ANNEXURE E:
NATIONAL DEPARTMENTS
SYNOPSIS OF RESULTS

MPAT

Management Performance
Assessment Tool

Contents

Figures

Abbreviations and Acronyms

AG	Auditor General
APP	Annual Performance Plan
DG	Director-General
DPME	Department of Performance Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DTI	Department of Trade and Industry
EA	Executive Authority
EC	Eastern Cape Province
FM	Financial Management
FS	Free State Province
G&A	Governance and Accountability
GP	Gauteng Province
HOD	Head of Department
HR	Human Resources
HRM	Human Resource Management
ICT	Information Communications Technology
IT	Information Technology
KPA	Key Performance Area
KZN	KwaZulu Natal
LP	Limpopo Province
M&E	Monitoring and Evaluation
MP	Mpumalanga Province
MPAT	Management Performance Assessment Tool
MTSF	Medium Term Strategic Framework
NC	Northern Cape Province
ND	National Departments
NDP	National Development Plan
NT	National Treasury
NW	North West Province
PSC	Public Service Commission
PAIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PSA	Public Service Act
SDIP	Service Delivery Improvement Plan
SM	Strategic Management
SMS	Senior Management Service
WC	Western Cape Province

Table of abbreviated national department names

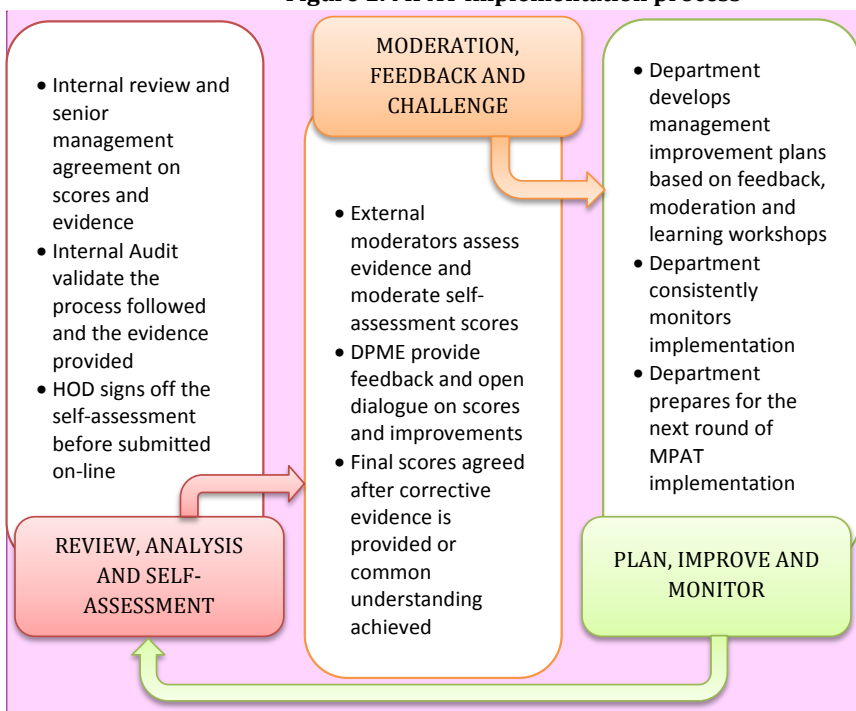|	
ND A & C	ND Arts and Culture
ND A,F & F	ND Agriculture Forestry and Fisheries
ND B Educ	ND Basic Education
ND COG	ND Cooperative Governance
ND Comm	ND Communication
ND Correct	ND Correctional Services
ND Defence	ND Defence
ND Econ Dev	ND Economic Development
ND Energy	ND Energy
ND Enviro	ND Environmental Affairs
ND GCIS	ND Government Communication and Information System
ND Health	ND Health
ND Hig Educ	ND Higher Education and Training
ND Home Affairs	ND Home Affairs
ND Hum Settl	ND Human Settlements
ND IPID	ND Independent Police Investigative Directorate
ND IRCO	ND International Relations and Cooperation
ND Justice	ND Justice and Constitutional Development
ND Labour	ND Labour
ND Mil Vet	ND Military Veterans
ND Min Res	ND Mineral Resources
ND PALAMA	ND Public Administration Leadership and Management Academy
ND PM&E	ND Performance Monitoring and Evaluation
ND Police	ND Police
ND Presidency	ND The Presidency
ND PSA	ND Public Service and Administration
ND PSC	ND Public Service Commission
ND Pub Enterp	ND Public Enterprises
ND Pub Works	ND Public Works
ND Rural Dev & Land	ND Rural Development and Land Affairs
ND Science and Tech	ND Science and Technology
ND Socl Dev	ND Social Development
ND Sports & Recr	ND Sports and Recreation South Africa
ND Statis SA	ND Statistics South Africa
ND Tourism	ND Tourism
ND Trad Aff	ND Traditional Affairs
ND Trade & Ind	ND Trade and Industry
ND Transp	ND Transport
ND Treasury	ND National Treasury
ND Water Aff	ND Water Affairs
ND WC & D	ND Women Children and Persons with Disabilities

1. Introduction

The Management Performance Assessment Tool (MPAT) benchmarks good management practice, in other words, how departments plan, govern, account, and manage human and financial resources. MPAT, as one of several strategies to improve the management performance of provincial and national departments, was launched in October 2011 providing a structured standards-based approach to assessing management practice. Following Cabinet approval in June 2012, MPAT assessments were undertaken in 2012 and 2013 in all 155 national and provincial departments.

Departmental self-assessments are moderated and provide a foundation for comparative learning about effective management practice. MPAT is based on the understanding that compliance with management regulations will contribute to improved departmental performance, and over time, improved service delivery outcomes. Monitoring compliance with key regulatory requirements enables departments to identify management strengths and weaknesses and thereby to improve practice.

MPAT focuses on management practice in four key performance areas (KPAs) against which departments assess themselves and provide evidence of regulatory compliance. The areas are: KPA 1 - Strategic Management (SM); KPA 2 - Governance and Accountability (G&A); KPA 3 - Human Resource Management (HRM); and KPA 4 - Financial Management (FM). Departments assess themselves against 33 standards across the 4 key performance areas. Following this self-assessment, the scores are moderated and adjusted. The process is mapped in Figure 1.

Figure 1: MPAT implementation process

MODERATION, FEEDBACK AND CHALLENGE

- Internal review and senior management agreement on scores and evidence
- Internal Audit validate the process followed and the evidence provided
- HOD signs off the self-assessment before submitted on-line

REVIEW, ANALYSIS AND SELF-ASSESSMENT

- External moderators assess evidence and moderate self-assessment scores
- DPME provide feedback and open dialogue on scores and improvements
- Final scores agreed after corrective evidence is provided or common understanding achieved

- Department develops management improvement plans based on feedback, moderation and learning workshops
- Department consistently monitors implementation
- Department prepares for the next round of MPAT implementation

PLAN, IMPROVE AND MONITOR

> **Comment [KC1]:** We said we will add something about improvement plans commencing at this stage

National departments conducted their self-assessments and uploaded corresponding evidence using a web-enabled system by October 2013. The Department of Performance Monitoring and Evaluation (DPME) provided support and assisted departments to work though the internal process of review. The external moderation was conducted from 18 to 22 November 2013. The moderators were drawn from the Department of Public Service and Administration (DPSA), Office of the Public Service Commission (OPSC), Justice and Constitutional Development, South African Human Rights Commission, National Treasury (NT) and officials from national and provincial departments that have expertise in the management practices assessed by MPAT.

The departments received feedback on their moderated scores in February 2014 and had the opportunity to engage with the DPME and provide additional evidence if necessary. This period of engagement and challenge is an important part of the MPAT process as it enables departments to better understand management processes, requirements and the logic of the policies. The dialogue leads to constructive proposals about improving management processes and MPAT itself. The feedback phase concluded in May 2014.

Given that MPAT involves internal verification and sign-off, moderation, feedback and an opportunity to challenge, the final scores in this report can be considered to provide an accurate reflection of the state of management practices in national departments in 2013. This report presents the MPAT results for the 2013 financial year for National Departments (ND). Its purpose is to inform departments about and contextualise the state of management practices at national government level.

For the first time, the report includes the learning from the good practice cases (Table 1) in the overview of the results. In this regard, it explores compliance in national departments as well as the conditions for, and enablers of, compliant management practice. The report provides a brief overview on the state of compliance across national departments and in each of the four KPAs to support the identification of management priorities. It also identifies national government-wide trends and practices to assist departments and senior managers to improve compliance and management performance.
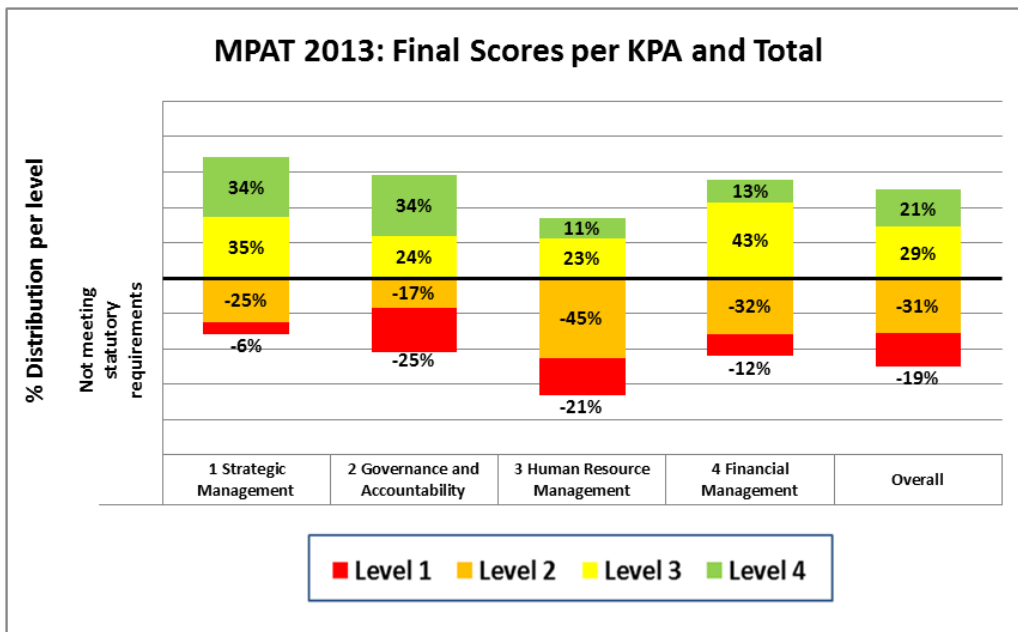
Table 1: Good practice cases

KPA 1: STRATEGIC MANAGEMENT	
1.3.1 Monitoring & evaluation	Trade & Industry
KPA 2: GOVERNANCE & ACCOUNTABILITY	
2.1.1 Service delivery improvement	Home Affairs
2.6.1 Risk	Mineral Resources
2.4.2 Fraud	Mineral Resources
KPA 3: HUMAN RESOURCE MANAGEMENT	
3.1.2 Organisational development	Energy
3.2.2 Recruitment & retention	GCIS
3.4.2 Disciplinary process	Mineral Resources
KPA 4: FINANCIAL MANAGEMENT	
4.2.2 Payment of suppliers	Energy

2. Overview of National Departments

This section of the report provides, firstly, an overview of the state of management performance in 2013. Secondly, a comparison of MPAT 2012 and 2103 results is undertaken to identify good practice improvements as well as areas of critical concern. Finally, an assessment of each KPA is provided combining the MPAT results with the findings from the cases studies. The overall finding is that MPAT has succeeded in creating awareness and commitment to improving management performance.

Across all the MPAT standards measured in 2013, 50% of national and provincial departments' scores are compliant (at least level 3). Figure 2 provides an overview of ND average performance per KPA and show an average of 49% compliance. National departments performed best in the area of Financial Management with 67% compliance with legal requirements, of which 23% are working smartly. This is followed by Strategic Management and Governance and Accountability. It is only in the area of Human Resource Management that National Departments, following the national norm, are not compliant with the legal requirements. In this regard, only 41% are compliant of which 13% work smart.

Figure 2: MPAT scores for National Departments per KPA for 2013

These scores reflect the national trend, also identified in the good practice cases, to do better at planning and oversight compliance (following templates), than in those areas which require the operationalization of strategies through integrated human resource and financial management. While NDs do seem to be slightly better at FM and HRM, these areas still need to be strategically improved to ensure the implementation of government

priorities and plans. A reason for the slightly better performance in HRM and FM might be the closer proximity of ND to Treasury and the DPSA.

Figure 3: All RSA average per KPA compared to ND average per KPA 2013

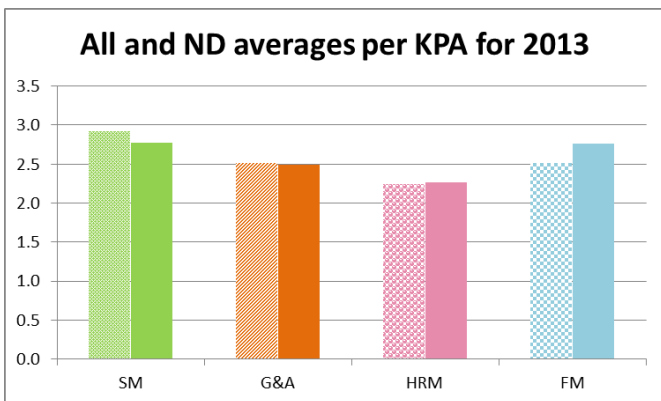**All and ND averages per KPA for 2013**

Figure 3, which compares the combined provincial and national average per KPA (in pattern) with the ND only average (solid), demonstrates that Financial Management is an area in which ND's outperform the national average. This might suggest a need to strengthen provincial Treasuries. In all the other KPAs they are either slightly below or on par. KPA 1 shows 58% (vs 69%), KPA 2 56% (vs 61%) and KPA 4 67% (vs 56%) compliance. Only 41% (vs 36%) of national departments meet the statutory requirements for KPA 3. The area of HRM proved to be a challenge in the public service which requires a national intervention strategy.

Figure 4 provides a visual view for strategic diagnosis by highlighting smart performance and critical areas of improvement. For example, mainly green columns indicate smart management practice by most departments. These are clustered almost entirely in KPA 2 (G&A), with the exception of Strategic Planning. These standards include management structure, audit committees, risk management, and financial and administrative delegations. This suggests there are lessons to be learned from how these policies are implemented and supported. It also implies that departments are more able to do direct compliance (step by step guidelines and deadlines) and oversight activities. Mainly yellow columns indicate where quick wins may be made by interventions to convert 3s into 4s, for example, in areas such demand, acquisitions and logistics management.

In contrast, mostly red columns suggest a need for intervention. Service delivery improvement plans (SDIP), promotion of access to information (PAIA), diversity management, and disciplinary cases are areas of weakness across national government. These can be explained, in part, by the introduction of new standards or improvements in standards. Nonetheless, these are areas which need a sustained intervention over time to resolve. In addition, HR planning, performance management (PMDS) and payment of suppliers show high levels of orange suggesting a need to tighten up on compliance in these areas.

Finally, horizontal readings enable individual departments to identify successes to maintain, as well as areas for improvement. Excelling departments, which are mainly green, such as Trade and Industry, Environment, DPME, Tourism, GCIS, Science and Technology or Energy can serve as compliance exemplars. Conversely, Military Veterans

and Women, Children, and People with Disabilities, need some concerted attention in the standards of ethics, fraud, internal audit and risk. These are areas for improvement.

Figure 4: 2013 MPAT scores for all national departments

This figure provides a picture of MPAT 2013 scores. A vertical reading highlights good managementg practice (mostly green) and poor compliance (mostly red) standards. Similarly, a horizontal view reveals which departments work mostly smart (mostly green) and which do not (mostly red and orange). The departments are ranked from the highest to the lowest number of 4 scores.

Row labels (top to bottom):
4.2.3 Unauthorised, etc; 4.2.2 Paym't of Suppl; 4.2.1 Cash Flow; 4.1.4 Disposal Mgt; 4.1.3 Logistics Mgt; 4.1.2 Acquisition Mgt; 4.1.1 Demand Mgt; 3.4.2 Discipl Cases; 3.3.3 PMDS HOD; 3.3.2 SMS PMDS; 3.3.1 1-12 PMDS; 3.2.5: Health & Wellness; 3.2.4 Mgt Diversity; 3.2.2 Recr & Reten; 3.2.1 Pay Sheet Cert; 3.1.3 HR Dev Plan; 3.1.2 Org Design; 3.1.1 HR Planning; 2.7.2 Deleg's: PFMA; 2.7.1 Deleg's: PSA; 2.6.1 Risk Mgt; 2.5.1 Intel Audit; 2.4.2 Fraud Prev; 2.4.1 Prof Ethics; 2.3.2 Audit Comm; 2.2.1 Mgt Struct; 2.1.10.1 PAIA; 2.1.1 SDIP; 1.3.1 M&E; 1.1.2 APP; 1.1.1 Strat Plans

Column labels (departments): ND Trade & Ind; ND Science and Tech; ND PM&E; ND Enviro; ND GCIS; ND Tourism; ND Energy; ND Min Res; ND Presidency; ND Police; ND B Educ; ND Justice; ND PSC; ND Health; ND Treasury; ND PALAMA; ND Transp; ND Statis SA; ND Comm; ND Rural Dev & Land; ND Home Affairs; ND A,F & F; ND Hig Educ; ND Soc Dev; ND COG; ND PSA; ND Defence; ND Hum Settl; ND Sports & Recr; ND Econ Dev; ND A & C; ND Trad Aff; ND Correct; ND IRCO; ND Pub Enterp; ND Labour; ND Water Aff; ND IPID; ND Pub Works; ND WC & D; ND Mil Vet

| Row	% Level 4	% Level 3	% Level 2	% Level 1
4.2.3 Unauthorised, etc	32%	34%	29%	5%
4.2.2 Paym't of Suppl	12%	5%	78%	5%
4.2.1 Cash Flow	51%	34%	10%	5%
4.1.4 Disposal Mgt	34%	46%	15%	5%
4.1.3 Logistics Mgt	5%	76%	15%	5%
4.1.2 Acquisition Mgt	22%	46%	27%	5%
4.1.1 Demand Mgt	5%	66%	27%	2%
3.4.2 Discipl Cases	12%	5%	44%	39%
3.3.3 PMDS HOD	16%	26%	45%	13%
3.3.2 SMS PMDS	15%	15%	66%	5%
3.3.1 1-12 PMDS	29%	24%	46%	0%
3.2.5: Health & Wellness	0%	5%	61%	34%
3.2.4 Mgt Diversity	2%	0%	12%	85%
3.2.2 Recr & Reten	32%	49%	20%	0%
3.2.1 Pay Sheet Cert	15%	44%	39%	2%
3.1.3 HR Dev Plan	12%	61%	20%	7%
3.1.2 Org Design	10%	44%	41%	5%
3.1.1 HR Planning	7%	17%	68%	7%
2.7.2 Deleg's: PFMA	54%	32%	7%	7%
2.7.1 Deleg's: PSA	63%	27%	7%	2%
2.6.1 Risk Mgt	41%	20%	17%	22%
2.5.1 Intel Audit	44%	5%	39%	12%
2.4.2 Fraud Prev	24%	15%	20%	41%
2.4.1 Prof Ethics	20%	46%	5%	29%
2.3.2 Audit Comm	49%	27%	22%	2%
2.2.1 Mgt Struct	54%	15%	10%	22%
2.1.10.1 PAIA	2%	12%	0%	85%
2.1.1 SDIP	5%	10%	27%	59%
1.3.1 M&E	12%	37%	44%	7%
1.1.2 APP	5%	39%	51%	5%
1.1.1 Strat Plans	78%	15%	5%	2%

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Figure 5 provides a ranking of departments based on total MPAT scores. The top five departments are Trade and Industry (DTI), DPME, Environment, Tourism and Energy. In the bottom five are Military Veteran, WC&D, Public Enterprises and Labour. While the top performers are largely similar from 2012 to 2013, the poor performers have shifted slightly due to deteriorations in MPAT scares. These will be explored in more detail in the following section.

Figure 5: Average MPAT scores for national departments for 2012 and 2013

This graph provides MPAT average scores across KPAs indicating overall performance for 2013 and changes from 2012 to 2103. The graph is ranked from highest to lower performer in 2013.

Average MPAT scores for National departments for 2012 (diamond) and 2013 (bar)

■ Average 2013   ◆ Average 2012
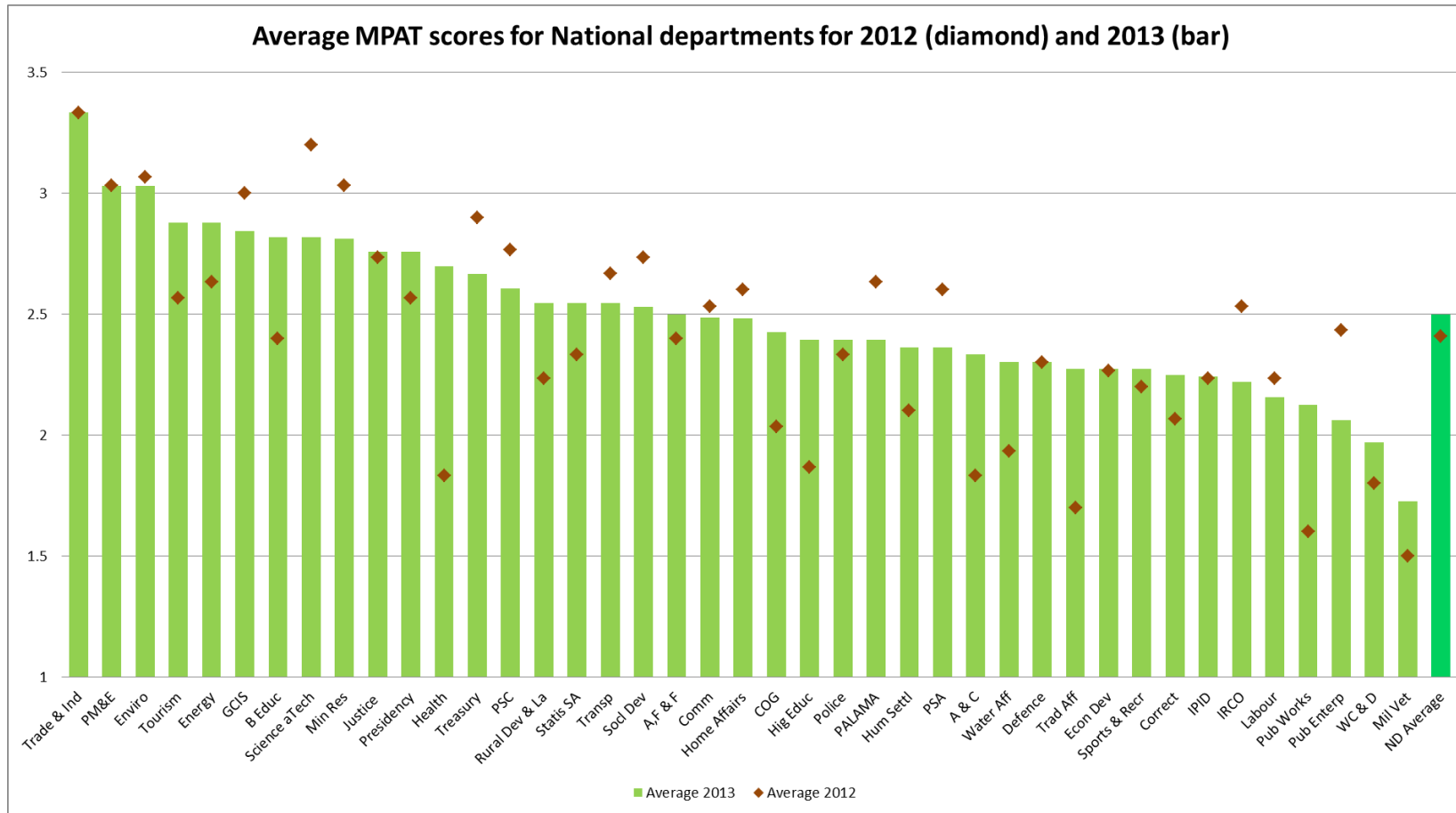
Changes from 2012 to 2013

There has been an overall improvement in performance across national departments from 2012 to 2013. Figure 5, in addition to providing a ranking, gives an indication of which departments have improved from 2012 (diamond), which still need improvement, as well as those that have declined. For example, the Department of Health shows a significant improvement from 2012 to 2013. Examining the strategies of this and other improved departments (including among others Basic and Higher Education, Arts and Culture, Traditional Affairs and Public Works) will provide useful pointers on management performance.

It is worth noting that 15 out of 41 departments experienced declines in total scores from 2012 to 2013, including Science and Technology, Public Service and Administration, International Relations and Public Enterprises. These reasons for this are not clear. There has been some shifting of political and executive leadership, but not in all cases. Examining the causes of this decline may provide early warning systems for compliance failures. However, the majority of departments have improved, and some significantly.

Figure 6: Changes in KPA averages across national departments from 2012 to 2013
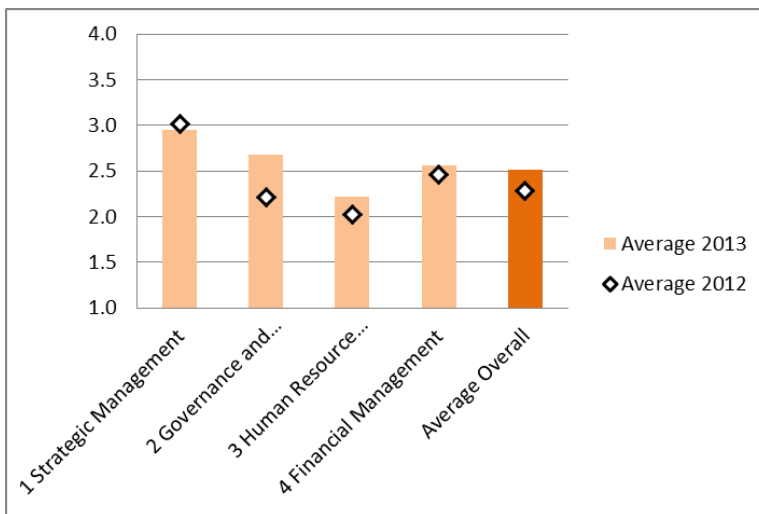
Figure 6 tracks changes across KPAs from 2012 (the diamond) to 2013 (the bar) showing a slight overall improvement in MPAT scores, despite some tougher moderation standards and more rigorous application. The decline in SM is likely due to changes made to standards for basic compliance. The very slight decline in FM might similarly be explained by a change in the standard criteria for Payment of Suppliers. FM presents a picture of mainly even performance across the two years.

There were slight improvements in G&A and HRM in National Departments. G&A improved notably in the oversight compliance areas. National departments improved specifically in PSA and PFMA delegations. However, there is a general deterioration in national departments in the area of APPs suggesting a possible disconnect between the granting of delegations and organisational performance management.

When the management practice profile of the aggregate national departments is compared with the aggregate of the provinces, it is notable, that with the exception of the Financial Management, the provinces are now doing better (on average) than the national departments (see Figure 7). Figure 7 repeats an analysis from 2012 showing the ranking of national departments as a group in relation to the provinces. As can be seen, national departments have been third for two years, with Western Cape at the top and North West (despite improvements) at the bottom. The improved provincial performance may be due to stronger, coordinated support provided by policy departments. This suggests that some national departments may benefit from similar support. This may confirm the NDP recommendation to establish a public service head responsible for providing assistance to national departments that are falling behind.

Figure 7: 2013 provincial and national KPA ratings

2013 RANKINGS	KPA1_2013	KPA2_2013	KPA3_2013	KPA4_2013	KPA Av_2013
WC	10	10	10	10	10
LP	4	9	8	8	9
ND	3	5	9	9	8
GP	9	7	3	3	7
NC	7	8	5	4	6
EC	2	6	7	7	5
MP	6	4	4	2	4
KZN	8	1	6	6	3
FS	5	2	1	5	2
NW	1	3	2	1	1

2012 RANKINGS	KPA1_2012	KPA2_2012	KPA3_2012	KPA4_2012	KPA Av_2012
WC	10	10	10	10	10
MP	4	9	7	8	9
ND	7	6	9	9	8
FS	9	8	5	6	7
LP	4	7	6	3	6
NC	4	4	4	7	5
KZN	3	2	8	5	4
GP	8	3	2	4	3
EC	2	1	3	2	2
NW	1	5	1	1	1
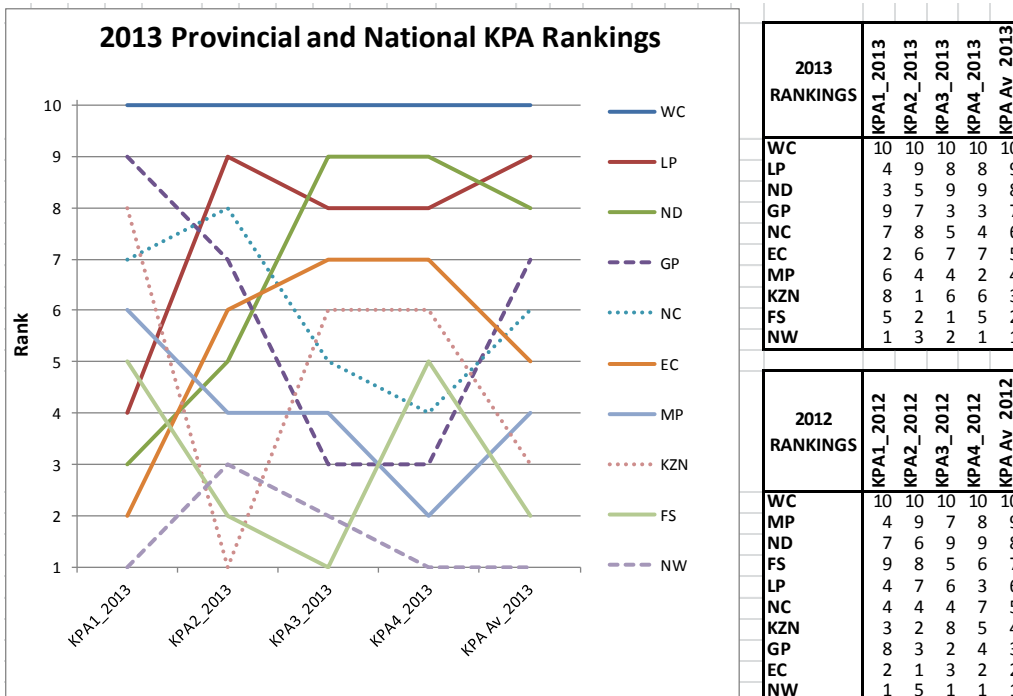
A comprehensive overview of changes for 30 standards from 2012 to 2013 is provided in Figure 8. This figure provides insight into the quality of changing management practices over a two year period allowing a view of recurring challenges or incremental improvement. Similarly to Figure 4, read the matrix downwards for changes in a particular standard, or across for changes in a department (organised from most changes to least).

For example, reading downwards, shows that there have been in PSA and PFMA delegations across national departments indicated by the number of light and dark browns. Conversely, the many light and dark blues beneath APPs and Payment of Suppliers show a general deterioration in these respects. Similarly, reading crosswise, one may see departments with a preponderance of dark or light browns, some yellows, and few blues, that are generally improving their compliance since 2012, such as Health or Public Works.

Figure 8: 2012 to 2013 changes in MPAT scores for national departments

A vertical reading highlights positive change (mostly brown) and negative change (mostly blue) in standards. Yellow represents no change. Dark brown cells represent improvements of two or more levels in a standard and light brown shows an improvement of one level. Similarly dark blue shows a decrease by 2 levels and light by 1.

Change in scores from MPAT 2012 to MPAT 2013

Legend	
Score increased by 2 or more levels	Score increased by 1 level
Score decreased by 2 or more levels	Score not applicable
Score remained the same	
MPAT 2013 score (3)	
Score decreased by 1 level	

NB: Standards for which comparison is not possible are ommitted. These are: 2.8.1, 2.9.1, 2.10.1, 3.2.5 and 5.1.1

More advanced factor, path and cross-correlation analyses of MPAT show relationships between standards and KPAs, as well as external indicators of performance, most notably the Auditor General's (AG) audit of predetermined objectives (performance). For example, performance management correlates with many standards in SM and G&A, but less with FM. This signals the lateral importance of performance management and is corroborated in the path analysis. FM in general correlates less with other standards than before suggesting a worsening integration of strategy and operations.

There are some interesting insights which emerge from the cross correlations between MPAT and exterior performance indicators. For example, the external criterion that correlates most extensively with MPAT standards is whether departments give feedback on NACH (Corruption Hotline) instances. Planning, monitoring, integrity and risk management, organisational design and HR planning, performance management and control of unauthorised expenditure correlates with the percentage of performance objectives as measured by the Auditor-General.

Finally, while the case research highlights the critical importance of political and administrative leadership in driving change and building a performance culture, the cross-correlations associate stable leadership (number of years in position) with good planning and monitoring, and also sound finances, reflected in prompt payments of suppliers. Noteworthy additional correlates are with delegations to mid-levels and with logistics – requirements for getting things done.

2.1 Strategic Management

Strategic management is the comprehensive collection of on-going activities and processes to systematically coordinate and align resources and actions with mission, vision and strategy throughout the organisation. It goes beyond the development of a strategic plan. Strategic management includes the deployment and implementation of the strategic plan throughout the organisation (via APPs), the measurement and evaluation of results, and the implementation of improvements based on monitoring and evaluation. Effective strategic management involves using information on the organisation's performance to revise the strategy and inform annual performance plans. Effective monitoring allow for early warning signals.

Figure 9: Strategic management standards 2012 and 2013 for national departments
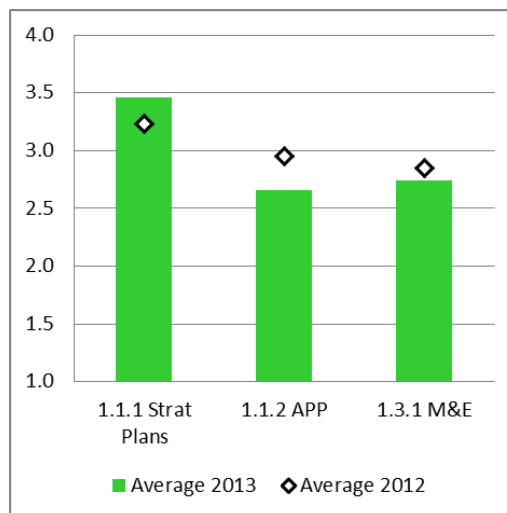
Compliance with respect to the key performance area of Strategic Management is monitored through three standards. Two of these speak to the broader area of Strategic Planning, which is the existence and quality of Strategic Plans and Annual Performance

Plans (APP). The third relates to the larger area of Monitoring and Evaluation (M&E) and is specifically concerned with the integration of M&E into performance and strategic management (Figure 9).

National departments' results in Strategic Management were the strongest for strategic plans being in place, with only 6 departments failing to meet the legal/regulatory requirements for strategic planning. There is, however, a strong deterioration from MPAT 2012 in the APPs and M&E. This may, in part, be attributed to additional requirements that have been set for APPs which used pronouncements by the Auditor-General (AG) on the percentage of targets achieved as well as the quality of indicators and targets.

There, nevertheless, appears to be a gap between planning and implementation, evident in the decline in APP scores from 2012 to 2013. The M&E standard also shows slippage downwards. Officials note a misalignment between planning and its operationalization through structures, systems and people. This lack of alignment seems to present as a gap between reporting compliance and performance compliance. It is easier for departments to comply with the required template driven standards for strategic planning, than meet the performance based requirements specified in the APPs and M&E.

The reduction in the M&E scores suggest deficiencies in the departmental performance information in terms of processes, systems and the reliability of the information produced. Departments' inability to reliably monitor and report on what they actually achieved will have to be addressed if progress is to be made with evidence based decision-making in government. The good practice in this regards to routinize M&E into departmental systems and processes so that all officials take responsibility and action.

2.2   Governance and Accountability

Governance and Accountability 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.

There are 10 standards in the G&A KPA: service delivery improvement plans, functionality of management structures, Audit Committees, professional ethics, fraud prevention, internal audit, risk management, delegations in terms of the Public Service Act (PSA) and the Public Finance Management Act (PFMA), governance of information technology and the Promotion of Access to Information Act (PAIA). A twelfth standard on MPAT implementation was added in 2013 to assess processes to monitor and improve compliance in departments (but is not reported on). PAJA was not assessed in 2013 but was in 2012 due to refinements that had to be made to the existing standard.

The G&A KPA (see Figure 10) includes standards for accounting for authorised actions (such as audit, risk and delegations) in terms being responsible for doing that which is mandated, as well as those related to a professional service ethos in terms of accounting

for what's done (service delivery, fraud prevention, professional ethics and PAIA). The latter involves building a professional 'can do' management and accountability culture, while the former involves doing things right in terms of the requirements. Figure 10 shows that there have been improvements in all the standards with the exception of SDIP and Fraud Prevention.

Figure 10: G&A standards for national departments for 2012 and 2013
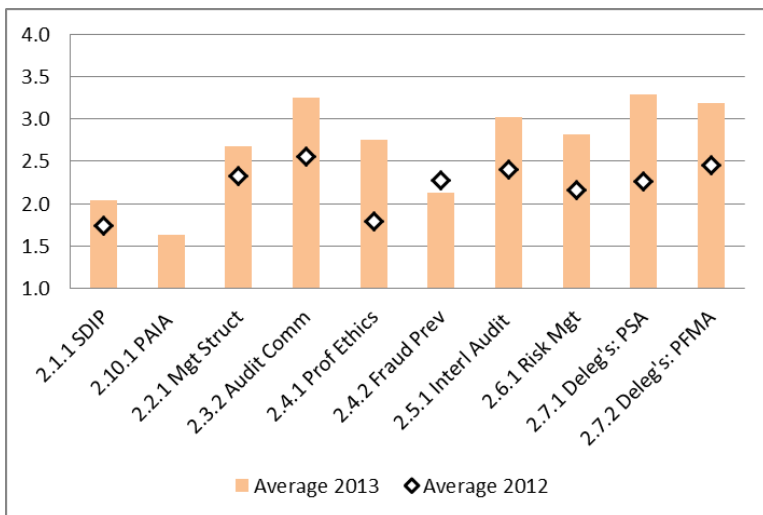
While the apparatus for financial oversight seems strong, the decline in Fraud Prevention does raise concerns about actions taken following Audit and Internal Audit (which is where oversight is put to practical test). One of the reasons for the decline in SDIP is explained again by a change in moderation criteria. However, this pattern fits the one identified in SM where departments have difficulty operationalising strategy. Departments seem to be falling short on aspects of compliance most related to implementation. Learning from the cases suggests the importance of incremental and targeted change, a compliance culture and work flow analysis to support delivery.

SDIP is monitored by the Forum of South African Directors-General (FOSAD) so the low levels of compliance are a matter of concern. This standard is at the heart of the service delivery process. However, few departments engage in active work-flow analysis or take operations management seriously. Even though the Department of Home Affairs may not be complying fully with SDIP policy (it has no Service Charter), it has established delivery standards based on an operational analysis which prioritises the delivery of passports and IDs. There is a need to think through the policy prescripts in relation to operational management techniques. The Department of Public Service and Administration (DPSA) requires department to submit plans but does not follow up to assess implementation.

2.3   Human Resource Management

Human Resources Management is primarily concerned with how people are managed within organisations, focusing on the plans, policies and systems which maximise performance to achieve strategic objectives. The quality of HRM has a significant influence on the overall performance of an organisation and its ability to deliver services. A major portion of departmental budgets is spent on human resources and effective planning for workforce needs as well aligning skills, roles and responsibilities to departmental objectives is essential to ensure value for the investment.

Compliance in with respect to KPA 3: HRM is monitored through 11 standards clustered in four key areas: HR strategy and planning, HR resource practices and administration, performance management, and employee relations (see Figure 10). These standards are strongly interrelated and one impacts on another. For example, poor HR planning reflects in inappropriate recruitment, and poor organisational design impacts on retention and performance. Every aspect of HRM is highly regulated, requiring strict compliance to well-established legislation. Notable improvements from 2012 to 2013 are in the areas of HR development planning, recruitment and retention and disciplinary cases (see Figure 11).

Figure 11: HRM standards for national departments per year 2012 and 2013
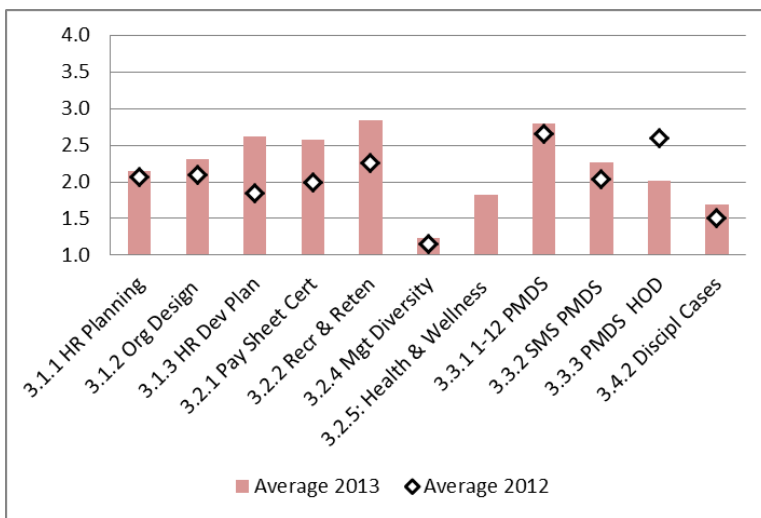
Despite improvements from 2012 to 2013, HRM remains in critical condition as many departments are not compliant with basic regulations. The need for an HRM intervention is not a new insight, as the Public Service Commission (PSC) and the DPSA have stressed the need to improve the skills of human resource practitioners to enable them to operate as strategic partners to management.

The good practice cases show that HRM is most effective when managers are supported by HR practitioners to manage their staff and build a performance culture. Departments that use multiple responsibilities to integrate their work, or trust internal capacity over outsourcing, reap benefits. Managers need to be responsible for HR and include this into performance agreements. Performance management with HR planning are important aspects of implementation.

2.4   Financial Management

Financial Management deals with all aspects of resource mobilisation and expenditure management in government departments. Financial management processes involve the administration of funds used to deliver public services and includes the prioritisation of programmes, the budgetary process, efficient management of resources and exercising controls. The effective, efficient and economic use of public finances is essential for growth and development of the country. FM is a critical function in all departments as it links planning to implementation and national departments do reasonable well in this area.

The Public Finance Management Act (PFMA) promotes good financial management through the effective and efficient use of the limited resources. The mandated processes include financial management and accountability systems, reporting and dealing with waste and corruption. In this regard, the KPA covers Supply Chain Management (SCM) and Expenditure Management (EM) practices and complements the monitoring done by National Treasury. SCM standards include demand, acquisition, logistics and disposal management. EM includes cash flow, payment of suppliers and unauthorised, irregular, fruitless and wasteful expenditure. Departments perform better in supply chain management with over 50% compliance (see Figure 12). These processes are probably easier to implement in accordance with the prescripts.

While cash flow is mostly compliant (because money follows), in expenditure management, many departments score 1s or 2s on Payment of Suppliers, notwithstanding the FOSAD monitored and long-proclaimed intention for government to pay in thirty days. In fact, only 4 national departments work smart in this area and 2 are compliant. One of the reasons for the sharp decline in this standard from 2012 to 2013 has to do with a change in the moderation criteria so that payment within 30 days was regarded as basic compliance, not good managementg practice. The cases show that FOSAD monitoring of the payment of suppliers acted as a catalyst to prompt senior management in action. Senior management support, combined with the right systems and consistent monitoring facilitated the establishment of a payment process.

Figure 12: FM standards for national departments for 2012 and 2013
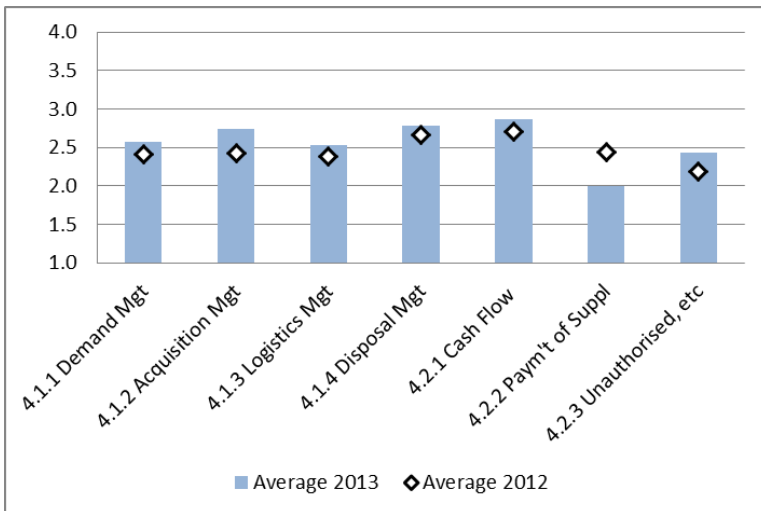
A question to be considered with regard to this KPA is whether departments are taking issues of non-compliance seriously? Is there a culture of impunity as there are no consequences for doing poorly? A similar point can be made with regard to unauthorised expenditure. FOSAD monitoring of compliance is a way to entrench accountability, and should perhaps be extended to unauthorised expenditure. Payment of suppliers correlates to service delivery, as does fruitless and wasteful expenditure in terms of the large amounts of money lost that could have been spent elsewhere.

3.   Conclusions and lessons

MPAT's primary purpose is to improve performance using standards to benchmark management practice. MPAT reporting induces accountability through the monitoring, review and improvement process. In this regard, MPAT operates as a catalyst for the identification of good practice, policy inconsistency, process misalignment, poor performance and innovation. Monitoring the quality of management compliance improves management performance by creating accountability. MPAT is adding value to departments that that use it to initiate organisational change and improvement.

MPAT 2013 suggests that departments are better at planning and formal (audit) compliance than operationalization. Performance is better in standards which require departments to follow set procedures (like strategic planning). Departments seem less able to comply when time bound performance standards are included (payment of suppliers), or when a horizontal combination of organisational processes is required (APPs or SDIPs). Poor integration across the KPAs suggests that planning and audit reporting often take place as due process in isolation from operational, human resource or financial considerations. There is a lack of alignment and integration of planning and operations.

M&E is the thread that ties strategy, governance and resources management together. M&E, when done properly, brings together budgets, financial management and HRM; performance management (organisational and individual); as well as governance (reporting and accountability). The challenge is to create balance between these difference components in terms of resources, attention and quality, but also to get the sequencing of the various activities right. Smart departments use the evidence collected from reporting processes to review practice and plan improvements.

MPAT 2013 shows that key drivers of good management practices and management improvements are:
- Consistent and accountable leadership which actively builds a committed performance monitoring culture.
- Policy and planning which provides a foundation for departments to meet their needs. The lesson is to set targets and stick to them.
- Compliance as a source of innovation. Using factual evidence and data in engagements with internal and external stakeholders drives change.
- Needing to do more with less is a driver of innovation and improvement. The cases demonstrate that departments are effective when they have to take responsibility for a set of activities without the allocated resources.

In addition to the drivers of change, MPAT 2013 shows that there are a number of conditions that sustain continuous organisational improvement:
- A professional and accountable service culture is a requirement for successful delivery.
- Effective and consistent monitoring for learning and action based on evidence is critical to sustaining improvement. This requires a predictable learning and review process which forms part of daily management practice.

- Target setting is an important part of aligning strategic and operational processes without conflating them. This enables a focus on intended outcomes based on due assessment of available resources.
- The right people, with the right skills, using the right tools and systems are a fundamental to service delivery.