that there was awareness of what is required within an SDIP and the significance of this for the work of the Department.

“I was inspired by my own experience during interactions with a car dealer...I saw a breakdown in service delivery ...a failure to implement a service charter, I had to remind them of their failure....this experience made understand the importance of a service charter.”

In addition to securing management commitment through the relevant structures and with the support of the HoD, substantive attention was focused on securing the buy-in of those involved in direct service delivery. This was done through active participatory workshops, during which people were required to identify all of the direct value-adding service areas and were encouraged to articulate the standards that can and needs to be achieved. As part of which, officials were engaged with to identify the standard that exist, but remain undocumented and the standards that would be achievable over a period of time.

“What I saw in that room was an excitement to participate and produce a good product. People were very enthusiastic....it was good, as it allowed us to understand the reality of what goes on at the municipal level.”

Through an interactive process, individuals were able to identify the service areas that need to be prioritised, the challenges these embody and the progressive manner in which a higher standard would be achieved. During these interactions, an understanding was also established on the differential relevance of standards in rural versus urban areas.

“We were clear that this process will take time and that people will learn as the process will unfold...let them go to the pain of learn as we move along...”

Careful attention was also focused on ensuring that the plan was realistic and that improvement can be generated progressively over a period of three years. Each component was also encouraged to appoint an SDIP coordinator. As part of the review process, workshops are arranged on a quarterly basis to establish progress and to engage on some of the challenges.

As consultations on the SDIP do not only focus on matters relating to progress, outside of considerations of the challenges in achieving certain standards, there was and continues to be a high level of engagement from officials. Of particular importance, is the fact that the SDIP process served to open channels for people to voice their concerns on issues that

prevent them from achieving objectives and the service standards established. Through this process, officials are able to identify the structural and resource challenges they face. Beyond the opening of spaces for dialogue on delivery internally, the SDIP process also served to open channels for wider public accountability. Many of the stakeholders have welcomed the publication of the service charter and have begun to engage with the Department on the basis of articulated standards.

“During consultations, we had people go line by line and comment on the standards that we were putting forward.”

Members of the public are now aware of the channels for reporting on problems they face and are increasingly engaging with relevant officials on the commitment made. Through the SDIP, the Department also identified the channels and time-line for the resolution of problems that clients and citizens confront in their interactions with Departmental officials.

Leadership over service delivery improvements

The initial drive for the SDIP and related Charter emanated from the concern that the Department was not complying with national norms and standards. In particular, with the requirement that the Department produces a SDIP that clearly established standards for the delivery of its services. However, from the initial push towards compliance, emerged a growing interest in the substance of how the SDIP could assist in driving change within the Department.

The line of communication with the Head of Department (HOD) on the SDIP was open and there was direct senior-management interest in the standards established. This was reflected in the fact that the HOD engaged with the standards that were initially documented and urged the changing of some standards so that there would be improvements in service delivery. In addition to demonstrating direct commitment to the plan, the HOD also sought to ensure that reports be presented at management meetings for discussion.

By linking the SDIP directly to the APP, the continual role of senior officials was secured. Not only were managers engaged with on the basis of their delivery according to plan, but were also engaged with on the basis of the commitment made for improvements in their delivery areas. This required that they also work with the relevant individuals to ensure that there is monitoring on the level of compliance and that they engage with all officials within their sections on the desired standards, the work flows in the delivery chain and on strategies to be established to ensure that there is compliance with established standards.

In addition to serving as the overall political custodian of the SDIP, the Member of the Executive Committee (MEC) with responsibility of the Department engaged in dialogue with officials on establishing the required standards. During the initial consultation that unfolded, the MEC participated and provided guidance on some of the concerns expressed to her by stakeholders.

“To my surprise, the MEC joined us on the second day. This was very helpful to get things of the ground and show the high level interest in the work.”

Such political guidance served to assist reflections on the part of officials, many of whom did not really accept that there were challenges in the delivery process and hence a need for a more systematic approach to service improvements.

Organisation and resourcing the improvement process

Given the work of the Department and the challenges of ongoing delivery in a context of limited resources, there was no initial strategic focus on the systematic development of an SDIP. It was historically presumed that service delivery and related improvements remain the responsibility of official's involved in programme delivery and most often, it was assumed to be embodied within existing plans. However, as the HoD noted that there was no compliance, the responsibility for ensuring that an SDIP was produced was allocated to an individual with responsibilities for auditing. This drive served to establish a momentum, as the responsible individual was deemed senior enough to engage with others on the production of the SDIP and had the skills to engage in the substance of what was required.

A key element in the drive towards producing the SDIP was ensuring that senior managers focus on the issues and that they do buy into the process. To ensure that this happens, a link was established with overall progress reporting and the work done within monitoring and evaluation. Within this process, there is also acceptance that the production of the SDIP, together with relevant standards was the first step in the process for ongoing improvements and that as the process unfolds; details on what this would mean in practice will be engaged upon.

"We receive feedback from farmers directly...we get feedback from the ground from extension workers...we go there and we see people in action and the manner in which things are changing...we also sit with officials to understand what is happening."

Given the scope and reach of the Department, a small and modest budget of approximately R 400 000 was set aside for the work on the SDIP. This reality of a small budget and limited personnel, encourage the SDIP Champion towards using other internal resources and opportunities to drive forward the plan and the change process. She engaged with other units and existing forums so as to utilise them for achieving the wider objective. As the budget was limited, it also became necessary to have a more target approach and to ensure that initial engagements result in a wider spread of attention.

Impact and value of practice

The Departmental perspective is that there has been a visible change in the manner in which people are approaching their work and a higher level of awareness on the importance of establishing standards for delivery. Initial anecdotal and systemic feedback from specific client groups reflects that people are generally satisfied with the service levels and that there is increased positivity in actual delivery experiences. In some instances, the Department has recognised that it's able to extend services in certain areas, due to efficiency improvements in the delivery process.

As a result of the produced SDIP, there is also a greater focus on the monitoring aspects of the Department work. Although, the focus, in the past, has been on generating narrative reports that could not be verified on the basis of actual data, there is a growing shift towards generating actual data on services rendered. It is generally accepted that this process will take time and that the SDIP needs to be seen as a long-term approach rather than a short term strategy for service improvements.

Conclusions and lessons learned

Even as there is modesty on the part of the official's, in terms of what has been achieved within the SDIP development process, there are some critical lessons that can be learned from the experience of the Department of Rural Development and Agrarian Reform.

- ***Compliance establishes the foundations for substantive dialogue:*** Even though the initial focus in the process was on compliance with nationally established norms and

standards, the dialogue that unfolded, allowed for engagement with the substantive rationale for the introduction of an SDIP. The generalizable lesson is that compliance can create the foundations for wider reflection and hence the possibility of positive and impactful changes in the delivery process.

- ***Appreciating that change takes time:*** To officials involved, the development of an SDIP is only one step in the process of affecting change. Hence, there is a need to view the initiative as part of a change process and hence important to appreciate that the full success of the SDIP would only be seen over a period of time. Governance improvements must be contextualised as a process and hence there is a need to engage with the details of what is intended over a period, rather than be focused only on the compliance related elements.
- ***Having a champion who engages passionately matters:*** Of importance to process success was the fact that, the responsibility for compliance was allocated to someone who is passionate about service delivery. Even though the person knew little of what was required, she engaged on the substance and on building the required support, as a way of ensuring that the product adds value and is taken seriously by officials in the Department.
- ***Securing demonstrable senior level support:*** Even though senior's primary interest was on securing compliance, efforts were focused on ensuring that the commitment was translated into active demonstrable support. At critical moments efforts were focused on ensuring that the HOD and the MEC engaged with the process so that all would take the matter seriously and ensure that it is incorporated as a feature in their work.

Even as there might be other lessons that can be derived from the experience, the above stand as the central features of how the Department moved from compliance towards substantive action within the SDIP process. Dialogue on service delivery has emerged as a norm within the Department and has resulted in substantive reorientation within the governance process. Reporting practices have shifted and increased attention is now being focused on ensuring that work flow is appreciated and that there is more visible and measurable data on delivery standards to be achieved.

For the future, the Department remains committed to working with the produced SDIP and the Charter in the efforts to enhance service delivery. Dialogue within the SDIP process are being used to ensure that there is appreciation on the relationship between resources made available within the Department and the challenges of delivering in accordance to established standards.

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PREVENTION OF FRAUD AND CORRUPTION

THE NORTH WEST DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT: MOBILISATION AND INTERNAL COOPERATION³

In a 2011 Assessment of the State of Professional Ethics in the North West Provincial Government conducted by the Public Service Commission (PSC), it was reported that the Department of Agriculture, Conservation, Environment and Rural Development has established a dedicated anti-corruption unit. However, the same assessment also noted that Department did not have clearly defined strategic objectives for such a unit. This situation has changed over the last few year and evidence suggest that there a more active strategy within the Department, within the constraints of available resources.

Anti-corruption and fraud prevention and management are cross-cutting issues that require active cooperation between different components within a Department. Even as efforts are established for a more coordinated centre for such work, the experience in the Department demonstrates the significance of building internal networks to engage on issues of fraud and corruption. A minimum level of capacity for anti-corruption work only serves to ensure some level of coordination, it does not necessarily translate into having activities to act in instances where corruption has unfolded and where actions are needed.

This case reflects on the manner in which anti-corruption and fraud prevention and related actions are engaged with within the Department. Of particular importance to this experience is the manner in which the function is fulfilled through cooperative engagements between different units across the Department. Even though there are expressed limitations within the approach, it has been central in the efforts to ensure that there is preventative related actions and that investigation unfold in terrain where reports are made on corruption or fraud within the Department.

Context and Background

The Department of Agriculture and Rural Development has evolved to be one of the largest Departments in the North-West Province. It has over 2000 employees and manages four district offices. In addition to a wider policy function, it provides a wide range of agricultural and environmental services across the province. Given the reach of the Department and wide terrain of service delivery, complaints of possible corruption and fraud are not unusual. Whilst not compliant in the past, the Department has moved on the Management Performance Assessment Tool (MPAT) scale and has now achieved a high score.

Even as there has been a decline in the number of reported cases of corruption and fraud, there is recognition that this is an area of importance for the Department if it is to secure a clean audit report.

“We had major challenges with internal control systems...the Auditor General report had many issues and there were cases of conflict of interest in the Department and the leadership recognised that capacity was needed for governance in the Department.”

³This case study was drafted for the Department of Performance Monitoring and Evaluation (DPME) Management Performance Assessment Tool (MPAT) practice case series by Mr Salim Latib, with the support of Professor Anne Mc Lennan, from the WITS School of Governance (WSG), at the University of the Witwatersrand, Johannesburg, South Africa.

In the absence of resources to fill all required posts within the Department, it has had to engage in the corruption and fraud initiatives in a creative manner. Part of which, was to link fraud related initiatives to the overall risk management process. The Fraud prevention and Anti-Corruption Strategy of the Department provides that *'the two functions of Fraud Prevention and Risk Management is interlinked that the one function cannot be performed without the other as it is a system working like an engine. Therefore to separate the process will ensure for complete lapse and failure in the system'*. However, in practice and in conformity with National norms and standards, the Department has established a separate strategy.

"The function is distributed. All units involved are listed in the strategy document. We rely on this for doing actual implementation. But we are looking at bringing it all together so that we have dedicated capacity....this is important, we need to establish a dedicated unit so that things are taken forward."

Understanding the practice

In operationalising its Fraud Prevention and Anti-corruption Strategy, the DARD has established an approach that is predicated on active cooperation between a variety of units and that relies on active senior level leadership. To appreciate the coordinated, yet diffused manner in which the strategy is implemented it is important to appreciate the practice at the level of policy, at an organisation level and within the activities directed at ensuring active engagement by all within the institution. This descriptive analysis is used as a basis for extracting some of the key lessons from the experience.

Policy and planning

The latest and updated 'Fraud Prevention and Anti-Corruption Strategy' was approved by the Head of Department in March 2011. In essence, the approval served to affirm a strategy that recognises that the infrastructure for prevention and acting against cases of fraud and corruption is distributed within the organisation and involves a number of separate units.

"In our Department we don't have a dedicated unit for fraud and corruption, we have a number of units dealing with it...different sections deal with different issues...ethics is largely dealt with by people in Human Resources...they also do workshops on the Code of Conduct"

The policy framework adopted by the Department places substantive emphasis on prevention of fraud through active awareness initiatives. However, it does not stop at this point, given the reality that even with the best awareness initiatives that are likely to be perceptions of fraud or lapses on the part of officials. The Strategy hence incorporates details on the process by which investigations should unfold and the initiatives that would be necessary to ensure effective reporting.

"In the beginning we did not receive much input....people were happy with the quality of the document...it was well formulated and well done, so room for comment was limited...but does not mean people are not buying in...I see commitment in the workshops that I hold...I have to turn people away.."

The policy is detailed and includes the framework for ensuring that there is continual monitoring of the terrains where fraud is experienced, as a basis for ensuring that appropriate organisation wide strategies are established. Substantive attention has been focused on producing guide books on the basis of policy and on ensuring that there is awareness of areas of weakness during planning engagements.

Through active awareness and proactive engagements, managers are reminded of areas of weakness when they establish their annual plans. In addition, data collected feeds into management level discussions on adjustment that needed to be reflected to ensure that past mistakes which allowed for fraud to unfold are acted upon.

"We have a culture of working together...we can call upon each other to discuss matters of concern...we have good relationships and I can discuss openly with others...we have a standing agreement to cooperate on areas of commonality in our APP's."

Capacity and involvement on fraud and corruption prevention

Building wider capacity for fraud prevention and deeper awareness has been a central element of success in the Department. The responsible director has produced a small pocket guide book on Fraud prevention and a range of newsletters and guides on ethical conduct. The guidebook and newsletters are distributed widely across the organisation and have been done with minimal available resources.

"I get a lot of call also, people want to know about issues and they want to find out about the importance of disclosure...so there is a high level of buy-in"

In addition to the accessible guide books, a number of workshops are held throughout the year for officials. These workshops benefit from presentations from individuals across the organisation. To ensure that they are effective, attention is focused on ensuring that participants are given very practical examples of instances where fraud has been experienced. Given the practical nature of the workshops and the fact that use is made of creative media (such as video examples), these workshops are highly rated within the Department and often well attended.

"I emphasise prevention in our strategy and therefore place substantive attention on building awareness...I spend more time on this and work at educating people. We place emphasis on educating people on good governance and on compliance with good practices...prevention is better."

Of particular significance in the capacity enhancement process, is the emphasis placed on building wider capacity for investigations. As the Department has limited resources, it becomes crucial that officials assist investigative process by ensuring that data and related information is properly kept. Although championed by the Director: Risk Management, the workshops are delivered in partnership with other directorates that have a critical role to play in acting on cases of fraud and corruption.

Leadership over fraud prevention and anti-corruption activities

Given the commitment of the Departments leadership towards the prevention of fraud and in actions directed at ensuring that actions are taken where necessary, the HoD has established a direct line for those involved in investigations. All investigations on submitted reports are taken to the HoD for approval and hence for taking forward necessary actions.

We had obstacles in the past, but with the new HoD we are moving forward. The HoD has approved a new structure for fighting fraud and corruption. The MEC and HoD are committed to providing us with warm bodies for the function.

At a more operation level, leadership is exercised by the Director: Risk Management and Information technology. The Director is proactive in ensuring that the strategy is implemented and that the required relationships for implementation are sustained. Outside of creating any formal structures, efforts are focused on ensuring day-to-day interaction on both awareness and on investigative actions.

“Different units are also made responsible for putting in place systems to prevent fraud...we emphasise this during the awareness process...”

As part of proactive engagements, there are also efforts towards ensuring that issues pertaining to disclosures are dealt with effectively. In the course of completing the required disclosures, it was noted that some officials were registered as Directors of companies and hence, such registration could create the impression of conflict of interest.

“The Department has requested the Provinces Internal Audit to look at possible conflict of interest. The CFO requests this and we use this to shape actions. We have not really had any challenges. We only have one case in the past, where an employee was picked up by the Public Service Commission, but this was just an error in filling in the form.”

In many instances, individuals would have resigned from such position and often this would not be reflected on the CIPRO system. In developing a proactive support approach the responsible director established a strategy to support individuals in the process of de-registering themselves from system. This has helped and served as proactive step in helping managers to affirm their ethics responsibilities.

“Since our actions, we are finding less and less cases of conflict of interest... our proactive guidance has help people to deregister from companies...we get indirectly involved as can be sued to deduct money from people salaries...it can affect our ethical environment so we get involved...we have an indirect responsibility.”

Organisation and resourcing of the strategy

Coordination and active empowerment for the fraud and anti-corruption function is from the Director: Risk Management and Information Technology. In addition to leading the awareness process, the Director actively mobilises other units and individual for the fulfilment of the function and acts as a clearing house on fraud and corruption incidents brought to the attention of the Department.

Beyond overall coordination, the investigative functions are located within the Security and labour relations units of the Department. As internal capacity for the conduct of investigations is very limited, the responsible official normally draws on capacity in other Departments. Even though this serves to limit completion time for investigation on many cases, this has been the central approach to the conduct of investigations.

“We try best to complete cases within 90 days, but this is difficult...we use people from other Department for investigations. As we don't have control over their time, it becomes difficult to delivery in 90 days. We can't also report on PERSAL as employees that were trained have since left the Department.”

The Department, through the Fraud and Anti-Corruption has established a set procedure for investigations. To ensure that all cases are properly investigated, no matter the merits of each reported instance, the responsible officials, from the Labour Relations unit, has developed an experienced based framework for distinguishing between cases that would take a long-time and those that are easily resolvable.

“Experience matters in my work...you have to know what information is needed and how to go about the investigation...we also need know the system and the procedures so that cases are not dismissed because you don't follow the correct procedure.”

At a strategic level, the Department has a framework for reporting on all cases and for the analysis of areas prone to fraud. This information feeds into relevant meetings and is used

to ensure that proper controls are introduced. The strategy of linking fraud prevention to risk management has proven to be useful as investigative information is often used to point towards areas prone to corruption and fraud. Information derived from particular experiences are sometimes used as practical case studies, for awareness purposes.

Impact and value

The Department is committed to ensuring that it has a clean audit and the perspective is that this can be achieved by a complete reduction of fraudulent activities. The overall view is that because of an established strategy and relative success in investigations, this has created disincentives for fraudulent activities. Indications are that there has been a decline in some areas where fraud has been detected in the past, including, for example the miss-use of government vehicles.

Over the period of implementation, there has been a marked improvement in audit reports and no longer is there a long list of areas of challenge. There is a sense that public confidence in the work of the Department has improved. Cases lodged on the hotline have also declines, hence suggesting positive impact and improved public perception.

Even as there are challenges in ensuring that investigations are conducted within the 90 day period, there have been successes in dealing with reported cases of fraud. In this process it was also noted that in many instances, reports are lodged by individuals who are disgruntled because of internal relationship conflict. All cases are non-the less investigated. Investigative reports are used to shape further strategies in the institution and do hence help to build public confidence.

Conclusions and lessons learned

In this case, the involved individuals were very eager to share some of the detailed work that unfolded in the exercise of building the fraud and anti-corruption strategy and related actions, but most modest when it comes to articulating some of the ingredients for success. On reflections, reference is made to two broad factors. These factors coincide with the descriptive analysis and stand at the centre of this particular experience.

- ***Internal cooperation allows for effective implementation:*** In the absence of the required internal capacity, due to limited budgetary resources, a strategy can be driven through effective coordinated activities between different units. Even as there is an initiative to affirm a new dedicated structure, it's always possible to establish an approach that draws on distributed capacity within the institution.
- ***Appropriate frameworks, coupled with experience are essential for effective implementation:*** Rather than focus too much attention on establishing participative structures, attention was focused on ensuring that documents produced were substantive and reflects hard work on the part of those driving the process. In essence, people engaged with reports produced because they were confident of the work that has been put into documents. Confidence and active cooperation was established through substance. People participated because they were confident of the value of the engagements for their own work.

The Department has substantive experience in the challenges of resolving all investigations within a 90 day period. This experience can provide immense insights into strategies that need to be established to reduce the period for investigations and for resolving fraud and corruption related cases.

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PREVENTION OF FRAUD AND CORRUPTION

THE NATIONAL DEPARTMENT OF MINERAL RESOURCES: PROCEDURE AND DETAILS MATTER⁴

The Department of Mineral Resources was established in 2009 as part of the reorganisation of national departments. Following on a brief transition period, within which, the Departments support services were provided by the Department of Energy, substantive efforts unfolded towards establishing governance systems and related policies. Although building on some of the approaches inherited from the previously amalgamated Department of Ministerial and Energy Affairs, many of the policies, including for the prevention of fraud and corruption, had to be constructed anew. Whilst the foundations for Fraud prevention and Anti-Corruption are established within relevant Public Service wide legislation and regulations, it proved, in practice, necessary to engage in an internal process towards establishing strategies and activities that are specific to the Departments delivery and regulatory functions. The approach also had to be in line with the capacity realities of the Department and the fact that it takes time to institutionalise new organisational arrangements for effective governance in the Department.

In tracing the experience of the Department in Fraud Prevention and Anti-Corruption, substantive attention is focused on the investigative determination and attention to detail that emerged within the initiatives directed at following up on reported cases of fraud and corruption. Even as such determination and attention to detail stand at the centre of the experience, the role of leadership and initiatives to enhance participation are also explored as collectively these contribute towards the effectiveness of a system. Good practice within the Department on fraud and corruption are predicated on ensuring that there is effective follow through in investigative practices and on ensuring that evidence is properly collated for effective actions within labour relations processes.

Context and background

The Department of Mineral Resources (DMR) was formally established as a stand-alone entity in March 2010. It employs just over 1000 individuals and primarily focuses on matters of policy and regulation over the mining sector. Aside from the detailed mining related inspectorate work which the Department is legally required to undertake, it focuses on the generation of policies and the management of the regulations governing mining and related explorations in the country. Given the institutional development challenges associated with the establishment of internal corporate services for the newly established Department in 2010, many of the governance related implementation initiatives unfolded over the 2011/2012 financial year. Compliance with national norms and standards has taken time to achieve as a result of normal institutional development imperatives.

⁴This case study was drafted for the Department of Performance Monitoring and Evaluation (DPME) Management Performance Assessment Tool (MPAT) practice case series by Mr Salim Latib, with the support of Professor Anne Mc Lennan, from the WITS School of Governance (WSG), at the University of the Witwatersrand, Johannesburg, South Africa.

Given the nature of the work of the Department, there was recognition during initial strategy related compliance initiatives that there are areas of work, beyond corporate and procurement related areas, which embody substantive delivery discretion and hence are inherently prone to the possibility of fraud and corruption. These include the issuing of mining rights and work related to inspections on compliance by mining related companies. There was and hence continues to be a substantive appreciation on the importance of establishing clear policies and strategies to secure ethical and professional practices across all regulatory and delivery areas of the Department.

In early 2010 the Department faced the dual reality of having to ensure continual delivery in a complex and dynamic sector, at the same time has having to develop internal policies that shape the manner in which delivery unfolds. A careful balance was established between institutional building and active external engagement. A key element of driving forward was actions directed at ensuring that the Department moves rapidly forward in securing compliance to nationally established norms and standards, especially those that emanate from Treasury and the Department of Public Service and Administration (DPSA). By establishing a Compliance Office accountable to the Director-General in the initial period, the foundation for focused attention on matters of implementing all compliances related policies is substantively guaranteed.

Understanding the practice

To appreciate the specific and valuable elements of the practices that are relevant for wider learning, the approach here has been to look at specific management related aspects that contributed towards shaping the specific and most valuable elements of the experience. This proved necessary, as such an analytical description allows for the contextualisation of the specific elements of practice that proved to be most valuable in the move towards compliance to regulation and towards actions on fraud and corruption.

Policy and planning for fraud prevention and anti-corruption

Aside from the need to ensure full compliance with norms and standards, there was a strong momentum within DMR on establishing appropriate governance arrangements for active delivery. Even whilst there was temptation towards replicating the policies that emerged from the previously amalgamated Department, the approach was one of ensuring that new and appropriately contextualised policies and strategies are established.

Even though it took time to put in place the required personnel for the driving internal policies, effort unfolded in early 2010 to shape a substantive Fraud Prevention and Anti-Corruption Strategy. The intention of the strategy process was that it would provide a coherent framework for actions within the Department of fraud and related unethical actions. The strategy, as adopted outlines the areas prone to fraud and corruption and the procedures for the detection, investigation and resolution of reported or detected fraudulent activities. To secure the path for action, attention was also focused on securing inputs and active buy-in from trade unions. This proved immensely valuable when investigations were initiated and actions taken against offenders.

“Because we engaged with Union representatives during initial discussion, they supported processes. In fact, in some instances they declined to offer representation to

individuals who committed fraud, knowing that they were part of establishing the required policies.”

Within the overall strategy, there is recognition that, in addition to coordinative capacity for driving forward the approach, it was important to appreciate that a number of diffused units would be party to detailed implementation of the strategy. In the face of limited resources, coordination was also achieved by ensuring that implementation activities are linked to the Departments Risk Management Strategy. During 2012/2013 fiscal year, coordinated implementation was achieved through the generation of an integrative ‘Enterprise wide Risk Management and Fraud Prevention Implementation Plan.

Even as detailed investigative work resides within the Labour Relations section of the Department, the Risk Management unit led overall coordination by ensuring that there is consistent reporting within the structures of the organisation. In so doing, a link was also established with overall planning processes and hence ensuring that instances of fraud feed into shaping delivery approaches of different sections of the Department. Through a more integrative approach, a direct link was established between fraud related experiences and risk management actions that had to be institutionalised by different programme delivery sections within the Department.

Capacity and involvement in fraud prevention

Within the strategy and related implementation plan, substantive attention is focused on securing internal involvement in shaping responses to fraud and corruption. As the approach was linked to risk management, risk champions from different programmes often also served as the primary custodians of the strategies and related actions. Meetings of Risk Champions are held regularly to assess implementation and to engage on areas of common concern. Even though not formally articulated, the Risk Champions often serve as ethics officers within programmes as they often have a deeper understanding of some of the challenges and possible lapses that emerge in the delivery process.

Whilst participation and commitment were established through a consultative internal process on strategies and policies, there was recognition that this would have to be sustained through active awareness workshops, especially for those within District offices of the Department. To this end, workshops are held for all staff and efforts have been put into place to ensure that there is good access to relevant information within the Department.

“Our approach is to prevent fraud and corruption. Hence, we spend time on raising awareness through workshops for all sections. We also share information with new appointees and make sure that everybody is aware of policies and practices within the Department.”

The implementation plan reflects that the Department distributes posters, brochures and articles to all offices, as a basis for building awareness. Even as resources for the initiative are limited, efforts are also established to ensure that there is awareness within the Department and compliance with legislation.

Leadership in preventing and fighting fraud and corruption

In addition to emphasise being placed on active compliance with standards, the Director-General exercised substantive overall leadership over governance issues within the Department.

“The DG is accessible on investigations. This is a sensitive area and sometimes we have to engage the DG directly and keep the Office informed of progress on particular cases. The relationship and support received allows for investigations to unfold without any difficulty.”

The overall coordinative function is located within the Office of the Director-General and there is demonstrable interest in all fraud related investigations. Given the sensitivity of investigative issues, direct protective support is from the Office of the Director-General.

As matters of fraud are closely linked to risks within the work of the Department, the annual risk analysis process is used by the senior leadership to influence and shape strategies. To this end, the policy framework of the Department provides for the conducting of ‘fraud risk assessments’ as a basis for ensuring appropriate management actions to limit and manage risks identified. Active management buy-in is secured through both a strategy and operational level Management Committee. These committees served to review reports generated on risks and fraud experienced.

Given the levels of coordination within the Department, the analysis of areas prone to fraud and possible corruption also feed into the internal audit plans of the Department. A procedure has also been established to ensure active management support when investigations have to be initiated. The strategy established provided that matters of fraud are all brought to the attention of the Chairperson of the Risk Committee and that all investigation unfold on the basis of an instruction from the Director-General, as the Accounting Officer of the Department.

Organisation and resourcing prevention and the fight against corruption

Even as the Department has established the relevant structures for coordination and the exercise of overall leadership over prevention of fraud and corruption, success in the efforts are predicated on established investigative capacities within the Department. As matters of fraud and corruption feature centrally within labour relations activities, detailed investigations are conducted by a skilled labour relations official.

The strategy and plans outline, in clear and concise terms, the actions to be taken to prevent fraud and corruption. These include matters relating to physical security, information security and the vetting of officials prior to employment. Adherence to high standards are reflected in the fact that the Department has acted in instances where there has not been full disclosure of past employment histories and where there has been information disclosure breaches.

“We had a case where somebody did not properly reveal his past employment history. We discovered this during the vetting process and acted accordingly. People now know that you can’t do this in the Department and always have to comply with requirement and provide full disclosure.”

Operational success is achieved through established investigative capacities and by way of an insistence that procedures are properly adhered to so that cases are not lost. Because of this attention to detail and proper procedure, there has been very positive success in winning disciplinary cases within the Department. In some instance, Union representatives have also refused to represent workers who have engaged in fraudulent activities. All cases are properly investigated and within the time-frame established. The approach has also been one of ensuring that all cases are investigated, including those that might be considered minor infringements, such as those associated with the use of rented vehicles.

“In our investigations, we make sure we pay attention to details and therefore collect all documentations and evidence in a proper manner so that we don’t face difficulties when we disciplinary steps are taken...we have been very successful in all our investigations because of this.”

Given the reputation for detailed and complete investigations, this has served to establish an ethos within the Department of ensuring that all actions are beyond reproach. There is confidence that all investigations will be able to stand the test of wider oversight and can, where relevant, be used to pursue criminal prosecution. On one instance, internal investigation results are being used to pursue a criminal case and there is confidence that the case will be won on the basis of the thoroughness of the conducted investigation.

In addition to having established a clear framework for investigations and for reporting on these to the Public Service Commission (PSC), the Department has also established relevant data bases for the capturing of information relating to fraud and corruption. It has established procedures for ensuring that there is disclosure on the part of officials and for the use of such information for the conduct of investigations.

Impact and Value

Awareness engagements have been central to efforts to reduce fraudulent actions on the part of officials. In addition to outlining actions not deemed appropriate, they often serve to guide people on actions deemed ethical in areas of uncertainty. However, the larger impact on the institution arises from the fact that investigations are conducted in a very thorough and detailed manner. In recognition of which, the incentives for corrupt and fraudulent actions have been substantively reduced.

At a wider societal level, and specifically in the areas prone to fraud and corruption, there is recognition by client groups that they would not be able to encourage fraud on the part of officials. Mining companies and others are increasingly aware that officials from DMR will be subject to detailed investigation if there is any suspicion of fraud or an attempt to influence decisions on the issuance of certificates or licences.

There is also increased awareness within the Department of the wider potential impact of seemingly small acts of fraud. Through the awareness process, officials are able to highlight the wider consequences to them if they compromise on elements relating to the regulations governing the conduct of mining operations. Wider accountabilities to the society and the workers within the mine also serve to ensure that connections are made on the possible consequences when rules are bent to serve particular economic interests within the sector.

Conclusions and lessons learned

Although the propensity within the Department is to reflect on the experience as purely one of ensuring compliance and on 'doing our job', the engagements and practices point towards three specific lessons for governance and public service practice across government.

- ***Moving beyond the generic:*** Within the strategy and implementation process, there has been substantive focus on areas that are prone to corruption within the specific terrain of work of the Department. Rather than engage with fraud and corruption in a generic manner, the Department has moved the process forward by reflecting on terrains of weakness and hence the importance of establishing strategies to deal with these areas. Of particular significance in this respect is the conduct of fraud risk assessments.
- ***Attention to details and proper procedure:*** There is substantive recognition that investigative work on governance lapses requires detailed investigative work and the collation of appropriate evidence. In addition, there is awareness of the importance of following proper procedures in investigation as these are fundamental to disciplinary hearings and to instances where cases are taken forward for criminal action. Attention to detail and the following of proper procedures in the governance process are often key to successful actions and do serve as a deterrent to those who might consider bending rules for private gain.
- ***Prevention through consistent actions and success:*** Even though success is partially achieved through the building of awareness on policies, more is achieved when individuals recognise that actions are taken for even the most basic infringement of policies. The knowledge that each individual may be subject to a thorough investigation serves as an immense deterrent to those who might be tempted to breach governance rules.

Building an effective system for fraud prevention and anti-corruption takes time and is subject to ongoing learning. Even as practices are affirmed, there is recognition that as experiences unfold, adjustments may be needed. Within such an orientation and ongoing reflection, there is a sense that the individuals involved must ensure that they have a good knowledge of external experiences and of work within the Department and changes that could result in new areas of challenge for the fraud and anti-corruption strategy.

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RISK MANAGEMENT

THE NATIONAL DEPARTMENT OF MINERAL RESOURCES: MOBILISING AND MAINSTREAMING⁵

The Department of Mineral Resources was established in 2009 as part of the reorganisation of national departments. During the transition period, the corporate services of the Department were provided by the Department of Energy, as part of a shared service support services agreement. On becoming a stand-alone entity in 2010, the Department took on board all of the functions expected of a full-fledged Department, including the responsibilities of having to manage its own governance arrangements, of which Risk Management is deemed central. Since initial formation, the Department engaged in a process of analysing the risk faced and concomitant the strategies needed for managing risks as part of ongoing operations. It has built wider appreciation for the risk management function and mobilised all sections of the Department for the exercise of risk responsibilities and for systematic reporting on the risks faced.

This case reflects on the manner in which risk management unfolded, including the role of leadership in the process, participation from within the Department and the lessons that can be learned from various aspects of the experience. Central to the success were the efforts directed at building a conceptual appreciation of the importance of focusing on the risks faced within the programmatic work of the Department and the need to ensure that the risk are managed so as to prevent delivery failures and challenges associated with institutional governance.

Context and Background

The Department of Mineral Resources (DMR) was formally established as a stand-alone entity in March 2010. It employees just over 1000 individuals and primarily focuses on matters of policy and regulation over the mining sector. Aside from the detailed mining related inspectorate work which the Department is legally required to undertake, it focuses on the generation of policies and the management of the regulations governing mining and related explorations in the country.

Given the institutional development challenges associated with the establishment of internal corporate services for the newly established Department in 2010, many of the governance related initiatives unfolded over the 2011/2012 financial year. Even as there was awareness of the importance of incorporating the risk management functionality, it has taken time for the Department to establish, as required by regulation, full functional capacity for driving the risk analysis process and for securing risk management as an integral function of all managers.

During the 2011/2012 financial year, an initiative to identify, categorise and design strategies to manage risks unfolded under the guidance of an official accountable to the

⁵This case study was drafted for the Department of Performance Monitoring and Evaluation (DPME) Management Performance Assessment Tool (MPAT) practice case series by Mr Salim Latib, with the support of Professor Anne Mc Lennan, from the WITS School of Governance (WSG), at the University of the Witwatersrand, Johannesburg, South Africa.

Office of the Director-General. This initial process served to build deeper interest within the Department and hence contributed towards the full adoption of the relevant structure for risk management across the Department. It also established the basis for more detailed management engagement with risk across each of the programme areas. Rather than start on a blank slate, the team engaged with past efforts and reports of the Auditor-General, amongst others, to establish a listing of risks that confront the Department.

Understanding the practice

Even as it important to appreciate the overall evolution of the risk management functions within the Department since its formation in 2010, the approach here is to construct an analytical description of various elements that collectively contribute towards the successful incorporation and management of the function.

Policy and planning for risk management

As the foundations for risk management were already established prior to the separation between the mineral and energy components of the previous Department, there were already some elements of the policy foundations for the work within the Department. Using past experiences, it was hence relatively easy for DMR to establish the broad policy parameters for risk management. However, given initial capacity challenges and the need to work in an optimal manner, the approach was one of ensuring that the risk management function is closely aligned to the fraud prevention and anti-corruption functions within the Department. Although it's recognised that these are separate matters, the approach was one of ensuring that there is closer coordination.

During 2010 the Compliance Office of the Department led a process for the establishment of the Risk Management Committee. The establishment of which was fundamental to the process of ensuring that there is full oversight over the risk systems and to ensure that risks are identified across all business units.

“Based on the findings of the Auditor-General in, for example, on prospecting fees paid to the Department, we knew that we had to respond to the risks in this process by establishing a common system.”

During this period, the Department also put into place an overall risk policy and strategy. Guided by the policy framework, the Department produces a carefully crafted 'enterprise wide risk management and fraud prevention implementation plan'. This plan sets out the activities to be engaged upon during a specific financial period, the expected outputs, the responsible office and the time frame for implementation.

Based on initial learning during implementation of the strategy, the Department has instituted a process of separating out operational and strategic level risks. There was a feeling by many at senior levels that this separation is vital and would serve to ensure that senior managers focus on those risks which are strategic, rather than detailed operational risks. The implementation plan outlines the risk analysis process, the crafting of the implementation plan and the process for reporting. Central to the strategy is also the institutionalisation of awareness activities.

Capacity and involvement in Risk Management

In addition to securing leadership commitment and engagements on the risks of the Department, efforts have been established to ensure wider involvement in the risk management process. Building active engagement takes time and hence substantive initial efforts were focused on building a collective understanding of what are risks and the relevance of this for the work of the Department.

It was recognised during the initial stages, that there was a need for there to be risk champions within all of the different sections of the Department. The appointment of such risk champions, at lower levels of the hierarchy, served to provide a pool of individuals who could be engaged with on the substance of what risks are and how they should be thought of in the Department. Risk Champions are appointed from each of the Departments programme areas and generally expected to be at the level of Director.

“Initially we spend a lot of time on building awareness of the function. We had to do some road shows on matters of risk and fraud. People eventually recognised that this was about their work. It helped them do their work better and hence established buy-in needed.”

By all accounts, it took time to build a collective understanding of the process and relevance of the function. There was initially some scepticism on the value of the exercise, but over time an understanding was established on what the process entailed and its significance for ongoing work. As champions began to recognise the likely consequences if risk were not managed, they engaged with colleagues and seniors on these risk, thus building deeper levels of active involvement and interest in the risk register.

“At the first workshop, frankly the quality of the document produced was very weak and I was sceptical of the process and felt out of my depth. As we engaged on some of the details, I began to appreciate the importance of this for operational work within my programme...it is now fully linked to what we do and an essential part of operational actions. We have institute measures that we would not have thought about if it were not for this process.”

Leadership in Risk Management

The risk management function is directly linked to the Office of the Director-General and hence benefits from senior level leadership. During the 2011/2012 financial year there were substantive discussions on the structure and reporting framework of the Risk Management Committee. Even whilst there were perspectives that the Committee should be chaired by an independent external person, the overall perspective was that it was an internal structure and hence primarily established for the management process.

Building on the initial work that unfolded during 2011/2012, the momentum on the work of the Risk Management Committee unfolded substantively for the 2012/2013 financial year. To ensure that there are senior level engagements with the risks of the institutions, the Risk Management Committee has participation from all of the most senior level managers within the institution (Deputy-Directors General) and other critical role players. In addition, efforts were established to ensure that Risk Management is incorporated into the performance agreements of senior officials.

“The Risk Management Committee is chaired by a DDG. We have senior level participation from all Programmes and discussions are substantive. The Committee meets quarterly and considers progress report, prior to their submission to the management Committee and the Audit Committee of the Department.”

Reports generated on the management of risks have now been fully integrated into senior levels meetings chaired by the Director-General. To ensure that all matters are fully discussed and, in particular, progress is reviewed on the actions to be taken on specific risks, a senior level operations meeting has also been established. This helps to ensure that all issues are discussed and that there is engagement on operational level risks. The Director-General takes an active interest in the contents of the risk management action plan and ensures continual follow up on the substance of what is intended within the plan. To ensure appropriate follow-up on matters, reports are also presented to the Departments Audit Committee.

Organisation and resourcing

The risk management and implementation function largely centres on the work the ‘Risk Management Committee’. However, to ensure that the work unfolds in a substantive manner, the Department has appointed a Chief Risk Officer and the function is managed through the Strategy and Risk Management Unit within the Office of the Director-General. Even as there have been some structural changes and staff turnover, implementation has unfolded as there is dedicated capacity for continual follow-up.

Having dedicated capacity for the risk function has proven to be of particular value for the Department, as it serves to ensure that there is day-to-day follow up on the management of risks and engagements with risk champions from all sections. Such dedicated capacity also allows the Department to ensure that relevant workshops are being held to build awareness of the risk function and the management of specific risk identified. Resources are also made available to ensure that the risk function is adequately taken forward and that there is appropriate engagement with the district offices of the Department.

“We now have an established practice for monitoring progress on actions to be taken to mitigate risks. We receive reports from Champions and collate these for submission. We also engage directly with relevant senior managers on risk areas and progress on actions for which they are responsible for. It’s a live function as we constantly face new risks in our operations.”

At an operational level, the responsible unit has established its own risk registry and has developed relevant templates and tools for the risk analysis process. The department uses a manual system for registering risks and for the development of its implementation plan. A process is currently underway to explore and possibly acquire risk management software to enhance risk management activities are currently being explored.

“Our approach has become proactive. We also scan memorandum to look at patterns that are emerging to see new risks, For example, we also have recognised new cross-cutting risks, such as in the area of attracting and retaining scarce engineering skills for the Department.”

Impact and Value

Outside of the policy role of DMR, it plays a very critical role in the monitoring of regulations within the mining sector. A failure to manage risks in some areas of the Department work has the potential of impacting on people's lives. Mining impact on the environment and hence requires that the Department engages in processes of ensuring that it manages the risk that 'environmental impact assessments' are inadequate. In response to which added measures have been put into place to ensure that the Department institutes audits to ensure that mines environmental liabilities are fully funded. The impact of instituting a risk management function is thus, in this terrain, more visible through the more active approach towards ensuring that environmental concerns are appropriately resourced.

As the failure to ensure full compliance on mining regulations has substantive impact on those working within the mining sector, the risk analysis process, has encouraged the Department to institute further measures to deepen its approach to the inspection of mining operations. Given the new measures instituted, there is a direct correlation between the risk analysis process and actions taken to ensure that the work of the Department adds substantive public value. In addition to the management of risks that has a substantive impact on the society, the risk analysis process has also assisted the Department to establish strategies to deal with internal operational risks, such as those associated with high staff turnover in a terrain of scarce engineering skills.

"We take the function very seriously. As you will appreciate we constantly face new risks, For example, we face many risks that we have to act upon in the area of illegal mining. We have to ask ourselves what is happening and what we should do about it as people are losing their lives in this process."

Conclusions and lessons learned

Even as there is recognition of the benefits of risk analysis and management, there is reluctance by officials to point towards the experiences as being substantively successful. However, the practices instituted do suggest that there were actions that unfolded over the period of implementation that could serve as lessons for others within the public service.

- ***Securing dedicated capacity for engagements:*** Within an environment of change, it proved to be vital that there be dedicated capacity for specific functions. In this instance, the appointment of a Chief Risk Officer proved to be of central importance as this person served to ensure that the plan is implemented and that there are ongoing day-to-day engagements on matters related to the risk established in the Department's register.
- ***Building interest and engagements through substantive reflection:*** It takes time to build the interest of individuals within the Department and to ensure that there is an understanding of the relevance of a particular exercise for operational work. This was done through active facilitation and by way of ensuring that people actually understood how a seemingly separate function relates to their day-to-day work. Mainstreaming so that there is wider buy-in takes time and requires that people appreciate the value of a particular exercise for their own work. Outside of such buy-

in, the orientation is often to view such work as an add-on to ongoing Annual Performance Plan related responsibilities.

- ***Separating the strategic from the operational:*** To secure ongoing and senior level interest, a separation between strategic level issues and those that are more operational has proven to be very valuable. Operational and strategic risk were separated and hence allowed seniors to focus attention on higher level issues. To secure interests and engagements on all issues, the Department also instituted Operational Management Committee Meetings (chaired by the Director-General) to engaged with more operational level issues.

Building a functional governance related systems takes time and ongoing effort. The Department itself has adjusted as learning unfolded on the basis of its own experiences. It has also been proactive in its engagements with other role-players, such as National Treasury.

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RISK MANAGEMENT

THE NORTH WEST DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT: FROM THEORY TO PRACTICE⁶

The 2008/2009 Annual Report of the Department of Agriculture and Rural Development (DARD) in the North West Province provided that for the year under review 'various audits indicated that there were significant deficiencies in internal controls in respect of financial management, risk management, compliance with laws and regulations and performance information'. This situation has since 2009 changed substantively and the Department now has a full strategy on its governance areas and related actions for, amongst others, the risk management function. Risk Management has been mainstreamed as an essential part of the Departmental operations and its centrality to work has been recognised in the day-to-day operations of officials and senior managers.

In addition to the drive within the department to ensure that Risk Management is appreciated at a practical level, there has been a drive from within the Provincial Department of Finance Provincial Internal Audit Unit to ensure that all North West Departments take risk management as a substantive element of their overall governance work. This case reflects on the manner in which risk management practices have unfolded within the Department and the lessons that they offer for others across government. Central to the success of the Departments efforts was the actions of the risk champion towards ensuring that there is appreciation of the initiative for work within different operational units. A process that was predicated on ensuring that there was a direct link between risk management theory and actual practice.

Context and background

The Department of Agriculture and Rural Development has evolved to be one of the largest Departments in the North-West Province. It has over 2000 employees and manages four district offices. In addition to a wider policy function, it provides a wide range of agricultural and environmental services across the province. Over the last few years the Department has stabilised and well on its way towards producing a clean audit. Its efforts to stabilise and ensure effective delivery unfolded in a context of limited financial resources and capacity in crucial areas, such as in risk management. It was only in 2009 that the Director for Risk Management and Information Technology Services was appointed. Prior to which, the risk function shifted between different individuals within the Department. Rapid movement towards compliance and active implementation has resulted in the Department achieving a high score on MPAT- a substantive jump from the previous low score.

"When I started in the Department there was not much in place...I had to start from scratch and develop all of the relevant policies. I had to prove to management and lower level officials the importance of having proper systems in place in particular areas."

⁶This case study was drafted for the Department of Performance Monitoring and Evaluation (DPME) Management Performance Assessment Tool (MPAT) practice case series by Mr Salim Latib, with the support of Professor Anne Mc Lennan, from the WITS School of Governance (WSG), at the University of the Witwatersrand, Johannesburg, South Africa

Although the Directorate: Risk Management and Information Technology Services, is relatively small it managed to mobilise relevant sections in DARD in the effort to ensure that the risk management function is fully incorporated into delivery programmes. Prior to 2009 and the appointment of the Director, the Department attempted to drive the risk analysis process through the appointment of consultants. This initial experience demonstrated that whilst there is some value-add from the work of consultants, it was difficult to drive the process forward if there was no dedicated internal capacity. It was also noted that the consultant's reports do not demonstrate an understanding on how government operates and the strategies that would be optimal within a public service institution.

Since the establishment of the required Directorate, the risk management function is integrated into the Office of the Head of Department and hence mainstreamed into the overall strategic management of the Department. As the Province has established a shared Audit Committee, the appointment of the Director also provided the basis for ensuring that the Department risk work becomes a feature of reporting within the province, through the Provincial Risk Forum and related Committee.

Work on the management of risk, were, in many respect, driven by the realisation that there was a need to ensure full compliance with national norms and standards and international good practices. In addition, it was noted that, in the past, matters of risk management were raised in the reports of auditors and were hence fundamental towards building management excellence within the Department.

Understanding the practice

There are a number of interrelated factors that contribute to the effective management of the risk function within DARD. Even though it's possible to single out the immense efforts that were focused on building awareness, the experience suggest that success is also predicated on the manner in which practices became a part of the operational activities of the Department and the way in which risk management unfolds across the province. The descriptive analysis that follows captures the experience at the level of policies introduced, the level of participation, the role of leaderships in the process and the manner in which policies are operationalised.

Policy and planning for risk management

Even as the Department has succeeded in establishing and constantly renewing its Enterprise Risk Management Plan and Strategy, it's important to appreciate that in the North West province, there is a strong push from the Department of Finance from the Provincial Internal Audit Function on issues of corporate governance and incorporating Risk Management. In addition to establishing a specific Department Strategy, Departments participate actively in a Provincial Risk Management Forum and provide quarterly reports on the risk function within the Department.

The Enterprise Risk Management Plan and Strategy is reviewed each year and signed by the Head of Department. Even though the Chief Risk Officer had been appointed as the main coordinator, the overall perspective within the Department is that the responsibility

resides at the most senior levels. Hence, the Plan provides that the risk champions are the Executive Management Team of the Department. In shaping the plans, the emphasis from the Director is that the plan has to be substantive if the support of managers is to be secured. Each year, an updated plan is distributed for comment and inputs prior to its approval by the Head of Department.

The general emphasis is on ensuring that documents are substantive and hence using this to secure commitment. The manner in which documents are crafted generally serve to convince managers that the work is of a high standard and hence direct inputs on the documents are often limited. Active inputs are generally secured in the process of compiling the risk register. This is done annually and generally builds on previous work completed and on internal and external audit reports. As much as is feasible, the work is linked to the Annual Performance Plan of the Department.

“On buy-in within the Department, this is not an issue as people as will buy in when you are knowledgeable about your subject. People can trust the risk programme to provide advice that is objective, sound and unbiased. The Risk Management programme is often required to advise the DG including other stakeholders on various projects. Since 2009 there has been confidence in the function fulfilled.”

Analysis of strategic risks and operational risks, and the production of the risk register have been integrated into annual planning processes. The consequence of this is that when the annual strategic and performance plans are adopted there is full compliance with the requirement that the Department initiates actions to manage each of the strategic and operational risks.

Capacity and involvement in risk function

The Department has elevated the importance of risk management by ensuring that there is active participation from senior levels and hence ensuring that the individuals involved in the management of programmes serves as the ‘risk champions’. High level involvement ensures that the risks related actions are properly owned and accounted for at the most senior levels.

“When people see how risk management relates to their work they support the function...when they see the benefits of risk management they engage...people now start engaging with risk management directly. Whilst the HoD and MEC are supportive of the Risk Management process they no longer need to be prescriptive to its management team to support the risk management process...the foundation has been built.”

Outside of the actions directed at ensuring high level involvement in the Departmental process, substantive attention is focused on ensuring that there is deeper participation on the risk analysis process within the Department. This is done through a combination of awareness activities, workshops and through the active participation of relevant officials during the risk analysis process. A number of relevant brochures have been produced for distribution within the Department and the importance of risk management is featured in Departmental newsletters.

“We go out to all of the offices, including the District to ensure there is awareness and wider participation in the process. Managers are also able to indicate to you the benefits derived and the system challenges that we were able to identify”

One element of immense creativity in the work of the responsible manager has been activities directed at ensuring that there is a practical understanding of matters relating to risk. In this respect, the manager uses real world case studies from other context and video clips that capture the attention of officials. To assist the development of an appropriate strategy and build awareness, the Director also uses a survey to test the level of awareness and overall culture towards risks in the organisation. The results of the survey are not published, but are used to shape awareness initiatives and further actions for the management of risks.

Even as risk analysis workshops are held with each programme area in the Department, the approach has been one of avoiding creating additional structures. Hence, there is no specific additional risk management structure within the Department. The risk register and risk related actions plans are produced for discussion in general management level meetings. In addition to the workshops held with sections, added effort is focused on securing ongoing interactions on a day-to-day basis. The Director proactively engages with managers across the Department in an effort to ensure that the analysis is substantive and that the action plans and reports produced are a reflection of actual work and perspectives of those involved in operational level activities. Outside of added structures, active participation and involvement is secured through substantive day-to-day interactions.

Leadership in risk management

Due to the early recognition of the link between the management of risk and improvements in the audited status of the Department, the Head of Department plays an active role in the risk management function. Whilst relying on the substantive work of the Director, the Head of Department engages constable with the risk register and related action plan.

“The HOD has supported this at a very high level. At one stage, we were all called by the HOD’s Office and told that we have to drop everything and attend a workshop. So there is determination on the part of the HOD to ensure that governance is good.”

The commitment of the leadership within the Department is reflected in the fact that the risk management item remains a fixed agenda item in management level meetings. During these meetings, areas of concern are discussed and engaged upon. As the HOD has to report on these matters within the Province, there are constant interactions on progress and on reports to be presented at the Provincial wide Audit Committee.

As the risk strategy of the Department designates senior managers as risk champions, there is full involvement of these individuals in the risk analysis process and in the generation of the risk register as they report monthly progress. Commitment is also sustained through engagements on the reports within Management Committee Meetings. These meetings are held on a monthly basis and risk actions are linked to discussions on performance, relative to Annual Performance Plans (APP).

Organisation and resourcing the risk function

Even outside of a fully resourced Risk Management Unit, initiatives have unfolded towards ensuring that the Department is compliant to relevant standards and norms. Due to limited budgets, it has not been possible for the Department to fully establish the structures anticipated in its Risk management Plan. A process is however underway to gradually fill the relevant structure and hence to secure added capacity for Risk Management.

Outside of having the required resources, the responsible Director has had to establish a more creative approach towards ensuring that the Department complies with the requirements related to Risk Management. This has largely been done on the basis of mobilising active involvement of officials from other units and from within specific programmes. In the absence of added capacity, the approach was one of ensuring wider awareness and hence encouraging units to take active responsibility by producing the required plans. To assist the process, attention is focused on ensuring that others are appropriately skilled and hence are able to generate substantive perspectives on the risks faced and the actions that are needed.

As there is only a small modest budget for the risk management function, energies are focused on using many of the available forums to secure actions related to this area of work. Rather than contract external parties, the approach is one of building internal relationships which encourage others to assist with risk related activities. For example, in the area of communication and awareness raising, extensive use was made of the capacity available within the communication section of the Department. Through this approach, a number of brochures were produced and distributed throughout the organisation. In addition the Provincial Internal Audit Function in the North West Province also assists with quality assurance and validation of compliance levels with systems and regulatory frameworks during risk assessments. This process invariably helps the Risk Management programme to stay focused on constant improvement strategies.

At the systematic level, the emphasis has been on using a manual system for the recording of risks and for generating reports. There was some attempt at using the software systems of National Treasury, but this was deemed inadequate and slow for purpose. The approach within the Department is nevertheless systematic and is predicated on the production of a detailed risk register, risk profile and related action plans. Within the framework of an implementation plan, activities are planned for the year and reports are generated for relevant structures, including the Provincial Audit Committee.

“The Department does not use the National Treasury Software system as it is slow, not always accessible and it does not provide for all their reporting needs. The system also has limited options to draw reports that are required to manage and communicate risk information to management. The system is not adaptable to the Department’s needs.”

Impact and Value

Within the Department, the most visible element of the value of the risk management process is the movement that has unfolded towards securing a clean audit. Although a full clean audit has not yet been achieved, there is evidence, within the Auditor General's

(AG's) reports that demonstrates that, since the introduction of the function, there has been movement towards a cleaner audit. By way of managing specific risks, there have been changes in controls within the Department and many are now aware of some of the risks that have contributed to negative audit reports. This situation has now changed and internal audit now finds it difficult to find deficiencies.

“The Provincial Internal Audit function in the North West Province struggles to find audit findings on control deficiencies and was forced to change the audit scope to look into other issues. The Department have a strong working relationship with the Provincial Internal Audit team in the Province, and requested them to change their audit scope by assessing systems against regulatory compliance. The Department’s control environment and related systems are good.”

The details contained within the risk register, suggest that there is appreciation on the link between the management of risks and the impact failures would have on the wider society. It is anticipated that success in managing risks would overtime be reflected in monitoring and evaluation related information. Many units have come to recognise the wider consequences if risks are not managed and hence many initiatives have emerged to ensure that risks are dealt with before they become disasters. For example, the Department has a responsibility with respect to the Meat Safety Act. To ensure compliance it has to address the risk associated with not having the required inspectorate capacity in place. In this instance, actions are being established to ensure that competent technical staffs are appointed and establishing appropriate structures.

Conclusions and lessons learned

There is immense passion and energy from participating individuals when there is wider recognition of success. In this instance, the involved individuals were very eager to share some of the detailed work that unfolded in the exercise of building the risk management function, but most modest when it comes to articulating some of the ingredients for success. On reflections, reference is made to two broad factors. These factors coincide with the descriptive analysis and stand at the centre of this particular experience.

- ***Establish a clear link between theory and practice:*** As there is a propensity to treat matters of compliance as standards outside of the real delivery work of Departments, building support and action was predicated on ensuring that there is a clear link between requirements and the actual work of managers. To establish such a link, the individuals engage in research on areas of challenge and careful use was made of examples and cases that illustrate what is intended within risk analysis.
- ***Hard work and substantive engagement matter:*** Rather than focus too much attention on establishing participative structures, attention was focused on ensuring that document produced were substantive and reflects hard work on the part of those driving the process. In essence, people engaged with reports produced because they were confident of the work that has been put into documents. Confidence and active cooperation was established through substance. People participated because they were confident of the value of the engagements for their own work.

- ***Passion, knowledge and Innovation:*** A commitment to knowledge and the generation of new ideas by passionate individuals is often central to success. Individuals in this instance enjoy the work and keenly engage in reflective processes for the generation of ideas on improving practice.

The Department has developed a number of brochures and tools to support their work in risk management. Outside of the practices themselves, these tools can be used in other Department and do demonstrate that immense value can be derived from deeper exchanges within particular areas. This Department is also reflecting on how better to manage overall governance functions and how these can be brought together for greater efficiency. The overall perspective is that much of what has unfolded is very specific to the public service and wider sharing opportunities will provide a useful basis for building risk management capacities within government. It was generally felt that risk management training may be better served by the establishment of an active 'risk management network' within government.

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