



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION

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**Performance Assessment Tool (PAT) Framework  
Document**

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**Version 1**

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# Management Performance Assessment Framework

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## List of Acronyms

OAG	Office of the Auditor General
OPSC	Office of the Public Service Commission
DCOG	Department of Cooperative Governance
DPME	Department for Performance Monitoring and Evaluation
DPSA	Department for Public Service and Administration
FMCM	Financial Management Capability Maturity Model
KMPA	Key Management Performance Area
M&E	Monitoring and evaluation
MPAT	Management Performance Assessment Tool
NT	National Treasury
OoP	Office of the Premier

# 1. INTRODUCTION AND BACKGROUND

## 1.1 What are management performance assessments and why do them?

Outcome 12, “an efficient, effective and development orientated public service”, and Outcome 9, “efficient and effective local government”, are essential to achieving all the other outcomes. This is because it is necessary to have an effective and efficient administrative machinery in order to successfully implement policies and programmes.

Effective service delivery depends on the translation of inputs into outputs through a range of generic management practices. Management performance assessment involves assessing the quality of these management practices and is intended to contribute to establishing a uniform level of effective management competence and capacity.

*Management performance assessments:*

- Collate existing management policy and guidelines into a single framework of standards and indicators of good management practice
- Provide a snapshot of the quality of management practices in departments and municipalities across a range of key performance areas
- Enable managers to test their own management practices against others, and identify management practice improvements that will enable improved service delivery
- Provide a basis for ongoing learning about improved management practices
- Enable the targeting of support programmes and interventions.

*They do not:*

- Duplicate the standards and indicators established in existing management policies and frameworks
- Create a new system of reporting or substantial additional reporting burden for managers
- Involve monitoring of policy and programme results
- Involve the assessment of the performance of individuals.

Management performance assessment does not include assessments of policy and programme results, which is done through other mechanisms, including through the monitoring and evaluation of the implementation of the delivery agreements for the outcomes. It also does not include an assessment of actual deliverables against planned deliverables, which is the focus of the Auditor General’s performance audits. Furthermore, it does not include assessment of the performance of individual officials, which is done in terms of the individual performance management system managed by the DPSA.

However, each component of performance assessment (individual, management and programme) is an important element of an overall performance monitoring system.

Management performance assessments contribute to improving service delivery through providing a holistic picture of the quality of management practices within a department or municipality, against common standards. This information can be used by the leadership of a department or municipality to inform improvements, by transversal departments to provide targeted support where it is needed most, and by the executive, legislature and public to hold management to account.

*Each component of performance assessment (individual, management and programme) is an important element of an overall performance monitoring system.*

## 1.2 International review

DPME carried out a review of management performance assessment methodologies of the governments of Russia, UK, Canada, New Zealand, Kenya, Turkey and India. The review indicated that management performance assessments can make a significant contribution to improving the performance of government, if the assessment process is supported and driven by the head of the executive and if the leadership of the departments being assessed take ownership of the assessment process and the findings.

Other key lessons from the international experience include that successful assessment methodologies:

- promote learning and improved management practice through supporting self-evaluation and placing responsibility for improvement with managers themselves
- are as short and simple as possible, while being sufficiently detailed to accurately assess the quality of management practices
- are developed on an ongoing basis, with continuous improvement of the assessment instruments.

*Management performance assessments should be as short and simple as possible while being sufficiently detailed to accurately assess the quality of management practices*

These lessons have been incorporated in the methodology proposed in this document, which includes a strong element of self-assessment.

## 1.3 Mandates for assessing management performance

Section 85 of Chapter 5 of the Constitution provides for the President to exercise executive authority, together with the other members of the Cabinet, by coordinating the functions of state departments and administrations. Section 125 of Chapter 6 provides for a similar role

for the Premiers at provincial level, and section 139 provides for provincial intervention in local government. It therefore follows that there is a need for the Presidency to monitor the performance of national departments, and to work with the Offices of the Premier and provincial departments responsible for local government to monitor the performance of provincial departments and municipalities. The President has mandated DPME to carry out this function.

Subsequently, DPME approached Cabinet in October 2010 with a request for approval to work with other transversal departments<sup>1</sup> and the Offices of the Premier to develop and pilot the implementation of a holistic management performance assessment tool, drawing on management performance information provided by the variety of existing tools which assess particular aspects of management performance.

The transversal departments responsible for establishing good management practice in the public service have put in place a range of policies, regulations and guidelines, covering management areas from strategic planning and budgeting to human resource management and financial management. However, there are some gaps in these frameworks and are they are not all of equal robustness. The Management Performance Assessment Tool (MPAT) which has been developed does not duplicate these existing frameworks. It simply integrates these into one framework that provides a holistic snapshot of the state of management practices in a department. It also includes standards and indicators for those management areas in which there are gaps in the existing frameworks.

*The Management Performance Assessment Tool which has been developed does not duplicate existing policies, regulations and guidelines*

#### **1.4 The process of developing the MPAT**

DPME has led a process of discussion and collaboration with the transversal departments responsible for improving various aspects of management practices (National Treasury, DPSA, DCOG and PALAMA) as well as the Premiers' Offices and the institutions with

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<sup>1</sup> The 'transversal departments' are the departments which have transversal administrative responsibilities related to generic management functions such as human resource management and financial management, and include National Treasury, DPSA, PALAMA and DCOG. In this document, the term 'transversal departments' also includes the independent monitoring bodies which are concerned with generic management functions, such as the OAG and the OPSC.

independent monitoring responsibilities (the OAG and the OPSC), to agree on a framework for holistic management performance assessments in South Africa.

The application of the MPAT has been piloted in several national transversal departments and is currently being piloted at provincial and municipal level, in conjunction with the Office of the Premier in Mpumalanga and the department responsible for local government in Kwa-Zulu Natal.

## **2. THE MANAGEMENT PERFORMANCE ASSESSMENT TOOL**

### **2.1 Objectives of the MPAT**

The objectives of the MPAT are to:

- Collate benchmarks for management performance
- Establish the baseline performance of departments and municipalities
- Provide managers with useful information to inform improvements
- Catalyse improvements in management
- For the worst performers, develop an agreed improvement plan and provide support where necessary
- Track improvements against the baseline performance.

### **2.2 Focus of the MPAT**

Figure 1 shows the processes which all departments and municipalities go through in order to convert inputs in outputs, outcomes and impacts. The MPAT focuses on the generic management practices which are used to translate inputs into outputs.

As illustrated in Figure 1, management performance will be assessed in the following four Key Management Performance Areas (KMPAs):

- Governance and accountability
- Strategic management
- Financial management
- Employees, systems and processes.

Figure 2 shows the specific areas of management performance which will be assessed for each KMPA.

Figure 1: Focus of MPAT

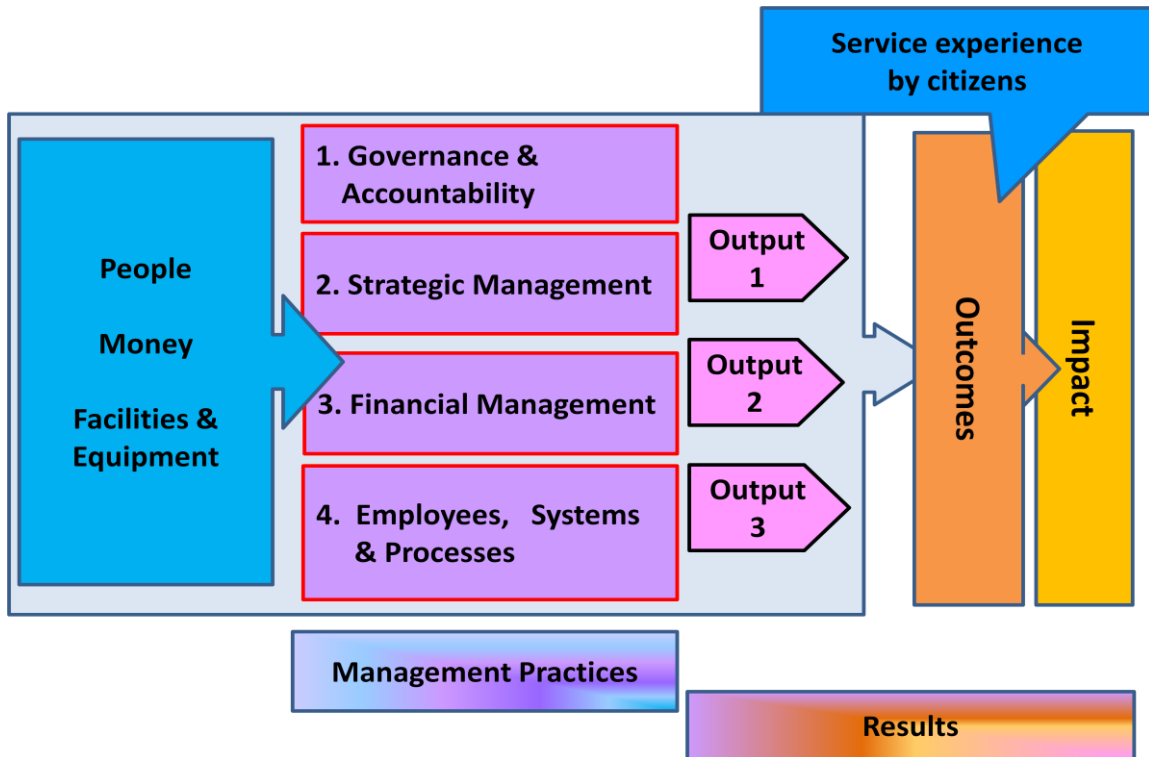
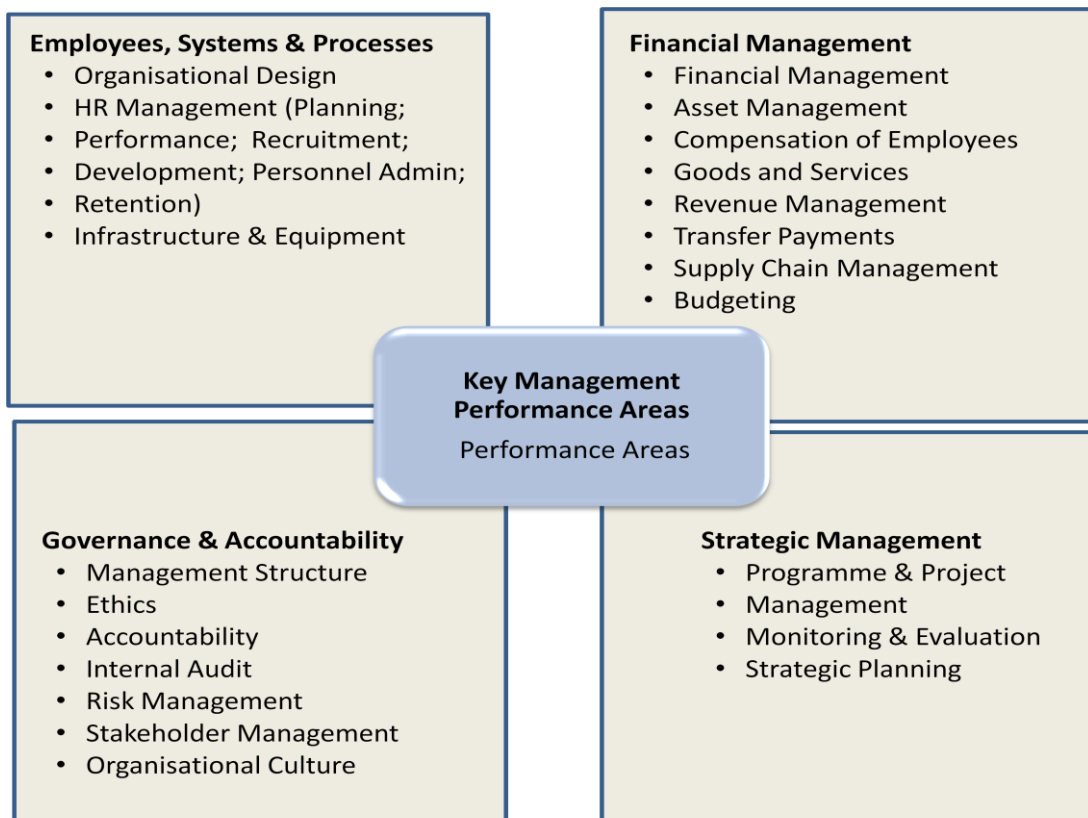


Figure 2 Key Management Performance Areas and performance areas





## 2.3 Assessment methodology

### 2.3.1 Determination of management quality standards and indicators for measuring management performance against the standards

As mentioned earlier, the transversal departments responsible for establishing good management practice in the public service have put in place a range of policies, regulations and guidelines, covering most of the management areas in Figure 2. These frameworks usually include quality standards. The MPAT uses these standards as the basis for measuring the quality of management practices.

A number of the transversal departments have also developed tools to assess specific areas of management against the standards in the frameworks (as indicated in the box below). Each of these tools focuses on a particular management area. OAG performance audits have not been included because they measure programme performance (actual performance against planned performance) rather than management performance. As far as possible, MPAT uses indicators from these existing tools and it uses the data from the application of the existing tools by the relevant transversal departments, thus avoiding duplication.

#### Existing mechanisms for assessing management practices

- DPSA:
  - Public Management Watch (indicator-based initiative that diagnoses the working environment within a department)
  - Organisational Readiness Tool (analysis of organisational functionality)
- National Treasury:
  - Financial Management Capability Maturity Model (assessment model to gauge the level of financial management maturity of a department or entity)
- OPSC:
  - State of the Public Service Report (evaluation of the extent to which the values and principles in section 195 of the Constitution are complied with)
- OAG
  - Compliance audits (compliance with the regulatory frameworks)

A review of all of the existing tools was carried out in the process of developing the MPAT. It was found that, in total, the tools include over 1000 indicators. Bearing in mind the lessons from the international experience that the methodology should be short and simple and should not overburden the management of a department, it was necessary to develop a

consolidated and reduced list of indicators, considering issues of data availability, usefulness of the indicator, and the priority of the indicator.

There are gaps in the existing frameworks, standards and assessment tools in some of the management areas listed in Figure 2 above. For example, government does not yet have a framework for programme management, and management assessment tools for some areas such as monitoring and evaluation have not yet been developed by the relevant transversal department. In such cases, it has been necessary to develop standards and indicators for the MPAT.

Over time, as the transversal departments develop improved and revised frameworks, as departments improve the quality of available data, and as experience of implementing MPAT is gained, continuous improvements will be made to the standards and indicators. DPME, the Offices of the Premier and the transversal departments will work collaboratively in this regard, through a community of practice which will be put in place for management performance assessments.

The indicators in the MPAT cover two dimensions of 'quality', both of which must be measured in order to obtain a complete picture of the quality of management practices. These are:

- a) compliance with the regulatory frameworks, and
- b) the efficiency and effectiveness of the management practices.

It is important to recognise that a department can be compliant with the regulatory frameworks for a certain management practice, but simultaneously inefficient and ineffective. The reason for this is that most of the frameworks empower managers to take decisions by providing for decentralised decision-making within a broad centralised policy framework. There is therefore considerable room for management discretion in the application of the frameworks. It is in the application of this management discretion that an important element of the quality of management practices lies. For example, procurement processes can be compliant with the supply chain regulations but can be slow and unresponsive and fail to deliver optimal value for money, because they have not been carried out smartly. In other words, the managers may not have chosen the most appropriate procurement approach within the range of approaches allowable within the regulatory framework.

*Management performance assessments will draw on key information from the OAG's reports, but will provide a broader perspective of management performance*

In general, quantitative indicators and the results of OAG reports can be used to assess whether a department is complying with regulatory requirements. However, it is necessary to use more qualitative methods, such as questionnaires or assessment by a subject matter specialist to assess the degree to which management practices result in the efficient and effective translation of inputs into outputs. The latter aspect is the key differentiator between management performance assessments and OAG audits which focus on compliance.

In order for a department or municipality to have good quality management practices, it must have both the capability to be compliant with the regulatory frameworks and the capability to be efficient and effective. Different types of departments require different management capabilities, for example, a

*A differentiated approach will be taken to the assessment of management practices, to take into account the differences between the work activities of different departments*

small department which only engages in small repeated procurements requires a basic level of transactional procurement capability whereas a large department which spends billions of rands on the procurement of complex goods or services requires a sophisticated level of strategic procurement capability. The MPAT will take this into account by weighting the indicators differently for different departments. Thus, compliance supply chain management indicators will be weighted higher for the department with the small and simple procurement budget, and qualitative supply chain management indicators (which measure value for money) will be weighted higher for the department with the large and complex procurement budget.

### 2.3.2 Development of a composite picture of management performance

The assessment results will be used to locate departments in terms of four progressive levels of management performance, as indicated in Figure 3 below. This will be done by developing an overall score for a department, based on its weighted scores for the various key performance areas.

**Figure 3 Levels of management performance**

Level	Description	Response
Under 25% Level 1	A department that has insufficient capability, is largely non-compliant and is performing poorly in terms of its management practices. It is not well placed to address these weaknesses in the short to medium term and needs additional action and support to improve performance for effective delivery.	Intense support: diagnostic assessment of the causes of the problems and assistance with the development, implementation and monitoring of an improvement plan
25% - 50% Level 2	A department that has improving capability, is partially compliant or improving its compliance, but is performing below expectations in terms of its management practices. There are no clear plans to improve its performance and support action is required.	Support similar to level one, but less intense
50% - 75% Level 3	A department that has sufficient capability, is fully compliant and its performance is adequate in terms of management practices. It has identified its capability gaps and is well placed to address them.	Monitor
75% - 100% Level 4	A department that has excellent capability, is fully compliant and is performing above expectations. There is evidence of learning and benchmarking against global good practice which confirms progress towards world class.	Develop and disseminate case studies

### 2.3.3 The assessment process

In terms of National Treasury strategic planning regulations and guidelines, an assessment of management performance (for programme one: administration) is a requirement of the annual planning process. However no detail guidance on how this is to be done has been provided. The MPAT provides guidance and an assessment mechanism in this regard.

Management performance assessments of departments will be aligned with the existing planning cycle (as specified by the strategic planning regulations and guidelines). DPME, Offices of the Premier, and provincial departments responsible for local government will send letters to Accounting Officers informing them of the assessment process and timeframes. Accounting Officers will be provided with the necessary assessment tools (a report card template and a standard questionnaire) and will be offered support in completing the process.

The assessment process consists of five steps, as described below.

### *Step 1*

In the first step, the Presidency / Office of the Premier / provincial department responsible for local government and the department or municipality being assessed draw on the results of the most recent application of the existing assessment tools and processes (such as the OAG's compliance audits, NT's Financial Management Capability Maturity Model and DSPA's Public Management Watch to partially complete the report card.

### *Step 2*

The second step is to carry out a self-assessment by the department or municipality using a standard questionnaire, which collects information regarding:

- management areas not covered by existing tools, e.g. monitoring and evaluation, programme management, and strategic planning
- aspects of management areas not covered by existing tools, e.g. efficiency and effectiveness in addition to compliance.

The results of the questionnaire are used to further populate the report card.

The internal audit section of the department or municipality being assessed is requested to verify the report cards at the end of step 2.

### *Step 3*

In some instances a further step of external assessment by a subject matter specialist may be required. This will only be done in management areas where this is necessary, for example where a department or municipality requires sophisticated procurement capabilities. It may also be done in instances where government is putting a particular emphasis on improving a particular area of management (such as the current emphasis on improving procurement).

The report card will be complete at the end of Step 3.

### *Step 4*

Once the assessment has been completed, there is an engagement between the assessors and the leadership of the department or municipality, to discuss the results of the assessment.

## Step 5

Where necessary, the department or municipality must then put in place a plan to address areas of weakness.

For those departments or municipalities whose overall score is at level 1 or 2, DPME or the Office of the Premier or the provincial department responsible for local government will work with other transversal departments to offer support. The support for a level 1 department or municipality will need to be more intense than the support for a level 2 department or municipality.

The support offered will include a diagnostic of the causes of the problems and assistance with the development, implementation and monitoring of an improvement plan. However, accounting officers remain accountable for responding to and continuously improving their performance. The solution to a department or municipality's problems does not lie outside of the department or municipality – sustainable change will only take place when the department or municipality itself takes responsibility for its performance and for improvements.

Departments at level 3 are operating within acceptable parameters and are capable of improving performance where required.

A department which scores at level four overall is a department that has excellent capability, is fully compliant and is performing above expectations. There is also evidence of benchmarking and learning. In such cases, good practice case studies will be developed and disseminated.

DPME, the Offices of the Premier, and the provincial departments responsible for local government will provide periodic summaries of the results of the assessments to Cabinet and provincial Executive Councils.

## **2.4 What the roles and responsibilities of the various parties?**

The roles and responsibilities of the various parties are as follows:

- Accounting officers:
  - Ensure that assessments are carried out and the report cards are completed
  - Where necessary, develop, implement and monitor improvement plans

- Executive Authorities:
  - Use the report card to monitor management performance and provide oversight of implementation of improvement plans
- DPME, Offices of the Premier and provincial departments responsible for local government:
  - Provide the President and the Premiers with a consolidated view of management performance across departments and municipalities, including analysis of key areas of weakness
  - In collaboration with other transversal departments:
    - Lead the continuous improvement of the MPAT
    - Monitor and support the implementation of the assessments
    - Facilitate support to level 1 and level 2 departments and municipalities
    - Develop case studies and learning networks for inspiring practices from level 4 departments
- President and Premiers:
  - Use the results as inputs into performance management meetings held between the President and Ministers, and Premiers and MECs
- Directors General of the Presidency and the Offices of the Premier
  - Use the results as inputs into the performance assessments of accounting officers
- Mayors:
  - Use the results as inputs into the performance assessments of accounting officers (municipal managers)
- Parliament / Provincial Legislature / Municipal Council
  - Use the results to support oversight.

### **3. IMPLEMENTATION**

Implementation of management performance assessments will be led by DPME and the Offices of the Premier with the support and partnership of the transversal departments, including National Treasury, provincial Treasuries and DPSA. DPME will work with the transversal departments on an ongoing basis to refine the assessment indicators.

In addition, alignment and co-ordination will be sought with other institutions that generate information about aspects of management practices, including the OAG, OPSC and PALAMA.

DPME will work with DCOG, the Offices of the Premier and provincial departments responsible for local government to implement management performance assessments at municipal level.

DPME will also work with the existing national forum for internal auditors, to mobilise their involvement in the verification of the information captured in the report cards.

The intention is to work towards an annual management performance assessment of each national and provincial department and municipality. DPME will work with the Offices of the Premier, DCOG and provincial departments responsible for local government to put in place the required databases to store and process the results of the assessments.

The results of the assessments of the management performance of departments will also become inputs into performance assessments of individual accounting officers.