THE QUEST FOR GOOD GOVERNANCE THROUGH PUBLIC SECTOR REFORM AND PERFORMANCE MEASUREMENT.

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<u>Abstract</u>

The study examines the rationale and application of good governance principles in the public sector. For the purpose of this study, the public sector refers to a country's administrative system or bureaucracy. This paper focuses on public sector reform in developing countries. The initial assumption is that public sector reform brings about efficient government. However, the study argues that only good governance brings about effective government. The argument presented in this study is that public sector reform is indeed conducive to providing efficient and effective service delivery to the citizen. However, it is also argued that it is important to find ways of assessing whether or not this is happening. In this respect, systems of monitoring and evaluation such as performance measurement become necessary tools of assessing how it contributes to good governance.

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Introduction

Attempts to undertake bureaucratic reform have been made for as long as bureaucracies have existed. However, the most obvious period of public sector reform was the reconstruction period following World War Two. Reforms after World War Two led to the creation of the welfare states, which resulted in states expanding their bureaucracies. The financial crisis which hit welfare states around the world in the late 1970s and early 1980s led to countries reducing the size of their bureaucracies and reducing their operational expenditure initiating a second set of worldwide public sector reforms.

Public sector or administrative reform has all been undertaken with the intention of improving the performance of the bureaucracy. The role of development in administrative reform has been underplayed for a great period of time and its importance was only acknowledged in the 1983 World Bank *World Development Report*. This Report looked at the management of development. The emphasis became that of 'efficiency and effectiveness of the market' (Turner and Hulme, 1997:105). The failure of governments to develop was now no longer blamed on ineffective policy but was instead placed on government departments performing poorly. The dominant argument then was that bureaucracies had to then become leaner and more efficient in order to improve development. 'Organisations had to become efficient and effective providing value for money for the services they provided and goods they produced' (Turner and Hulme, 1997:106).

The current argument is that although it remains important that government not only operates efficiently but also effectively, the manner in which it is pursued needs to be based on the concept of good governance.

Good governance is now seen as key to achieving socioeconomic development. It is described by Leftwich (1993:606) as having 'two parallel meanings which often overlap'. The one definition looks at encompassing a concern for administrative improvement whilst the second definition has a political slant. The focus of this study is based on the first meaning. It therefore adopts Leftwich's (1993:611) defintion where good governance means having "an efficient, open, accountable and audited public service which has the bureaucratic competence to help design and implement appropriate policies and manage whatever public sector there is" (Leftwich, 1993:611).

Objectives of the study

The study is primarily aimed at getting a theoretical understanding of the concept *good governance* through discussing public sector reform and performance measurement. It is a secondary literature analysis of public sector reform and performance measurement and how these are part of what is now commonly referred to as good governance.

The study aims to explore the rationale behind the introduction of good governance in the public sector. It will look at the arguments raised by international institutions such as the World Bank, who are compelling governments to implement good governance and

implement strategies of performance measurement. It aims to engage more critically with the assumption that the application of good governance will make government more efficient and effective. The thesis will also engage critically with the notion that performance measurement in the public service results in good governance.

Research Methodology

The study is a non-empirical study. It is a conceptual analysis and literature review of good governance within the larger debate of public sector reform and performance measurement. It is based purely on comparative and critical readings of texts relevant to public sector reform and specifically texts on good governance and performance measurement. The research design involves developing an understanding of the concepts of public sector reform, good governance and performance measurement with specific reference to the public sector.

Structure of the thesis

The thesis is divided into four chapters and begins with an introduction. The first chapter deals with Public Sector Reform. The second chapter provides a critique on Public Sector Reform and New Public Management while the third chapter looks at good governance and performance measurement. The thesis is then concluded in chapter four.

Chapter One examines public sector reform and provides a general discussion on the rational and objectives of the general public sector reform agenda with specific reference to developing countries. It aims to provide a backdrop and explanation of the arguments which inform contemporary discussions on the relationship between the public sector and good governance.

Chapter Two provides a critique of Public Sector Reform. It focuses specifically on the difficulties which developing countries have had with implementing reform that has been driven by the developed world and international monetary institutions such as the International Monetary Fund and the World Bank through, for example, Structural Adjustment Programmes.

Chapter Three promotes the need for good governance. It argues that it is a means through which democracy and development can be entrenched and that it can therefore contribute to the overall objective of creating and sustaining efficient and effective government. This chapter also critically examines performance measurement as a monitoring and evaluation system and how it relates to good governance.

CHAPTER ONE:

PUBLIC SECTOR REFORM

1.1 Introduction

The twentieth century has seen the expansion of state administrations in countries around the world (Turner and Hulme, 1997: 82). Bureaucracies have been established, by both first[1] and third[2] world states, as a means with which to administer the state in order to achieve development (Turner and Hulme, 1997: 82). Each state however differs in the manner in which they determine what the bureaucracy's functions are and in the manner in which they should carry out their activities (Turner and Hulme, 1997: 82).   This chapter will provide a general discussion on the rational and objectives of the general public sector reform agenda with specific reference to developing countries.   It aims to provide a backdrop and explanation of the arguments which inform contemporary discussions on the relationship between the public sector and good governance.

1.2 Public Sector Reform in Developing Countries

A commonality shared by third world states (hereafter referred to as developing countries) is the way that the bureaucracy holds a position of prominence, and in most cases, dominance. Bureaucracies in developing countries are "the subject of considerable debate and criticism" (Turner and Hulme, 1997: 86). In developing countries which gained independence from

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[1] The term *first world* refers to industrialized or developed countries such as the United States and Western European states. It is a term which can also be defined as 'the top end of the evolution of countries which has the highest standard of living, the most advanced economy, the most advanced technology and which have the greatest influence'(www.nationonline.org).

[2] The term *third world* is used to refer to states which are underdeveloped (Van Niekerk, Van Der Walt and Jonker, 2001: 314). 'In the contemporary international state system Africa, Latin America, and certain countries in Asia are referred to as the *third world*' (Van Niekerk, Van Der Walt and Jonker, 2001: 314).

their previous colonial powers, public sector reform processes usually consisted of expanding existing government agencies and creating additional government agencies in order to facilitate development and improve the provision of goods and services to the public. The creation of a large bureaucracy was regarded as a means to assist the development process. However, it proved to be more a costly hindrance to development (Turner and Hulme, 1997: 105-6).

One of the biggest criticisms is that bureaucracies in developing countries are too large and that they consume the largest portion of state resources while producing very little in return (Turner and Hulme, 1997: 86). Bureaucracies in developing countries employ large numbers of staff at great public expenditure which most of these countries cannot afford. (Turner and Hulme, 1997: 86).

McGill (1997: 225) argues how great and costly many civil services in developing countries are in relation to their national economies. Minogue (1997) states that developing countries are therefore not able to perform the most important tasks essential to keeping the country running effectively, let alone undertaking the day-to-day task of providing basic goods and services to their citizens. McGill (1997: 255-6) says that a key challenge of developing countries is being able to limit the size and expenses of the civil service while simultaneously improving the performance of the public sector so that they are able to provide more and better services to their citizens.

The conclusion reached was that the public administration had to reform and had to provide *value for money* (Turner and Hulme, 1997: 106). The aim of public sector reform is essentially embarked on in order to better the performance of the public sector. Reform

processes have been underway in developing countries for some time but the manner in which they have been undertaken has varied from state to state. (Turner and Hulme, 1997: 105). Kaul (1997: 14) argues that each state which has implemented public sector reform has restructured itself according to the context within which it found itself, thereby suggesting that no two results of public sector reform processes are alike.

The idea of administrative reform has been in existence for a number of years but it was only seriously considered in the early 1980s by the World Bank. The World Bank's focus on *management by development* came about at the same time as importance being placed on the "efficiency and effectives of the markets" by global economic forces (Turner and Hulme, 1997: 105). The failure of many states to develop was now "not simply seen as the result of inappropriate policy choices but also because state institutions were performing badly" (Turner and Hulme, 1997: 105).

Lynn-Junior (1998: 108) believes that there were four main sources of pressure put on states to undertake public sector reform. The first source of pressure is said to be globalisation where governments are competing over scarce resources. The second source is the feeling citizens have that government departments are not performing to their full potential and at the same time creating huge budget deficits and public debt. The third source is the unhappiness of the public with service delivery and that politicians are seemingly unable or unwilling to improve matters. The last source of pressure, according to Lynn-Junior (1998: 108) is that "restive public employees are becoming increasingly insecure, beleaguered and defiant of criticism".

Failure of states to perform has pressured governments worldwide into undertaking public sector reforms. Kamarck (2000: 233) says that even where governments have performed adequately, citizens of these states have still been critical of the manner in which their institutions have been run.

Kamarck (2000: 230) states that both Margaret Thatcher (Prime Minister in the United Kingdom in 1979) and Ronald Reagan (President of the United States in 1980) were highly critical of bureaucracy and that their sentiments popularized the need for public sector reform in their election campaigns. "The crisis of the welfare state led to questions about the role and institutional character of the state" (Larbi, 1999: iv). The welfare state proved to be too expensive to manage and Grindle (cited in Larbi, 1999: 8) said that there was a problem with *too much state*. The welfare state was seen as too big in terms of the number of public servants it had, and that taxpayers were paying unacceptably high taxes in supporting the large, ineffective and inefficient state bureaucracy.

Minogue (2000: 3) argues that the public sector was seen more and more as being unable to effectively manage its services. Civil services around the world were seen as too rigid and bound by rules to be able to implement reforms in order to provide public services more efficiently and effectively (Minogue, 2000: 3).

Larbi (1999: iv) believes that public sector reforms have been driven by a combination of economic, social, political and technological factors. A commonality between all countries which have decided to undertake public sector reform has been the fact that they have all been through economic and fiscal crises which has led to them looking at ways to become more efficient and effective in the provision of their goods and services.

Economic crises experienced in countries around the world have altered the manner in which government carries out its responsibilities and has changed the duties that they perform (Kaul, 1997:   13). The lack of economic growth forced states to review their government structures and the functions that they preformed (Kaul, 1997: 14). The economic crisis forced states to move from a model where the primary focus was government-led to one where the state played a less significant role in development. This model translated into "the economic role of the state being curtailed, the size of the public sector being reduced, privatisation occurring and public expenditure being cut" (Schacter, 2000: 5).

Public sector reform took place in developing countries in the 1970s and 1980s when an economic and fiscal crisis hit third world states (Schacter, 2000: 5). Larbi (1999: 6) says that the reasons which led to the economic and fiscal crisis in developing countries are listed as "severe institutional weaknesses, fiscal indiscipline and weak external competitiveness". McGill (1997) provides two reasons as to why public sector reforms were demanded of developing countries. He suggests that the first reason was to reduce the operating expenses of the state and the second reason was to make the functioning of the state more efficient (1997: 255). The state had initially been seen as a tool with which to undertake development but due to the economic and fiscal crises of developing countries, government began to be seen as more of a hindrance than a means of assistance to development (Schacter, 2000: 5)

The World Bank was created in 1945 after the Second World War and took on the function and responsibility to provide finance to assist economic development in those countries affected by the war (Beeson, 2001: 84). Its financial power enabled the World Bank to develop into an immensely powerful institution. Its position of power also enabled it to

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prescribe and manipulate policy decisions made by states who sought its financial assistance (Beeson, 2001: 484). This approach to lending was also applied once the World Bank started funding less developed countries. Due to the World Bank's tremendous financial leverage, it was able to force developing countries needing loans to adopt what is referred to as structural adjustment programmes. Bangura and Larbi (2006: 277) argue that international financial institutions such as the World Bank and the IMF exerted significant power and influence over developing countries thereby forcing them to undertake public sector reforms. This led to states having to introduce economic, political and even social policy, which the World Bank deemed appropriate (Beeson, 2001: 484).

The public sector reform agenda of developing nations was also enforced upon developing countries by donor agencies such as USAID and the United Kingdom's Department for International Development (DFID). In addition, these countries faced increased domestic pressure for better service delivery which along with external pressures became a strong driving force for developing countries to undertake public sector reform measures. Bangura and Larbi (2006: 277) talk about the fact that "fiscal crisis and external donor influence seem to be more prominent drivers of reforms in poor and aid dependent countries in Africa than elsewhere in the developing world".

The World Bank, under the guise of structural adjustment programmes, essentially prescribed the means of transforming the public sector in developing countries. The World Bank has sought to focus specifically on the established social order of developing countries as the international lending institution believes that it is an impediment to effective governance and economic efficiency (Beeson, 2001: 484). Part of the structural adjustment programmes required states to undergo government reforms. In the place of the established social order in

developing states, the World Bank sought to impose, what Beeson (2001: 484) refers to as a variety of global liberalism in its place.

Larbi (1999: 8) talks about three major reasons for why structural adjustment programmes were linked to public sector reforms. The first reason is that both the World Bank and the IMF believed that the pubic sector and civil service in developing countries was too large and too costly to sustain (Larbi,1999: 8). The second reason for linking structural adjustment programmes and public sector reform was due to the World Bank and the IMF's opinion that developing countries, as they existed, did not have the ability to achieve economic growth and development (Larbi, 1999: 8). Governments in developing countries, they argued, appeared to be too weak to operate their administrative apparatus (Larbi, 1999: 8). This, according to the World Bank and the IMF translates into "weak policy making, pervasive delays… the deterioration of public infrastructure, the poor quality of public services, high transaction costs and widespread corruption" (Larbi, 1999: 8). The argument was that structural adjustment programmes could force developing countries to undergo public sector reform in order to find new ways in which the civil services could operate.

Larbi (1999: 8) says that the third reason for linking structural adjustment programmes to public sector reform in developing countries was the fact that many state economies and public services were badly managed which led to the significant decay of their infrastructure. Insufficient funding forced government infrastructure into a state of disrepair. This led to a lack of sufficient delivery of goods and services to the public (Larbi, 1999: 8). The implementation of structural adjustment programmes in developing countries led to "a radical rethinking of the role of the state in the economy and how to restructure policy, planning and implementation of institutions" (Larbi, 1999: 9).

"The 1970s and 1980s were marked by political instability and policy inaction" (Larbi, 1999: 9). Many leaders of the developing world such as those in Africa were not in favour of the market forces prescribed by structural adjustment programmes. Larbi states that "the political environment at the time did not enable the leadership to take independent initiatives for market-oriented public sector management reforms" (1999: 9).

However, Olowu (2006: 234) states that prior to the introduction of structural adjustment programmes, African states had already begun to undertake decentralization which was later identified as one of the principles of structural adjustment programmes. This process in African states included the decentralization of some of the national government functions to regional or local administrations (Olowu, 2005: 234). In other instances, numerous countries actively sought out ways to decentralize these duties both to institutions created by the state, such as state-owned enterprises, non-governmental organizations and even churches (Olowu, 2006: 234). This action in particular by the various African governments was largely in response to diminishing resources with which to provide the goods and services to their citizens (Olowu, 2006: 234).

Once the structural adjustment programmes had been put into place, the World Bank's lending portfolios encouraged those states to make use of what could be given "by parallel or informal economies and institutions" as other means with which to provide goods and services to the citizens (Olowu, 2006: 234). Olowu (2006: 235) states that the idea behind getting the private sector to assist the public sector in the provision of goods and services to the citizens lay in the hope that this would make the public sector more competitive, therefore

more cost-efficient. If this could be accomplished it would essentially fulfill one of the aims of public sector reform: making government more efficient and effective.

Turner and Hulme (1997: 105) argue that the leading themes of public sector reform processes included "privatizing state institutions, reducing the size of bureaucracies, building management capacity and promoting greater accountability" (Turner and Hulme, 1997: 105). Calls for public sector reforms proposed "that some functions should be opened to the market and that governments should rather concentrate on core regulatory functions" (Turner and Hulme, 1997: 87). The primary function of government changes from being the driver of socio-economic development to that of a facilitator of development (Kaul, 1997: 14). In other words, governments had to start managing.

1.3 New Public Management

In the last thirty years, governments around the world have implemented public sector reforms in order to become more efficient and effective. States aim to achieve this by changing the nature of how it undertakes service delivery and changing the types of services they provide to their citizens through, for example, privatization, the reorganizing of the government and the introduction of private market disciplines into the civil service (Minogue, 2000: 17).

The implementation of public sector reforms during this era became known as New Public Management. Different authors identify similar reasons behind New Public Management and aspects thereof. New Public Management was brought about through redefining the duties that governments performed and how they worked (Kaul, 1997: 14). The structural

adjustment programmers' lending conditions are in essence based on the same key principles of New Public Management. Both promote governments to implement market and private sector approaches to governing.

There appears to be no single definition of what New Public Management is. It is a fluid term that lacks consensus amongst academics. Hood (1991: 5) says that "New Public Management is seen as consisting of a marriage of opposites which encompasses new institutional economics and business-type managerialism". According to Larbi (1999) the overarching theme of New Public Management comes from the union of two alternative sets of ideas. The first idea refers to "managerialism in the civil service and the freedom to manage and comes from the tradition of the scientific movement" (Larbi, 1999: 13). Pollitt (cited in Kickert, Klijn and Koppenjan, 1997: 37) on the other hand concludes that "ideological and political new right directions seem to play a larger part than scientific reason" (1997: 37).

The second idea of what New Public Management entails comes from a focus on economics "which has its theoretical foundation in public choice, transaction cost and principal agent theories" (Larbi, 1999: 16). "These generated public sector reform themes are based on market, competition, contracting, transparency and an emphasis on incentive structures as a way of giving more 'choice' and 'voice' to service users and promoting efficiency in public service delivery" (Larbi, 1999: 16). Van Thiel and Leeuw (2002) like Larbi (1999) also refer to market-type mechanisms. Governmental reform under the guise of New Public Management has since seen a change in the way that administrations are run. The transformation has meant that bureaucracies have changed "from one of traditional public administration to one of public management" (Larbi, 1999: iv).

Denhardt and Denhardt (2000: 550) state that a common idea in the various different uses of the New Public Management concept has been the utilisation of private sector principles. The use of the phrase and the application of private sector principles go on to explain the liaison between the civil service and citizens which is based on market based mechanisms (Denhardt and Denhardt, 2000: 550). Larbi (1999: 1) states that "new management techniques and practices involving market-type mechanisms are being used to bring about changes in the management of bureaucracies in countries that have widely varying governance, economic and institutional environments".

Pollitt (cited in Bovaird and Russell, 2007), Parker and Gould (1999), Van Thiel and Leeuw (2002) and Larbi (1999) place more of an emphasis on market-type mechanisms than on managerialism in describing what New Public Management entails. Larbi (1999) in his definition of what New Public Management involves refers both to managerialism and market-type mechanisms. Pollitt (cited in Bovaird and Russell, 2007: 307) indicates that there was an emphasis placed on market-type mechanisms being employed in the public sector as there were parts of the government administration which could not be given straight to the public to manage. The managerialism term stems from two distinctive schools of thought. The first school of thought is rooted in Scientific Management while, the second school of thought in the tradition of Human Relations (Larbi, 2006: 27).

Regardless, the essence of the New Public Management philosophy is to review the way governments govern. It is a critique of existing governing systems. For example, it argues that the public sector is too large and expensive to maintain, that policymaking and

implementation is an unnecessarily long process; and that government can and must be more efficient and effective.

Parker and Gould (1999: 111) state that the means with which New Public Management came about cannot be due to only one reason but rather a whole host of factors. "This reflects the situation of public sector management in a complex web of social, economic, political institutional and professional forces and interrelationships" (Parker and Gould, 1999: 111). Polidano (1999: 2) says that New Public Management is a phenomenon that is a general reaction to common pressure and antagonism felt by citizens towards "government, shrinking budgets, and the imperatives of globalisation".

Hood (1995: 94) states that "the term New Public Management was coined because a generic label seemed to be needed for a general, though certainly not universal, shift in public management styles. The term was intended to cut across the particular language of individual projects or countries" (Hood, 1995: 94). New Public Management can be seen to be a movement in the administrative domain which took a prominent role in bureaucratic reform that swept through developed states in the 1970s (Hood, 1991: 3). Administrative reform became more prominent in developing states as they gained independence or as they became democracies.

Efficiency and effectiveness are often stated as the two desired outcomes of New Public Management. The South African National Treasury's <u>Framework for Managing Programme Performance Information</u> defines efficiency as "exploring how productively inputs are translated into outputs" (2007: 8). Sing (2003: 130) give a similar definition and states that efficiency "denotes the relationship between inputs and outputs". These definitions of

efficiency essentially translate into how fruitfully the resources which lead to the manufacturing and distribution of the finished merchandise, "or goods and services are produced for delivery" (National Treasury, 2007: 6). Effectiveness refers to the degree of productivity that an organization obtains in order to get the desired result (National Treasury, 2007: 8). Sing (2003: 132) states that effectiveness refers to the "extent to which an activity or programme achieves its intended objectives". Effectiveness can also be described by the manner in which goods and services meet what the consumers are looking for (Sing, 2003: 132).

Most authors on New Public Management, including Van Thiel and Leeuw (2002) as well as Parker and Gould (1999) talk about the fact that governments are implementing New Public Management in order to achieve efficient and effective service delivery. Kaul (1997: 13) states that "New Public Management is aimed at delivering greater efficiency, more responsive and flexible public services" and has "offered an opportunity to tighten up roles and responsibilities at all levels" (1997: 14 – 5). Kickert (1997: 731) talks about the fact that many developed nations are implementing New Public Management reforms because many found themselves in the position of having to cater to increased demands from their citizens and rather than stop providing services or increasing taxes the states are having to "reduce costs, increase efficiency, effectiveness and deliver more value for money" (Kickert, 1997: 731).

Minogue (2000: 9-20) identifies three key factors which have led to the rise of New Public Management. The first factor is finance where an increase in government spending in addition to lower than expected economic performance led states to rethink the effectiveness of a large public service, such as those of the welfare states. Minogue (2000: 19) talks of

how states in developing countries continued to spend money in the face of growing economic crises. "It could not be afforded in its existing forms, nor would its rising costs be tolerated by taxpayers" (Minogue, 2000: 19). This led to the realization that the public sector was too large and that it cost too much money to maintain. The answer to the problem of a public service was to make it smaller by decreasing the number of staff working in the public sector and by reducing the budget on which it operated, in order to save costs (Minogue, 2000: 19). The second factor is the emphasis that was increasingly placed on the quality of performance of the state (Minogue, 2000: 20). The importance that is placed on this factor is seen as vital as the citizen is a consumer of the services that government provides. (Minogue, 2000: 20).

Ideology represents the third factor that refers to "the reform wave of new ideas itself that constitutes a pressure for change not only because it represents a fundamental shift in public service values but also because it offers an opportunity to policy makers searching for a solution to the conflicting pressures both to improve and reduce the state" (Minogue, 2000: 20). This essentially means the rate at which New Public Management has spread throughout the world has put states under pressure not only to adopt this new set of administrative reforms thereby moving away from the traditional manner in which public administrations operated.

1.4 New Public Management Strategies

New Public Management consists of administrative methods, principles and procedures which are adapted from those implemented by the private sector[3] (Larbi, 1991: iv). Van Thiel and Leeuw (2002), Parker and Gould (1999) and Ewalt (2001) refer to these as market type mechanisms. Kaboolian (1998: 190) says that a universal aspect of New Public Management in the countries where it was implemented is the use of market type mechanisms as a design for political and bureaucratic interaction. New Public Management has put states under pressure to make their respective public services smaller in order to cut public expenditure thereby making resources available for service delivery.

One strategy is to *reduce the size of the public service*. McCourt (2006: 173-180) discusses this strategy at length. He lists a number of steps that need to be taken to reduce the size of the civil service and ranks these in ascending order of political difficulty. The easiest step is to remove ghost workers from the government payroll whilst the most difficult step is to introduce compulsory redundancy. The list, argues McCourt, depends on political commitment. It is crucial as several of the steps are politically difficult and could test the viability of new democracies (McCourt, 2000: 180). The list requires governments to:

- Remove ghost workers.
- Delete empty posts.
- Retrench temporary or seasonal workers.
- Enforce retirement ages.
- Freeze recruitment.

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[3] The private sector refers to organisations, entities or companies that are outside the domain of government.

- End guaranteed entry to the civil service from the education system.

- Suspend automatic advancement.

- Introduce voluntary redundancy.

- Freeze salaries.

- Introduce compulsory redundancy.

McGill (1997: 259) says that retrenching redundant workers is the simplest way to reduce the size of the civil service, thereby reducing the economic burden of the state. However, it is also politically difficult to implement in a country where unemployment levels are high.

Batley and Larbi (2006: 101) identify four other strategies of public sector reform: *decentralizing management* within the public sector; introducing *user fees and charges;* contracting *out direct service provision;* and lastly determining *regulatory and enabling roles* (Batley and Larbi, 2006: 101).

Decentralising management involves identifying a series of responsibilities and functions from national public service departments and transferring these to lower level departments or to state-owned enterprises (Lynn-Junior, 1998: 115). Hood (1995: 95) has a similar point of view and states that decentralising management is a move towards the breaking up of the public service into separate and smaller service delivery entities.

The introduction of wide-ranging *user fees and charges* is primarily to generate income for the public sector. User fees and charges for public services have differed in respective government departments, government agencies as well as between developed countries and developing countries. (Batley and Larbi, 2006: 106). The purpose of *user fees and charges* is

said by the World Bank to include "equity, increasing allocative efficiency and accountability to clients" (Batley and Larbi, 2006: 106). The goals indicated above are, in theory, introduced to achieve these aims but in practice are implemented in order to bring about additional funds for the state, recover costs incurred by the government and pay back money which has been lent to the state by international lending institutions and/or organizations within the private sector (Batley and Larbi, 2006: 106). This strategy can also be politically difficult to implement in developing countries where economic development is limited and poverty widespread.

Contracting out direct service provision described identified by Batley and Larbi (2006: 108) is not considered to be a new type of reform but what is "'new' is that many governments are moving further along this road, partly by their own choice but also often under pressure of donors and due to their own incapacity to maintain in-house services" (Batley and Larbi, 2006: 108). As a result of this, there is a move toward *contracting out* or contractualism as referred to by authors such as Christensen and Laegreid (2003: 20). They state that contractualism is the 'favouring of increased competition, potentially undermining central, hierarchic control with the possibility of potentially enhancing the influence of administrative leadership at the expense of political leadership' (Christensen and Laegreid, 2003: 20).

Larbi (2006: 41) states that contracting out is essentially the obtaining of goods and services from the private sector instead of the state providing it themselves. The onus is then on the state to determine what goods and services can be provided by the private sector or other private sector participation such as non-governmental organizations and churches (Batley and Larbi, 2006: 102).

The regulating and enabling roles of service providers is seen as the privatisation of some of the state-owned enterprises and placing them into commercially competitive markets (Lynn-Junior, 1998: 115). Hood (1995: 97) says that privatisation is a shift from the "Progressive Public Administration style public sector specific methods of doing business towards the greater use of private sector methods in order to make bureaucracies more accountable, efficient and effective."

Parker and Gould (1999: 110) go on to state that by allowing the private sector to provide services that would otherwise be provided by the state, services may be delivered more efficiently and effectively. Respective governments' use of New Public Management has in some instances meant that states have "resorted to quasi-markets where the state pays for services but does not necessarily provide them" (Parker and Gould, 1999: 110).

Lynn-Junior (1998-109) warns that the assumption is that citizens under the New Public Management paradigm are assumed able to operate as a collective and are thus able to hold the bureaucracy accountable for the manner in which the respective governments undertake their service delivery. Parker and Gould (1999: 110) state that through the implementation of New Public Management, managers in the civil service are delegated more power and responsibility in their implementation of administrative actions and decisions. This, it is argued, enables bureaucrats to make service delivery more efficient and effective as they can use their discretion. It also means that they need to be held accountable for their performance as well as those of their subordinates (Parker and Gould, 1999: 110).

In short, a number of New Public Management strategies were readily adopted in developed countries and the contention was that these should also be adopted by developing countries.

As such they presented a stark contrast to the traditional form of public administration in which the respective public sectors appeared to be rigid, lacking direction and were overall inefficient and ineffective. However, as the next chapter will show, public sector reforms and New Public Management are not easily implemented in developing countries.

CHAPTER TWO:

CRITIQUE OF PUBLIC SECTOR REFORM AND NEW PUBLIC MANAGEMENT

Public sector reform undertaken through the implementation of New Public Management has been described as a means through which an efficient and effective government can be achieved. It has however been a particularly difficult process in the developing world for a number of reasons. One of the key reasons is that reform was rarely driven by states themselves. African countries formally began to implement public sector reform as a result of adopting structural adjustment programmes (Larbi, 1999: 9). These states were compelled to undertake reform as a condition of the loans which they had accepted. Larbi (1999: 9) says that countries were obligated to undertake public sector reform as it was a part of the *tied aid[4]* which had been given to various African countries. These states resented the conditions that were attached to the financial assistance of the World Bank and the IMF and this explains their lack of commitment to undertake public sector reform. Larbi (1999: 8) argues that despite this resentment it was necessary to restore capacity in the public sector of developing countries and promote efficiency and effectiveness in order to search for ways in which public administration systems could be made adequate to the task of recovery and adjustment after the economic crisis.

Structural adjustment programmes were initially seen as focusing purely on addressing the economic and fiscal crises which enveloped developing countries. McCourt (2000: 177) says that little attention was given to the impact that structural adjustment programmes would have on society. Structural adjustment programmes have been severely criticized for having

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[4] Tied aid is a term that is used to describe developing countries that are forced to implement public sector reforms in order to get economic assistance from financial institutions or developed countries.

an adverse effect on the poor. Attempts, such as reducing outstanding national debts, that have since been undertaken by the World Bank and the IMF to alleviate the situation have been described as 'too little, too late' (McCourt, 2000: 177).

It was particularly in Africa, Latin America and Eastern Europe that economic adjustment and public sector reforms were often delayed until the point that 'fiscal crisis was deep and public resources exhausted' (Batley and Larbi, 2006: 112). Public sector reform has therefore often taken place in the context of already 'rapidly declining public services, a spiral of decline from which it is difficult to recover' (Batley and Larbi: 112). These reforms are also proposed to have themselves 'usually generated a first impact of increased stress and poverty for those sections of the population that had access to services and employment' (Batley and Larbi, 2006: 112).

International donors such as USAID, the United Kingdom's Department for International Development and international monetary institutions such as the IMF and the World Bank saw public sector reform as an *engineering problem* (Schacter, 2000: 7). Schacter (2000) says that these organizations and donors saw public sector reform as the 'one-size-fits-all' solution for weak government performance. Developers of the measures for public sector reform believed that they could state in advance what the reform problems would be, and as a result they believed that they could provide the solutions to the problems ahead of time (Schacter, 2000: 7). These developers 'believed that projects could be fully defined at the outset and implemented on a predictable timetable, over a fixed period' (Schacter, 2000: 7).

McGill (1997: 255) mentions that what makes public service reform in developing countries increasingly complicated is the fact that there is not a 'one-size-fits-all' approach that

developing countries could follow. Radically new approaches to public management such as privatizing public-owned state enterprises, or the outsourcing of the production of goods and the provision of services had to be developed in even more difficult circumstances than those experienced by the more advanced countries which had undertaken similar types of reform (Batley and Larbi, 2006: 112).

Public sector reforms in developing countries comprised a number of elements. The first element comprises payroll and workforce reductions (Schacter, 2000: 7). The second element involves changing the way in which the government was structured, looking at the ways in which job descriptions were written and then rewriting them. McCourt (2006: 168) states that reform in African countries often amounted to reducing the number of civil servants employed by the state, and has not addressed the key objective which is that of improving the quality of administration.

Public sector reform also called for the 'installation of new systems for human resource and public financial management' (Schacter, 2000: 7). Public sector reforms therefore depend on the design of appropriate training courses for public servants in an attempt to enhance their skills and thereby improve the effectiveness of government.

McGill (1997) states that it is difficult to undertake the process of pay reform. This meant offering better salary packages to entice professionals into the public sector. However, this had to be implemented while the states attempted to reduce the number of civil servants working in the public sector, as well as reducing the overall cost of running the civil service. It is therefore difficult to improve civil service pay, in order to make it comparable to the private sector (McGill, 1997: 258). McCourt (2006) states that to maintain skilled staff in the

civil service, salaries needed to be increased. This continues to be a challenge for developing countries to overcome as they continue to try and balance the need to try and reduce the size and cost of the civil service while at the same time increasing the salaries of skilled staff in order to retain their services.

McCourt (2006) says that for developing countries public sector reform was the same as downsizing or job reductions.   Ironically, because of economic pressures, it is often difficult for developing countries to undertake job reduction in the civil service. McCourt (2000: 165) cites Ghana as an example and says that it was one of the countries which found it difficult to reduce the size of its civil service primarily due to the fact that it could not afford to pay staff their retrenchment packages.

McCourt (2000) points out that developing countries often have a contradictory approach to job reduction in the public sector reform process. Uganda, for example, first sought to reduce the number of civil servants dramatically. However in 1997 the government introduced a policy of universal primary education. This policy entailed the recruitment of many more teachers. The government also recruited extra police officers in response to security problems in the north and the west of the country (McCourt, 2000: 180). This action by the Ugandan government reduced the significant advance that had been made in the public sector reform process. The original intention had been to curtail government expenditure, but the aim has not entirely been achieved as the state has continued to employ people (McCourt, 2006: 177).

McCourt (2000) says that the downsizing of the civil service can have negative effects. For example, the privatization of state-owned enterprises has led to increased unemployment. In

Guinea and Ghana the negative effects of downsizing the civil service were felt more so than in other African countries. Civil servants in Guinea and Ghana in other words did not have alternative sources of income on which to fall back on when they were retrenched from the civil service 'because the previous government's policies militated against the entrepreneurialism which would have allowed civil servants to start their own businesses' (McCourt, 2000: 177).

Public sector reform in developed countries took place within the context of a stable political environment, unlike that of some developing countries (especially in Africa) in the 1970s and 1980s. Larbi (1999: 9) says that the undemocratic or totalitarian nature of the political environment of many African countries resulted in political instability and policy inaction. Larbi (1999: 9) says that 'the political environment didn't enable the leadership in third world countries to take independent initiatives for market-oriented public sector management reforms'. Countries such as Ghana and Zimbabwe were examples of states that were not in favour of what was regarded as pro-capitalist ideology (Larbi, 1999: 9). In many instances, Larbi (1999: 9) argues, states were in favour of socialist or communist ideology. Larbi (1999: 9) goes on to say that these reasons were what led to the delay of economic reform.

McCourt (2006: 164 -165) states that political factors had a substantial impact on public sector reform. One had to get the political buy-in of the politicians, without which there would be an undermining of the reform process. Schacter (2000: 7) raises an important point when he says that 'significant reform will not flourish without local leadership and ownership'.

In addition to a lack of political will, public sector reform is difficult to achieve when there is a weak capacity for implementation as well as a lack of adequate incentives and constrained resources. These problems that the public sector reform process faces act to constrain the reform process in turn (Bangura and Larbi, 2006: 278).

McCourt, (2006: 168) says that reform in Africa has by and large been limited to job reduction. Job reduction, however, does not improve the quality of administration and remains to be addressed'. Schacter (2000) states that the failure of public service reforms in developing countries cannot be blamed solely on donors. Developing countries do not have a solid bureaucratic base through which to operate on let alone on which to undertake reforms on (Schacter, 2000: 8). Developing countries have essentially 'failed to account for their provision of goods and services to the citizens' (Schacter, 2000: 8).

The only way to ensure that the public sector reform process is effective is by getting the support of the citizens and the political sector of society in the beginning stages of the implementation of the reform. The strengthening of the links between private sector and public service reforms, as well the impetus to hone in on improvements in service delivery, are two important needs in this process (Bangura & Larbi, 2006: 278). It is important for the enabling of better service delivery that the private sector and other role players be allowed to facilitate the provision of goods and service delivery. Provision of goods and service delivery could also be improved by decentralizing the function to different levels of government, and it is posited that states should use the assistance given by donors and international monetary institutions by making use of local expertise on matters of public sector reform rather than importing costly international expertise to do the same task (Bangura & Larbi, 2006: 278)

Schacter (2000) talks about the lack of focus by the public service reform approach to cultural change, stating that the reform approach is tantamount to a technical plan. The International Monetary Institutions fails to see that a plan which fails to look at the 'social and political aspects which are influenced by human behaviour and local circumstances' is set to fail (Schacter, 2000: 7). The World Bank and the IMF have thus far failed to see that the public sector reform is a 'long and difficult process that requires public servants to change fundamentally, the way they regard their jobs, their mission and their interaction with citizens'. (Schacter, 2000: 7).

When the NPM phenomenon came to the fore in the 1980s it did not prove nearly as successful in the developing world as it had in the developed world. This is because NPM reforms did not have a solid enough basis on which to build on because 'the associated bureaucratic apparatus never fully developed (Batley and Larbi, 2006: 100). In a sense there was no proper 'old public administration' for a new public administration to reform. Batley and Larbi (2006: 100) state that 'the state apparatus in most cases is still characterized by patrimonial, clientelistic and rent-seeking features'. Peters (2001: 164) states that developing countries should focus on building a solid foundation for its civil service first before attempting any public sector reform.

The adoption of NPM strategies such as privatization and contracting out by politicians in the developing countries has sometimes been undertaken for their own gain (Larbi, 1999: 34). 'Critics argue that NPM has led to the falling ethical standards in public life with an increasing incidence of greed, favoritism or conflicting interests' (Larbi, 1999: 34). Minogue (2000: 20) states that a crucial problem with NPM is the fact that interested parties will take full advantage of what can be taken from the reforms, while leaving the citizens to bear the

brunt of the disadvantages of the reform process. It is profoundly ironic that since the main thrust in the "neo-liberal critique is that government allows self-interested politicians and bureaucrats to abuse publicly provided resources" (Minogue, 2000: 20).

There appears to be too much of a focus on short term goals when states undertake NPM, changing from the traditional form of public administration to public management. (Larbi, 1999: 33). With the introduction of NPM the focus has been on reducing the operating costs of government departments and public sector enterprises (Larbi, 1999: 33). This has led to institutions becoming results-driven and focusing first and foremost on achieving efficiency (Larbi, 1999: 33).

The focus on efficiency has been to the detriment of government institutions' long term goals (Larbi, 1999: 33). Public servants steeped in the traditional form of bureaucracy have grave concerns of the repercussions should changes brought about by NPM not work (Larbi, 1999: 33). Le Grand and Barlett (cited in Larbi, 1999: 33) state that the implementation of NPM could do irreversible damage to the manner in which the civil service provides its goods and services. Great concern is expressed by Le Grand and Barlett (cited in Larbi, 1999: 33) regarding the devastating impact that could be felt by developing countries should the changes brought about by NPM result in failure (Larbi, 1999: 33). The negative impact would be far greater in developing countries compared to that of developed countries as third world states do not have a solid bureaucratic foundation upon which to make the changes (Larbi, 1999: 33). Such errors could pose a real threat to fragile political environments of many third world countries (Larbi, 1999: 33). It could also lead to a devastating impact on the economy (Larbi, 1999: 33).

NPM was once touted as the answer to all the ills which plagued bureaucracies around the world but is now looked at more cautiously and is sometimes avoided altogether (Larbi, 1999: 35). Kettel states that NPM reforms are conflicting and changeable due to the fact that the reforms are seen as unplanned and disconnected (Feldman and Khademian, 2001: 144). The World Bank and the IMF have found that their public sector reform approach has had mixed results. The international financial institutions have as a result begun to look at new ways in which to assist developing countries particularly those in Africa who despite public sector reforms, continue to find themselves in economic crises. International lending institutions have recognized that NPM is not 'a panacea for all the problems in the public sector (Larbi, 1999: 34).

Greve and Jespersen (1999: 144 - 8) state that there are five points of criticism against NPM which are indicated below:

- A lack of working economic incentives.
- Implementation failures in administrative reforms.
- Public values under threat.
- Lack of citizen involvement
- No world-wide NPM exists.

Greve and Jesperson (1999: 144) suggest that the *lack of working economic incentives* provide two different forms of criticism. The first criticism is that the incentives must be 'strong and lasting in order to produce substantial change in organisational routines and behaviour' and the second criticism has to do with a 'lack of consistency in the NPM strategy itself' (Greve and Jesperson, 1999: 144).

Implementation failures in administrative reforms are said by Greve and Jesperson (1999: 145) to suggest that 'there is virtually no solid documentation concerning the outcomes of the administrative reforms in the NPM strategy'. 'When it comes to quality improvements, innovation, responsiveness and flexibility results are disputed and ambiguous' (Greve and Jesperson, 1999: 145). The way in which NPM reforms operates has not led to the implementation of *the new managerial regime.* It has rather led to complicated and unequal designs of organizational changes (Greve and Jesperson, 1999: 145).

Greve and Jesperson (1999: 146) state that the implementation of NPM has resulted in *public values being placed under threat.* The 'traditional bureaucratic values are said to be equity, due process and general public interest and does not correspond well with the new managerial regime where rules are just one kind of mean among others' (Greve and Jesperson, 1999: 146). NPM appears to be dismissive of the traditional bureaucratic values stating that they are 'ineffective, not responsive and often irrational' (Greve and Jesperson, 1999: 146). NPM stresses effectivity at the expense of 'due process and securing equity' (Greve and Jesperson, 1999: 146).

A criticism of NPM is that it *lacks citizen involvement* (Greve and Jesperson, 1999: 147). NPM fails to talk about what the citizen is, what their rights are and what role they can play in assisting the functioning of the state (Greve and Jesperson, 1999: 147). Citizens are seen as customers or consumers. Debates on NPM and the lack of citizen involvement 'raises the question of the adequacy of the consumer concept in relation to public services and the problem of citizen participation' (Greve and Jesperson, 1999: 147). The 'critique of NPM is that its institutional arrangements tend to close political channels of influence for citizens'

(Greve and Jesperson, 1999: 148). In other words, it removes the link between citizen and political representative and replaces it with customer and service provider.

Prominent academics such as Christopher Hood state that *no world-wide NPM actually exists* (Greve and Jesperson, 1999: 148). It is argued that there is not one uniform version of New Public Management and that it should rather be looked at as a strategy that adapts itself to a specific country (Greve and Jesperson, 1999: 148).

Public sector reform and NPM have both been described by academics as the answer to the problems which have plagued the bureaucracy in third world countries. This chapter has described public sector reform and NPM as having been far from successful in developing countries. Public sector reform and NPM have not fulfilled all the goals that academics have said that they would be able to achieve resulting in disastrous consequences for the developing world.

CHAPTER THREE:

GOOD GOVERNANCE AND PERFORMANCE MEASUREMENT

3.1 Introduction

This study so far has argued that public sector reforms were necessary. It also argued that NPM introduced worthwhile models, such as privatisation and has to some extent been able to make governments more efficient and effective. However, the various models of reform do not necessarily improve the quality of democracy; neither do they necessarily lead to development. Diamond (2005) considers the relationship between democracy and development and argues that the way states govern is important. "The fundamental new insight that is reshaping the political economy of development is in fact a very old one. Governance matters" (Diamond, 2005: 8).

Good governance is seen as vital to accomplishing sustainable socioeconomic development and therefore an effective government (Kusek and Rist, 2004: 1). The question is how does one determine how efficient and effective the state is in providing services to the public? In other words, how can their performance be monitored and evaluated? This chapter explores these questions by focusing on performance measurement and how it relates to good governance.

3.2 Definition of Good Governance

Former UN Secretary-General Kofi Annan states that "good governance is perhaps the single most important factor in eradicating poverty and promoting development" (Abdellatif, 2003:

2). Kaufman (cited by Diamond, 2005: 8) claims that there exists "a strong positive causal relationship from improved governance to better development outcomes".

A great deal of the public sector reforms proposed by the Structural Adjustment Programme were designed to change the shape of bureaucracies on the African continent, especially with regard to the misuse of resources and reform failures (Economic Commission for Africa, 2005: 5). The list of abuses and failures are numerous and include "the personalized nature of rule in which key political actors exercise unlimited power, systemic clientelism, misuse of state resources and institutionalised corruption, opaque government, the breakdown of the public realm, the lack of delegation of power and the withdrawal of the masses from governance" (Economic Commission for Africa, 2003: 5).

Abdellatif (2003: 3) says that governance is today considered to be both a key phase in the development discourse and a vital component that needs to be brought into developing countries' approach to development. Good governance is a phrase that represents the paradigm shift of the function of states (Abdellatif, 2003: 3). Good governance focuses on the quality of governance (Abdellatif, 2003: 3).

Cloete and Rabie (2005: 1) state that good governance is seen as a progressively more significant and all encompassing term that is used to incorporate many preferred outcomes of state relations with its citizens. It is described as a "public service that is efficient, a judicial system that is reliable, and an administration that is accountable to the public" (Economic Commission for Africa, 2003: 5).

3.3 Elements of Good Governance

In the 1989 World Bank Development Report as well as the 1992 Report entitled *Governance and Development* , the World Bank expands on the definition of good governance by stating what it believes its elements to be (Economic Commission for Africa, 2003: 5). These reports identify four elements of good governance which entail aspects of public sector management, accountability, law and transparency. These elements are described as follows:

1)   Public sector management emphasizes the need for effective financial and human resource management through improved budgeting, accounting and reporting, and rooting out inefficiency particularly in public sector enterprises.

2)   Accountability in public services, including effective accounting, auditing and decentralization and generally making public officials responsible for their actions and responsive to consumers.

3)   A predictable legal framework with rules known in advance; a reliable and independent judiciary and law enforcement mechanisms.

4)   Availability of information and transparency in order to enhance policy analysis, promote public debate and reduce the risk of corruption.

(Source: Economic Commission for Africa, 2003: 5)

Diamond (2005: 4) states that good governance consists of several elements all linked to one another. Firstly good governance consists of the *capacity of the state* to work for the good of the citizen. This is where the public servant is expected to know state policies and rules in order to assist the government in operating effectively and efficiently (Diamond, 2005: 4). In order to ensure that the state works as it should, a professional public service is needed that

adheres to rules and duties (Diamond, 2005: 4). This, he argues, can be achieved through rewarding civil servants for how well they have performed their respective roles (Diamond, 2005: 4).

How well the civil servant performs their role is linked secondly, to the element of good governance which is the *commitment to the public good* (Diamond, 2005: 4). The drive for civil servants to perform their jobs effectively and efficiently can come from good leadership and/or from moral values (Diamond, 2005: 4). It is suggested that there should be a designated government department which would monitor and discipline those who had not executed their roles and duties for the benefit of the citizens (Diamond, 2005: 4).

Diamond (2005: 4) says thirdly that *transparency* is an element of good governance. Government business needs to be conducted in an open and honest way with the manner in which it operates being closely examined by other government bodies as well as by its citizens (Diamond, 2005: 4). Transparency as an element of good governance calls for freedom of information which enables the citizen to have access to any information wanted with regards to the way in which the state is run (Diamond, 2005: 4). Transparency, it is hoped, will discourage corruption, and it is expected that public servants make their own finances available for scrutiny (Diamond, 2005: 4).

Fourthly, *accountability* is also an element of good governance and is closely linked to transparency (Diamond, 2005: 4). Government departments and public sector entities have a greater chance in being held accountable and responsible for their action if they have to account for the manner in which they act or behave within the realm of the state and how they relate to the public (Diamond, 2005: 4). "Effective oversight requires open flows of

information, and hence transparency, so that monitors can discover facts and mobilize evidence" (Diamond, 2005: 4). In order for this to take place it needs a state structure in which different government bodies can carry out checks and hold each other accountable which then forces them to give an explanation for their actions (Diamond, 2005: 4).

Peters (2007: 19) states that "accountability is a central feature of governing, and steering society". The state needs to find out where their strength of governing are and where their weaknesses are and learn from that. Government employees must understand that determining whether or not a sector of government is not performing as it should is not a case for disciplinary action but should be welcomed as a chance to find an improved means of providing goods and services to its citizens (Peters, 2007: 19).

Lastly, *the rule of law* is an element of good governance which Diamond (2005: 4) states is closely linked to transparency and accountability. The restraint of law is seen as the only mechanism with which good governance can be ensured (Diamond, 2005: 4). It is important to set out concise rules to illustrate what is seen as satisfactory behaviour in public, political and monetary life. (Diamond, 2005: 5). Acceptable conduct will ensure that the state administration operates efficiently and that the markets are able to operate (Diamond, 2005: 4–5). The public and government must be assured that the law will be abided by, and that no-one is above the law (Diamond, 2005: 5). The rule of law ensures that land rights can be protected and agreements put into effect (Diamond, 2005: 5). 'Only through a rule of law can individuals be secure against arbitrary harm from the state or powerful private actors (Diamond, 2005: 5).

Citizens taking part in state decisions and actions taken is considered one way of influencing the way government is run (Diamond, 2005: 5). Development can be viewed as taking place

in two distinct areas. The first area is at the level of each person and the second area is at the group level. (Diamond, 2005: 5). The group level is seen as the area in which the more difficult decisions are made. Diamond (2005: 5) sees it as hard to decide what can be determined as being for the good of the citizens as a whole. The participatory process enables the public to engage in dialogue as a means to bring together differing interests in a manner that is considered to be reasonable by the majority of the citizens (Diamond, 2005: 5). Participation is seen as a mechanism in which one can achieve wide-ranging compromise among the significant communities or stakeholders in the policy arena (Diamond, 2005: 5). Equality, justice and transparency are seen as three distinctive features of solving areas of disagreement. It is important to give every group within a country a voice in the decisions that are made by the government and to give them the authority over their own affairs (Diamond, 2005: 5).

If good governance operates according to the above mentioned elements then it leads to the establishment of *social capital* (Diamond, 2005: 5). Social capital takes the form of "networks and associations that brings citizens together in relations of trust, reciprocity, and voluntary cooperation for common ends" (Diamond, 2005: 5). "Social capital leads to the establishment of civic spirit, participation, and respect for law (Diamond, 2005: 5). These aspects of social capital are seen as vital to laying the bases of both political development and good governance. In a variety of ways, good governance makes up a "virtuous cycle" in which many of the elements underpin one another (Diamond, 2005: 5).

A high quality democracy with good governance - increases the likelihood that public resources will be used to generate public goods that stimulate investment and commerce, and raises the quality of life" (Diamond, 2005: 5). "Real democracy - that is competitive, open,

participatory, and responsive - provides a means for citizens to monitor and evaluate the performance of government, and to remove officials and representatives who do not serve the public interest. How then can the performance of government be ascertained? One common mechanism used recently is to develop a system of performance management.

3.4 <u>Performance Measurement</u>

Performance measurement is generally seen as "a means of enhancing programme effectiveness, motivating workers, clarifying goals, improving accountability, inducing innovation, eliminating waste, and generating public support for programmes" (Thompson, 2000: 268). Performance measurement is seen more specifically as "the periodic measurement of specific programme inputs[5], activities[6], outputs[7], intermediate outcomes, or end outcomes[8]" (Wholey, 1999: 290).

Performance measurement is undertaken through monitoring and evaluating the performance of employees, policies, programmes and projects. Monitoring and evaluation are processes that are seen as influential public management tools (Kusek and Rist, 2004: xi). According to Kusek and Rist (2004: xi) monitoring and evaluation are processes that are seen as a means through which states and public organizations can reach their desired goals. "Just as governments need financial, human resources, and accountability systems, governments also

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[5] An input is defined as being the "financial, human, and material resources used for the development intervention" (Kusek and Rist, 2004: 226)

[6] An activity is defined as " actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs" (Kusek and Rist, 2008: 223)

[7] An output is described as "the product, capital good and service that results from a development intervention. It may also include a change that results from the intervention which is relevant to the achievement of outcomes" (Kusek and Rist, 2004: 227).

[8] An outcome is "the likely or achieved short-term and medium-term effects of an intervention's outputs" (Kusek and Rist, 2008: 227).

need good performance feedback systems" which monitoring and evaluation provides (Kusek and Rist, 2004: xi).

In order to understand the role that monitoring and evaluation plays in performance measurement it is important to define what monitoring is and what evaluation is. Monitoring is defined by the Organisation for Economic Development (OECD) as "a continuous function that uses the systematic collection of data on specified indicators to provide management and stakeholders with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds' for an ongoing development intervention" (Kusek and Rist, 2004: 12).

Monitoring can be undertaken at the project, programme or policy levels (Kusek and Rist, 2004: 13). For example, in looking at crime, one could monitor the project level by monitoring the awareness of crime prevention measures in several targeted towns. At the programme level, one could monitor the level of information on crime prevention that is being given to citizens in the whole region of the country. At the policy monitoring level, the concern could be to monitor the overall crime statistics for that same region (Kusek and Rist, 2004: 13).

Evaluation is described by the OECD as the "systematic and objective assessment of an ongoing or completed project, programme or policy, including its design, implementation, and results. The aim is to determine the relevance and fulfillment of objectives, development, efficiency, effectiveness, impact, and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision making process of both recipients and donors" (Kusek and Rist, 2004: 12).

Evaluation as a system is utilized to evaluate information in order to explain why the monitoring system is working as it is. For example Kusek and Rist (2004: 13) explain that "if annual performance information is presented by itself without the context and benefit of programme evaluation, there is a danger of programme managers, legislators…and others drawing incorrect conclusions regarding the cause of the improvements or declines in certain measures…Simply looking at trend data usually cannot tell us how effective our government programme interventions were." In other words, in order to determine causality it is important to get good evaluative information throughout the life cycle of an initiative, not just at the end.

From the 1960s, member states of the Organization for Economic Development[9] have implemented evaluation systems for a number of different reasons. Initially evaluation was used as a means with which to explore ways of improving social programmes (Kusek and Rist, 2004: 15). From the 1980s onwards the intention behind conducting the process of evaluation in OECD countries changed to focusing more on managing finances in the public sector (Kusek and Rist, 2004: 15). In other words, the process began to look at cutting the expenses involved with running policies, programmes and projects as well as reducing the number of services the state offers directly to the public and delegating these to the private sector.

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[9] The OECD member states consist of 30 member countries: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

When one compares the definitions of monitoring and evaluation they are different yet complementary. Monitoring is described by Kusek and Rist (2004: 13) as providing information on "*where* a policy, programme or project is at any given time (and over time) relative to respective targets and outcomes". In other words, monitoring aims to be explanatory (Kusek and Rist, 2004: 13). Evaluation in contrast, is described as illustrating "*why* targets and outcomes are or are not being achieved" (Kusek and Rist, 2004: 13). Evaluation aims to explain *how* policies, programmes and projects perform (Kusek and Rist, 2004: 13).

Table 3.1 below seeks to illustrate how monitoring and evaluation are different yet have complimentary roles when results-based monitoring and evaluation is undertaken.

Table 3.1

Complementary Roles of Results-Based Monitoring and Evaluation	
Monitoring	**Evaluation**
• Clarifies programme objectives	• Analyses why intended results were or were not achieved
• Links activities and their resources to objectives	• Assesses specific causal contribution of activities to results
• Translates objectives into performance	• Examines implementation process

indicators and sets targets	
• Routinely collects data on these indicators; compares actual results with targets	• Explores unintended results
• Reports progress to managers and alerts them to problems	• Provides lessons, highlights significant accomplishment or programme potential and offers recommendations for improvement

Source: Kusek and Rist, 2004: 14

The above table reiterates that monitoring and evaluation systems go hand in hand. "Good monitoring and evaluation systems are seen as building knowledge capital by enabling governments and organizations to develop a knowledge base of the types of policies, programmes and projects that are successful and more generally, what works, what does not, and why" (Kusek and Rist, 2004: 163).

It has become increasingly important for states to both provide services to the public with less money and still show that the state is performing better than it has in the past (Kusek and Rist, 2004: 10). This can only be done through a system of assessment. It has become important that states build monitoring and evaluation systems in order to assess and demonstrate continuously how policies, programmes and projects are meeting their expectations. This is due to the fact that governments are faced with limited resources with

which to provide services to the public and must therefore determine a way in which they can maximize or do the best with what they have (Kusek and Rist, 2004: 10). It is also because of an increasing demand by the public to be able to hold policy makers and public servants accountable for their decisions and their implementation. In short, it has become part of the general demand for good governance.

Monitoring and evaluation systems enable governments to identify issues of accountability of public servants to the public. These systems can provide public servants with information on how policies, programmes and projects are performing. Based on that information, which the public should have access to, they can then be made accountable by the public either to take action to correct any problems that are occurring, or to ensure that policies, programmes and projects that *are* working correctly continue to do so (Kusek and Rist, 2004: 12).

Systems for monitoring and evaluation also provide the state with the ability to collect information on the quality of service delivery that is being provided to the public and this is why "building a monitoring and evaluation system gives decision makers an additional public sector management tool" (Kusek and Rist, 2004: 12).

The findings of monitoring and evaluation processes are normally presented in reports. There are many different uses for monitoring and evaluation reports. Kusek and Rist (2004: 12) identify a number of uses and functions of such reports. These are:

- To demonstrate accountability by delivering on political promises made to citizens and other stakeholders.
- To convince by using evidence from findings.

- To educate by reporting findings to help organizational learning.

- To explore and investigate by seeing what works, what does not and why.

- To document by recording and creating an institutional memory.

- To involve by engaging stakeholders though a participatory process.

- To gain support by demonstrating results to help gain support among stakeholders.

- To promote understanding by reporting results to enhance understanding of projects, programmes and policies.

Donor aid agencies and developed states which contribute aid towards the growth of developing states want monitoring and evaluation to be used in developing countries as a tool with which to show that their assistance is yielding concrete results. In some instances, developed states provide political and financial support to developing countries to develop monitoring and evaluation systems for their public service. It is seen as increasingly important that governments have the ability "to implement good policies, demonstrate effectiveness in the use of resources, and deliver real results" (Kusek and Rist, 2004: 162).

3.5 Measuring Good Governance through Performance Measurement

Cloete and Rabie (2005:10-11) identify nine main measurement objectives of good governance, each of which they link to a set of indicators. These are summarized in Table 3.2

Table 3.2: Good Governance Indicator Guide

Measurement objective	Indicator Guide
1. Achievement of national vision	• Contribution to achievement of national vision.

	• Goal achievement
2. Affordability of outcome	• Ratio of service cost to individual income compared to cost of life
3. Equity, fairness, representivity of outcome	• Improvement in inter-ethnic/racial/gender and disability access to, distribution of and control over resources.
4. Development and growth focus of outcome	• Developmental level maintained or achieved (1,2 or 3) • Improvement or deterioration of status quo ante?
5. Contribution to stability (regulation and protection focus of outcome)	• Stability and orderly behaviour levels maintained, improved or reduced? (in terms of levels of consensus, protest, conflict, violence, crime etc at community, regional and national levels are required).
6. Democratic nature of outcome (free participatory, legitimate tolerance, accountable outcomes	• Levels of citizen and community acceptance of outcomes. • Constitutional/legislative oversight and accountability of programme/project outcomes. • Free media reporting of controversial views regarding the outcome. • Citizen access to and expectations of fair treatment by courts to challenge perceived

	• irregularities.
	• Proven independent and fair judicial outcomes of legal challenges.
7. **Empowerment of citizens as outcome** (informed, participating, activist citizens as outcome)	• Social, cultural, economic, political, technological empowerment (improvement in literacy levels, skills levels participation in activities, existence of interest groups and networks, etc).
8. **Citizen satisfaction**	• Levels of explicit expressions of satisfaction via polls and other data
9. **Project/programme sustainability** (social, economic, political, managerial, technological, environmental), both objectively and subjectively determined in short, medium and long term time frames	• Adequacy of policy design to meet required sectoral needs at each outcome level in such a way that overall, integrated strategic policy objectives of policy are achieved over time as scheduled (policy input). • Adequacy and future availability of recurrent sectoral capital and operating budgets as required for various outcome levels over time (financial resources input). • Adequacy and future availability of human resources for different sectors as required for various outcome levels over time (human resources input). • Adequacy and future availability of other

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| | resources as required for various outcome levels over time in specific sectors (other resources input). |
| | Adequacy of resource conversion and implementation processes to meet required sectoral needs, demands, expectations and undertakings sufficiently in order to achieve desired or satisfactory levels of development, growth, stability and democracy over time at each outcome level (see other outcome indicators above). Lessons learnt over time from policy failures and successes through separate sectoral as well as integrated policy monitoring, evaluation and review initiatives. |

(Adapted from Cloete and Rabie, 2005: 10 – 11)

Table 3.2 incorporates the broad principles of good governance discussed earlier, for example, those of efficiency, effectiveness, accountability, transparency, participation, the rule of law, and the existence of a professional public administration. The criteria are broad and all encompassing but Cloete and Rabie (2005:5) break these principles down for further assessment by focusing specifically on the policy outcomes of public administration. In this respect, they present a *Performance Assessment Framework* which distinguishes **policy products** from **policy processes**. **Policy products** are the actual outputs or outcomes as a

result of public administration processes or actions. Here, the aim of evaluation is to gauge the many different effects that a policy programme has had in its respective policy situations whether it be in the short-term, halfway through or in the long-term. (Cloete and Rabie, 2005:5). "Both normative and utilitarian aspects of policy products can be assessed, depending on the needs within a given context" (Cloete and Rabie, 2005:5). It is meant to determine the connection between the original policy purpose and the actual policy result(s).

Policy processes, on the other hand, are seen by Cloete and Rabie (2005: 5-6) as the administrative actions taken to put policy into effect. It is about assessing the process as a way of analyzing how the policy product was generated. In this regard, they distinguish between policy input, policy resource conversion and lastly, policy output. These, argue Cloete and Rabie (2005:7) can be regarded as "a good policy practice guide to achieve governance for sustainability".

Table 3.3 summarizes the first evaluation measure: **input.** It looks at the amount of resources invested in the programme. Input refers to availability of sufficient "capacity or resources for policy design to attain tactical policy objectives" (Cloete and Rabie, 2005:7). Other resource inputs include financial, human, logistical and other resources such as labour, capital, materials and management (Poate, 1997:18).

Table 3.3: Policy Input Indicator Guide

Measurement objective	Indicator Guide
Policy design and content	• Strategic policy goals and prioritizations consistent with national vision and needs determination? • Existence of an appropriate sectoral policy programme/project design to counter perceived problems and achieve the strategic objectives of the programme/project. • Feasibility of programme and risk levels within specified time frames satisfactory (all sectors). • Adequate cost-benefit assessment undertaken of possible alternative courses of action before current policy design was approved? • Contingency/fall back/crisis management planning strategy satisfactory prepared?
Financial resources for programme/project	• Quantity (capital and operating allocations in real numbers and as a percentage of the total budget). • Quality (adequacy and re-allocation flexibility of all required financial resources over time and between projects.

Human resources skills for programme/project	• Quantity (number of people allocated full and part time over programme life). • Quality (skill types and levels required and available ie supply and demand).
Support for programme/project	• Quantity (number of people committed to support: political, bureaucracy, community). • Quality (legitimacy, authority, constituency, represented: political, bureaucracy, community.
Other required resources (eg supplies and technology)	• Quantity: as required (eg: books, pencils, cement, bricks, tools, vehicles, instruments, computers, time, and data). • Quality as required (eg: compliance with industry standards).

(Adapted from Cloete and Rabie, 2005:7)

The second evaluation measure is ***policy resource conversion***. It aims to evaluate how the policy inputs have been utilised. In other words, how the invested input resources have been converted into actual outcomes. These measures are summarized in Table 3.4

Table 3.4: Policy Resource Conversion Indicator Guide

Measurement objective	Indicator Guide
Process efficiency	• Real cost-benefit ratio (including all costs and benefits). • Efficiency improvement ratio (optimization ratio, increase in savings).
Process effectiveness	• Goal achievement (change in gap between service demand and supply at end of programme/project cycle, eg reduction or enlargement).
Process productivity	• Combined efficiency and effectiveness ratio to achieve biggest output and impact with smallest input. • Use of mechanization and technology to increase productivity.
People-centered participatory and responsive processes	• Implementation style (top down, decentralized bottom up). • Level of community acceptance of, participation in and support of processes.
Process equity, fairness, representivity	• Levels of and improvement in inter-ethnic/racial/gender and disability access to,

	distribution of and control over resources.
Process transparency	• Existence of adequate public information about project/programme (eg the number of free bulletins issued by the local government per 1000 inhabitants, number and comprehensiveness of public information meetings, hearings and forums). • Ease of access to information about programme contents, processes and progress.
Accountability	• Existence of effective political, legal, social and financial accountability frameworks. • Effectiveness of activities of legal and other oversight agencies.
Democratic nature of processes **(tolerance, rights-based, legitimate)**	• Constitutional/legislative approval of programme/project. • Media reporting on controversial issues (eg the number of locally available information sources that have regular coverage on local issues and are independent of each other; and the total number of pages/number of hours covering local issues in printed/ non-printed media. • Citizen access to and expectations of fair treatment by courts to challenge perceived

	• irregularities.
	• Proven independent and fair judicial outcomes of legal challenges.
Project management	• Project management objectives achieved? (eg time, quality and cost).
	• Quality of project management processes.
Process flexibility	• Ease of changes in design specification and implementation strategies for more optimal results (eg volumes produced and delivery speed).
	• Ease of re-allocation of resources for more optimal results.
Co-ordination, integration and holism of services	• Existence of a clear national vision and feasible implementation programmes.
	• Existence of effective strategic management coordinating mechanisms to synchronize the prioritization of strategic goals.
	• Existence of effective coordinating mechanisms for inter-sectoral projects/programmes at operational levels.
	• Effective operational linkages of programme objectives, resources, time scales and action plans.
	• Prevalence of corruption, nepotism, fraud and

Professionalism and ethical nature of processes	unethical behaviour. • Existence of professional standards control agencies/practices. • Existence of an appropriate code of conduct. • Effective application and enforcement of codes of conduct and service standards by professional standards control agencies.
Creativity, competitiveness and entrepreneurship	• Levels of creativity and innovation benchmarked internationally. • Levels of entrepreneurship benchmarked internationally. • Levels of competitiveness benchmarked internationally.

(Adapted from Cloete and Rabie, 2005:8 - 9)

There are four objectives in the above mentioned table which are fundamental for good governance in the public service. The first objective is *process efficiency*, the second objective is *process effectiveness,* the third objective is *process transparency* and the last objective is *accountability*.

Process efficiency is a means by which one can weigh up the amount of money it costs to produce a product or provide a service compared to the benefits they each provide to citizens. Technically, attaining efficiency is done by putting in the least amount of money and being able to produce the highest number of products possible. Boland and Fowler (2000:427) state that efficiency can also be seen as putting in the usual amount of money into producing the

product or providing the service and being able to increase the production of products or bettering the quality of services provided to the citizen. However, good governance is more about providing the best quality service to citizens at the most affordable rate (Cloete and Rabie, 2005:8).

Process effectiveness is referred to as *goal achievement* by Cloete and Rabie (2005:8). Effectiveness is defined by Flynn (2007:127) as producing results. In other words *effectiveness* is the ability of the state in providing goods and services in order to meet the demands placed on the state by the citizens (Cloete and Rabie, 2005:8). However, effectiveness must also relate to whether resource conversion has benefitted those in need. In other words, the target recipients.

Process transparency is the level of accessibility that citizens have to find out how inputs, how resources are being "converted" (Cloete and Rabie, 2005:8). Transparency is needed for the citizen to determine how services are provided in order for them to monitor the manner in which the state goes about providing them. Transparency allows access to information in order for the citizen to determine how taxpayer's money is spent in providing services and producing products. It essentially translates into the citizen being able to evaluate how the state manages resource inputs.

Accountability is a key element of good governance as it is the means through which government departments and government agencies are held to account for the activities that they have undertaken and the decisions that they have made. These departments and government agencies must be assessed and accountable for their performance.

Cloete and Rabie (2005:9) identify **general policy output** as the third evaluation measure which aims to evaluate the actual outcome(s). It is at this point that assessment calculates and determines the physical results.

Table 3.5: General Policy Output Indicator Guide

Measurement Objective	Indicator Guide
Results/Outputs achieved	- Quantity of products/ results - Quantity of products/ results (eg compliance with industry standards, meeting user needs/demands: reliability, aesthetics, tidiness, comfort, user-friendliness, access, security).

(Adapted from Cloete and Rabie, 2005:9)

Cloete and Rabie's set of input, conversion and output indicator guides illustrates that monitoring and evaluation is leaning in the direction of assessing not only "governance inputs, but also governance conversion processes, outputs and outcomes" (Cloete and Rabie, 2005:12). The argument is that monitoring and evaluation systems must be more results-based, and must include a mechanism to explain why certain results were or were not achieved.

There has been a change in monitoring and evaluation systems from a *traditional implementation-based approach* towards a *results-based monitoring and evaluation*

approach (Kusek and Rist, 2004:xi). Results-based monitoring and evaluation is an extension of the traditional monitoring and evaluation system which focuses particularly on outcomes and impacts (Kusek and Rist, 2004:13). Results-based monitoring and evaluation is dissimilar from customary implementation, in that monitoring and evaluation moves beyond an emphasis on inputs and outputs to a greater focus on outcomes and impacts (Kusek and Rist, 2004:1). An impact is defined as being "positive or negative, primary or secondary... Impacts are long term effects produced by a development intervention, directly or indirectly, intended or unintended" (Kusek and Rist, 2004:226).

Results-based monitoring and evaluation in the public sector goes further than the private sector model of monitoring and evaluation, which is the traditional input-output model (Kusek and Rist, 2004:163). This traditional monitoring and evaluation model assists public servants in "focusing on and analyzing outcomes and impacts' but does not inform policymakers as to the effectiveness of a given policy, programme, or project" (Kusek and Rist, 2004:163). The outcomes and impacts of a policy, programme or project are what policymakers are interested in and what is important to states and interested stakeholders (Kusek and Rist, 2004:163).

Results-based monitoring and evaluation systems help promote greater transparency and accountability, and may have beneficial spill-over effects in other parts of a government or organization. Kusek and Rist (2004:162) state that "results-based monitoring and evaluation has become a global phenomenon as national and international stakeholders in the development process have sought increased accountability, transparency, and results from governments and organizations".

In short, there is tremendous power in measuring performance. Kusek and Rist, (2004: 11) summarise it eloquently:

- If you do not measure results, you cannot tell success from failure.

- If you cannot see success, you cannot reward it.

- If you cannot reward success, you are probably rewarding failure.

- If you cannot see success, you cannot learn from it.

- If you cannot recognize failure, you cannot correct it.

- If you can demonstrate results, you can win public support.

3.5 Public Service Performance Assessment in South Africa

This section will briefly examine performance assessment through analyzing the existing monitoring and evaluation system that is currently being used in South Africa to assess public sector performance in South Africa. Although not comprehensive, it still enables one to analyse the government's interpretation and application of performance assessment measures. A review of the current approach adopted by the national government to assess public service performance shows mixed attributions of its monitoring and evaluation system.

Section 195 of the South African Constitution lays out nine constitutional principles that must be used by the South African government to benchmark and assess the public service's performance. The nine constitutional principles are:

1. Professional Ethics.

2. Efficiency, Economy and Effectiveness.

3. Development-Orientation.

4. Impartiality and Fairness.

5. Public Participation.

6. Accountability.

7. Transparency.

8. Good Human Resource Management Practices.

9. Representivity.

The Public Service Commission (PSC), which was set up as the official watchdog of the South African government, was established as an 'independent and impartial body to enhance excellence in government within the public service by promoting a professional and ethical environment and adding value to a public administration that is accountable, equitable, efficient, effective, corruption-free and responsive to the needs of the people of South Africa' (www.psc.gov.za).

The PSC has designed a set of performance indicators and standards for each of the nine constitutional principles. These are presented in the following tables, which summarise each constitutional principle by presenting the relevant performance indicator and each one's list of standards that have to be met. The purpose is to highlight some of the assessment criterions (Adapted: Public Service Monitoring and Evaluation System's Assessment Forms). Each of these principles is accompanied by a set template that has to be completed by all public institutions and entities. The templates are presented in the annexures since they are too long to be included in the main text of the study.

Each Constitutional principle from one to nine corresponds to the annexures which are organized from A – I. The table for each constitutional principle includes where it can be found in the South African Constitution whilst the performance indicator and the standards are taken from the respective annexures.

Constitutional Principle 1: Professional Ethics (Table 3.6)

The first constitutional principle deals with professional ethics, and annexure A lays out the procedure with which government departments and public sector entities report cases of misconduct.

Section 195 (1)(a)	A high standard of professional ethics must be promoted and maintained.
Performance Indicator	Cases of misconduct are dealt with effectively and promptly.
Standards	1. A procedure must be in place for reporting, recording and managing misconduct cases. 2. Cases of misconduct must be responded to promptly and finalized. 3. The department must have adequate capacity to handle misconduct cases.

Professional ethics refers to civil servants' commitment to undertake their jobs for the public good. It is a constitutional principle which underpins good governance insofar that it aims to hold public servants accountable for their actions.   It does not spell out what is regarded as

misconduct and what is prompt response which therefore leaves much room for interpretation. One can also not assume that measuring the rate at which cases of misconduct are handled equate to one determining whether that particular government department is professionally more ethical than another government department.

Questions which are posed in the template include determining the name, level and position of the individual who supervises the handling of cases of misconduct.

- Who does the person report to and what level and post does the supervisor occupy?
- Does the system provide for preliminary investigations?
- Who undertakes the preliminary investigation?
- Who appoints investigating offices, employer representatives and hearing chairpersons?
- Is the system used to manage cases stated in a policy document?

Constitutional Principle 2: Efficiency, Economy and Effectiveness (Table 3.7)

The second constitutional principle, which deals with efficiency, economy and effectiveness, is the procedure with which government departments and public sector entities are able to determine the amount of actual expenditure against planned expenditure.

Planned and actual expenditure are determined by government departments and public sector entities using table 2.1. (in annexure B) which examines planned and actual expenditure and table 2.2. (in annexure B) which looks at the achievement of objectives.

Section 195 (1)(b)	Efficient, economic and effective use of resources must be promoted.
Performance Indicator	Expenditure is according to the budget. Programme objectives are achieved.
Standards	• Expenditure must be budgeted. • Programmes must be implemented as planned. • Changes to implementation must be reasonably explained.

The emphasis is on the use of resources, primarily financial resources. The inference is that government departments which have spent the money that they have been allocated in the budget cycle on their programmes are efficient and effective. It emphasizes spending. Are government departments which under-spend therefore less effective or efficient? There is no acknowledgement or reward for those departments which did not spend their entire budget, yet achieve their desired objectives. The manner in which the standards are presented does not encourage one that money is saved. It is money which could be used in providing other services to the citizen. It assumes that government departments which do not complete their programmes within the budget timeframe are inefficient, and therefore ineffective. A criterion that emphasizes expenditure may lead to irresponsible spending as government department's fear that they will receive less in the following financial budget. There is no clear relationship that full spending means effective programme execution.

Constitutional Principle 3: Development-Oriented (Table 3.8)

The purpose of the third constitutional principle is for government departments and public sector entities to effectively implement development programmes that aim to alleviate poverty.

The success in determining the development orientation of government departments and public sector entities is by looking at the success of the programme, the participation of beneficiaries in the design of the project, and good project management standards. The template also determines how development-oriented the department or public sector entity is by looking at the alignment of the programme with local development plans. The department also has to comment on what it has learnt from the development programme, and on what can be learnt for the future. The departments and public sector entities are then asked to rate themselves and to provide references to illustrate where the information provided came from. Departments and public sector entities must fill out tables entitled 'Development project performance and project planning, beneficiary participation and local issues'.

Section 195 (1)(c)	Public administration must be development-oriented.
Performance Indicator	The Department effectively implements development programmes that aim to alleviate poverty.
Definition of development projects	A development project is **any intervention** targeted directly at the poor to **enable** them to **provide their own livelihoods,** including **supplying their own basic needs.** This could include: - providing set-up grants. - training.

	- advice, and
	
	 - services like
	
	    - financial services,
	
	    - marketing, and
	
	    - other business services.
	
	 - This definition does **not include** basic services or development-type services offered as part of the **core business** of the department.

Standards	- Projects must be successful. - Beneficiaries must participate in project design. - Good project management systems must be maintained. - Poverty alleviation projects and policies must be integrated into local development plans. - Organisational learning must take place.

The idea behind the constitutional principle of development orientation is to assess whether or not government departments which are responsible for implementing policies, programmes and projects which are development-oriented are meeting the standards. However, if one looks at the format of assessment (annexure A), the reporting mechanism is administered by the department itself on a system of self-assessment.

The template does reinforce the principle that good governance is key to accomplishing sustainable socio-economic development and therefore efficient and effective government. However if it is based on self-assessment how can one accurately or objectively assess the

development orientation of a department, and whether good management systems were maintained? In other words determine the performance of a government department.

Constitutional Principle 4: Impartiality and Fairness (Table 3.9)

The purpose of the fourth constitutional principle is to provide services in an impartial, fair and equitable manner without any bias. The template provides government departments and public sector entities with a procedure by which to measure how impartial and fair their actions and decisions are, by measuring them against the Administrative Justice Act (AJA). The template also provides a rating template which government departments and public sector entities can use to determine their compliance with the AJA. Table One included in annexure D provides government departments and public sector entities with a review template according to which they can review their administrative decisions.

Section 195 (1)(d)	Services must be provided impartially, fairly, equitably and without bias.
Performance Indicator	The Department is making a concerted effort to move towards compliance with the provisions of the Administrative Justice Act (AJA)
Definition of an administrative action	"Administrative action" means any decision taken, standards ignored or any failure to take a decision, by – (a) an organ of state, when - (i) exercising a power in terms of the Constitution or a provincial constitution; or (ii) exercising a public power or performing a public

	function in terms of any legislation; or (b) a natural or juristic person, other than an organ of state, when exercising a public power or performing a public function in terms of an empowering provision, which adversely affects the rights of any person and which has a direct external legal effect…(Section 1(i) of the Act.)
Standards	• Adequate notice of the nature and purpose of the proposed administrative action must be given. • Opportunities must be provided to make representations before action is taken. • The administrative decision is clearly stated. • Adequate notice of any right of review or internal appeal, where applicable, must be given. • Adequate notice of the right to request reasons for decisions must be given. • A departmental policy for responding to requests for the provision of reasons for administrative decisions must be in place. • Requests for reasons for decisions must be properly and reasonably processed.

Reporting on whether or not a respective government department is impartial and fair in its administrative actions is again based on self-assessment (see annexure D). It would be unusual for a government department to identify their own actions as "partial" or "fair". It is difficult to conclude whether decisions and actions are impartial and fair, as the standards

stipulated are vague and broad. For example "*adequate notice* of the nature and purpose of the proposed administrative action must be given". What constitutes "adequate"?

Constitutional Principle 5: Public Participation (Table 3.10)

The purpose of the fifth constitutional principle (see annexure E) is to provide government departments with a checklist for them to follow in order to ensure that they provide information on the policy-making process, and on the policy itself, to the relevant stakeholders. The template attached to annexure E provides a rating scale with which government departments can determine their level of compliance. The annexure goes on to provide systems for soliciting participation amongst staff and relevant stakeholders.

Section 195 (1)(e)	People's needs must be responded to and the public must be encouraged to participate in policy-making.
Criteria/Performance Indicator	The department facilitates public participation in policy-making.
Standards	- A policy on public participation must be formally stated. - A system for soliciting public inputs on key matters must be in use and effectively implemented. - All policy inputs received from the public must be acknowledged and formally considered.

The above public participation principle is based on a number of assumptions. For example, government departments that hold public hearings in order to fulfill the public participation

obligation do not necessarily use or intend to use the information that is obtained through the public participation process. How does one determine if public participation has any impact on the performance of a government department or whether it has an impact on the governance of the department at all? It is easy to see the process of public participation taking place but practically impossible to measure the effect it has, if any, in the formulation and subsequent implementation of a policy. It is also not clear who was invited to partake in public participation forums, or whether interest groups were given enough warning on when the public meetings would take place. In these instances public participation can thereby be meaningless.

Constitutional Principle 6: Accountability (Table 3.11)

The purpose of the sixth constitutional principle is to ensure that adequate internal control is exerted over all departmental financial transactions. Fraud-prevention plans based on thorough risk assessments must be in place and implemented. The template (annexure F) provides a means for departments to rate their adherence to accountability measures. The template provides departments with a checklist informing them of what documents and procedures should be in place to control fraud. It also stipulates what the responsibility of employees is with regard to eliminating fraud.

Section 195 (1)(f)	Public administration must be accountable.
Performance Indicator	Adequate internal control must be exerted over all departmental financial transactions.
	Fraud prevention plans, based on thorough risk assessments,

	must be in place and are implemented.
Standards	• The Auditor General's assessments of financial controls conclude that they are adequate and effective. (**An unqualified audit opinion** indicates that the Auditor agrees with the information presented by management in the financial statements. However, an audit opinion may be **qualified** if the Auditor considers that the financial statements do not present a fair view and the information may mislead the reader. These qualifications include issuing an **adverse opinion** – auditor is not in agreement that it is a fair presentation; **qualified report** – when the scope of the audit work required to form an opinion has been limited in some way. Lack of **internal control** is probably the major reason for qualifying audit opinions. Check whether any lack of internal controls is mentioned in the audit report under the heading **"Emphasis of Matter".** The concept "Emphasis on Matter is used to draw attention to a matter that is considered important enough to be mentioned in the audit report, but does not prevent an unqualified audit opinion being expressed. Such matters are mostly lack of some internal control) • Fraud prevention plans are in place and are comprehensive and appropriate, and are implemented.

	• Key staff for ensuring implementation of fraud prevention plans, especially investigation of fraud, are in place and operational. • Fraud prevention plans are based on thorough risk assessment.

Compliance to this principle depends on the approval of the Auditor-General. The Auditor-General is an independent institution established by the Constitution (section 188) and is responsible for auditing the financial statements and operations of all government departments and public entities. It has a specific mandate and assessment in this case can be regarded as more objective then those principles which are purely self-administered. However, it does not prove that fraud has or is taking place.

Financial accountability and management has been criticized for being weak across all spheres of government in South Africa. However, recent positive developments in this respect are the recent enactment of the Financial Management Act (1999).This policy expects government departments and public entities to comply with more specific financial management obligations and responsibilities.

However, accountability under this principle is restricted to finances. It neglects general accountability of public servants. Accountability is a key element of good governance as it is the means through which government departments and government agencies are held to account for the activities that they have undertaken and the decisions that they have made. These departments and government agencies must be assessed and be held accountable for

their performance, and non-performance should be formally dealt with. In this sense this principle should be more closely linked to that of efficiency, economy and effectiveness.

Constitutional Principle 7: Transparency (Table 3.12)

The purpose of the seventh constitutional principle is to ensure that government departments provide timely, accessible and accurate information to the public. This template provides departments and public sector entities with an Annual Report Content Checklist (see annexure G) in order to determine the degree of transparency within a particular government department or public sector entity.

Section 195 (1)(g)	Transparency must be fostered by providing the public with timely, accessible and accurate information.
Performance Indicator	The departmental annual report meets the required standard and thereby facilitates transparency.
Standards	Standards have been clearly defined in an attachment. These are drawn from the National Treasury's Guidelines. These are: - The content of the annual report should cover those issues prescribed by National Treasury. - The annual report should be clearly address performance against predetermined objectives. - The report should be well written in simple accessible language and should be attractively and clearly presented.

Transparency is another key element of good governance. Government business needs to be conducted in an open and honest way with the manner in which it operates being closely examined by other government bodies as well as by its citizens. Transparency calls for freedom of information which enables the citizen to have access to any information wanted with regards to the way in which the state is run. Attaining transparency in government departments is however, dependent on whether politicians and civil servants are willing to undertake greater levels of transparency and whether they are able to make better decisions based on clean information.

Whilst transparency is seen as vital to good governance one questions whether complete transparency is attainable? Transparency through access of information is determined by how much a particular department is willing to make available to the public.

Constitutional Principle 8: Good Human Resource Management Practices (Table 3.13)

The purpose of the eighth constitutional principle (see annexure H) is to ensure that good human resource management and career development are cultivated within government departments and public sector entities. The intention is that these institutions maximize the human potential within them.

Section 195 (1)(h)	Good human resource management and career development practices, to maximize human potential, must be cultivated.
Performance Indicator	**A. Recruitment** • Vacant posts are filled in a timely and effective

	manner.
	B. Skills Development
	• The Department complies with the provisions of the Skills Development Act.
Standards	**A. Recruitment**
	• A recruitment policy complying with good practice standards and spelling out a detailed procedure is in place.
	• Vacant posts are filled within a certain period.
	• Regular management reporting on recruitment is done.

Governments which lack resources such as those in the developing world, often do not have good human resource management policies and practices in place. Not intentionally but because they experience a real lack of resources: technical, human and financial resources. It is difficult for them to hire people who have the skills to implement human resource practices. In some instances, government departments do not have money to fill vacant posts. One can then ask whether the inability of developing countries to establish or maintain good human resource management practices means that the bureaucracy as a whole does not adhere to the principles of good governance.

Constitutional Principle 9: Representative (Table 3.14)

The ninth constitutional principle (annexure I) is there to ensure that government departments and public sector entities attain representivity targets set by national legislation. Representivity is determined by undertaking several steps. The first step is to provide an equity policy and plan for the government. The second step is to report on the levels of representivity in government departments and public sector entities by requiring them to report on issues such as numeric targets. The template also provides a rating mechanism as a means by which government departments and public sector entities can be measured against to determine their compliancy with national legislation. These institutions are also required to provide relevant documentation, as stipulated in the annexure, in order to furnish proof as to the strides that they have made in order to attain representivity.

Section 195 (1)(i)	Public administration must be broadly representative of South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.
Performance Indicator	Departments are representative of the South African people and diversity management measures are implemented.
Standards	• Employment equity policies and plans are in place and reported upon. • Representivity targets are met. • Diversity management measures are implemented.

	(These are any measures taken to support candidates appointed to assist with ensuring diversity in departments such as physical accommodations or specialized training).

Implementing this constitutional principle does not mean that those government departments which meet their representivity targets are efficient and effective. In fact, a government department may meet the targets by meeting national employment equity standards, but may as a result of skill shortages are less efficient and effective.

3.6 Assessment

The above analysis of South Africa's nine constitutional principles for monitoring and evaluation has raised some important issues. For example, the monitoring and evaluation system is broken up into nine principles which are assessed separately. It is therefore difficult for an institution, such as the Public Service Commission, to establish a holistic performance management assessment. It is also not clear whether these constitutional principles are ranked according to priority, or whether some carry more weight then others. In other words, is it better to meet the standards of representativity than it is to meet the standards of efficiency, economy and effectiveness?

How measurement takes place is important. Most government departments and public sector entities rely on self-assessment, or assessment by line-managers. A certain amount of measurement take place by a reviewer within a department (see Annexures F – I). The reliability and objectivity of such information can be questionable. The Public Service Commission has acknowledged that it does not have the necessary resources to assess the performance of individual public servants or their departments themselves, and therefore rely on data presenting by government departments.

The establishment of an effective monitoring and evaluation system is a crucial component of measuring good governance. However, it has been easier said than done. Monitoring and evaluation systems are, for example, seen to work better in developed countries as compared to their poorer counterparts in the developing world. One common reason identified is that

developing countries often do not have the financial and administrative capacity or resources to implement a monitoring and evaluation system by independent auditors.

Monitoring and evaluation systems are meant to be able to identify, measure and assess the quality and quantity of goods and services provided citizens. However, this section has argued that it is questionable whether such a system is able to measure the *quality* of the provision of goods and services to citizens. At best it can determine what structures and systems government departments have put in place. It can not accurately or holistically determine the quality or outcomes of those systems.

It is undeniable that monitoring and evaluation as assessment systems have the ability to identify areas where the public service can and needs to be improved. It is important that government departments are able to illustrate what they have achieved and how they have performed. Monitoring and evaluation systems can provide a system of transparency and accountability thereby assisting the performance of government departments and sustaining such a system. For findings of respective government department's monitoring and evaluation systems to be useful, then it must be acted upon. Only then does it constitute good governance.

Trying to determine whether good governance is taking place in the public sector based on any monitoring and evaluation system is an imprecise science and as a result will lead to inexact measures being taken. Kaufmann and Kraay (2007: 1) say that 'producers and users of governance data should not misinterpret the absence of explicitly-reported margins of error in other indicators as evidence of precision or accuracy'. Measuring government performance is said to be less than perfect for the scope of governance which one would want to measure (Kaufman and Kraay (2007: 1). Good governance is a broad concept with many

definitional ambiguities (Kaufman and Kraay (2007: 1). The problem remains how to provide an error free measurement of good governance since the concept itself is broad and all encompassing and there are also several definitions of what good governance is. What definition of good governance does one then measure? In addition, Kaufmann and Kraay (2007: 6) state that just 'because something can be measured does not mean that it is an important constraint on good governance'. Just because one can measure an action does not mean that it is worth being measured.

This chapter has critically analysed the ability of monitoring and evaluation systems to assess whether or not the public service is promoting good governance. It has also looked at the current monitoring and evaluation system of public performance management in South Africa and concludes that one cannot merely complete an evaluation report, make it publicly available and assume that the information will automatically make government more efficient and effective. The onus is on government to ensure that there is widespread use of evaluation reports. Once completed it is necessary that the findings of these assessment reports will be comprehensively analysed and that the recommendations and suggestions that are gathered from these evaluation reports must be implemented into the daily functioning of government departments and public sector entities. Only then can the overall actions of government departments be improved, service delivery to the citizen be enhanced and real progress made to achieve good governance.

CONCLUSION

International lending institutions are of the opinion that developing countries show little capacity to formulate policy, implement it and perform routine administrative functions. This, they argue, has led to developing countries being unable to undertake even the most basic tasks required of modern states such as the capacity to plan and pursue development. The need for administrative reform was clear. However, developing countries had little autonomy in deciding how reform was to take place. Developing countries that rely on foreign aid remain limited in the type of decisions they can take on matters concerning their bureaucracy or service delivery strategies.

Government departments and public sector agencies in the developing world are faced with a number of administrative issues. They often lack motivated staff and do not have the level of skilled staff necessary to run an efficient and effective public sector organisation. Citizens as well as public servants begin to doubt whether their newly found democracy is able to deliver. Good governance is difficult to implement in a state whose legitimacy is in question as is often the case in the developing world. If the very administrative foundation on which good governance is supposed to be built on is unstable how then is good governance supposed to work?

A tremendous amount is expected from the implementation of good governance. What characterises good governance is defined by international aid agencies and international monetary institutions and not by the developing countries themselves for whom it is intended.

Good governance requires a great deal of reforms to be undertaken but there is no indication on which aspects of the principle are more important to implement. Grindle (2004:526) states that "if more attention is given to sorting out these kinds of issues, the end point of good governance imperative might be recast as *good enough governance*". This, argues Grindle (2004: 530) translates into mediocre performance by states where the minimum is undertaken to appease the international community.

The list of reform requirements that need to be adhered to in order to achieve good governance appears to get longer and longer. There appears to be "little thought to their sequence, their interdependence, or their relative contributions to the overall goal of creating governments which are more efficient, effective, and responsive, let alone those that are said to alleviate poverty" (Grindle, 2004:530). The challenge of the public sector in developing countries is to identify what constitutes good governance and finding suitable criteria and measures to meaningfully assess their progress and outcomes.

Public sector reform initially focused on addressing general bureaucratic inefficiency and ineffectiveness. It proposed a predominantly market-based perspective to service delivery, focusing primarily on curbing administrative operating expenditures. The current good governance agenda continues to insist on the latter, but has extended this objective to include principles that prescribe *how* administrative reforms must be more democratic. For example, public sector reforms must not only be efficient and effective, they must be transparent, accountable and representative. None of the literature as well as the application in South Africa of it current monitoring and evaluation system could prove this. It has shown that measuring good governance is complicated and an inaccurate 'science'.

This study therefore argues that putting good governance principles in place do not necessarily lead to development nor can it guarantee democracy. This study has shown that performance measurement criteria are not easily assessed and fraught with implementation problems. Despite this, the study concludes that the good governance principles remain worthwhile and a useful benchmark for sustaining and consolidating a democracy.

The study concurs with Diamond's argument that "[R]eal democracy - that is competitive, open, participatory, and responsive - provides a means for citizens to monitor and evaluate the performance of government, and to remove officials and representatives who do not serve the public interest. A high quality democracy with good governance - increases the likelihood that public resources will be used to generate public goods that stimulate investment and commerce, and raises the quality of life" (Diamond, 2005: 5).

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Report 1

A Report On The Department Of X
With Regard To Professional Ethics

Background		
1.	Name of Department	Full name
2.	Name of reviewer	Your name and position Job Title
3.	Date of review	Date on which review was undertaken
4.	Reporting period	What period is covered by this report?
5.	Constitutional principle	A high standard of professional ethics must be promoted and maintained.
6.	Performance indicator	Cases of misconduct are dealt with effectively and in good time.
Assessment		
7.	Procedure to report on and manage cases of misconduct	**Overview:** Answer the following questions: • What is the name, level and post name of the person who supervises the handling of cases of misconduct? • Who does this person report to (level and post name)? • Does the system provide for preliminary investigations? • Who undertakes these? • Who appoints investigating officers, employer representatives and hearing chairpersons? • Is the system used to manage cases stated in a policy document? • Consult five Director-level managers. Are they generally aware of the system and its requirements? **Survey:** • Complete **Table 1: 1** • Comment on the results **Rating:** • Is a policy document in which the procedure to be followed and time

	frames on handling cases of misconduct in place? YES/NO • **Do more than half** of the managers surveyed have a working knowledge of the system YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
8. **Management reporting**	**Overview:** Attach copies of management reports • Does the report provide: name of person charged and post details, offence details, process to date etc.? • How are these reports used? (To whom are they circulated, and what use do they make of them?) **Rating:** • Are management reports reflecting cases of misconduct available? (Copies of such reports should be appended if possible). YES/NO • Is there any evidence on management's response/actions on these reports, available? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
9. **Number of cases**	**Overview:** Complete **Table 1.2** below reflecting the 20 most recent cases that involved a hearing. Comment on the Table • What is average length of time taken to process cases? • Is this acceptable? • What was the total number of cases handled over the preceding year? • How many cases were pending at the time of this research? • What are the most common offences? • How many cases had a finding overturned on appeal?

	Rating: **Does the department adhere to the following time frames set by Resolution 2 of the PSCBC?** • *Notice of disciplinary enquiry - 5 working days (Par. 7.1(a) of Res. 2).* • *Normal disciplinary hearing – within 10 days after notice of Par. 7.1(a) has been delivered to employee (Par. 7.3(a) of Res. 2).* • *Disciplinary hearing after precautionary suspension or transfer of employee charged with misconduct – within a month after precautionary suspension or transfer (Par. 7.2(c) of Res. 2).* • *Communication on final outcome of hearing – within 5 working days after conclusion of the disciplinary hearing (Par. 7.3(n) of Res. 2)* YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
10. Capacity	**Overview:** Complete **Table 1.3** below. Are there sufficient staff allocated to this area considering the number of misconduct cases reported during the period under consideration? **Rating:** **Does the department have at least three employees capable of handling cases of misconduct, i.e.?** • *One to investigate the case.* • *One to act as chairperson during a disciplinary hearing and/or an appeal (Par. 7.3(b) and 8.3(b)(ii)).* • *One to represent the employee charged with misconduct and/or act as the appeal authority (Par. 7.3(c) and 8.3(b))* YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
11. Training and awareness	**Overview:** • Does the system used for managing misconduct appear in any training materials produced in or used by the department? • Explain the nature of the course and the depth of the training provided. • How frequently is it delivered and to who? (Attach copies of material if possible) **Rating:** *Does training and capacity building provided by the department cover misconduct?* YES/NO

	Areas of good practice or for improvement
	Please list any areas of good performance or any which need improvement.

Rating

12. Score	DESCRIPTION	POINTS
	A system is in place	
	Reporting is done	
	Time taken is within set time frames of Res. 2 of the PSCBC	
	Capacity is adequate	
	Awareness is covered in capacity building process and misconduct is reflected in training materials	
	TOTAL	
	General Comments:	
References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview.	

Table 1. 1: Survey of director level managers

Name	Overview of response	Has a working knowledge of the system YES/NO
1.		
2.		
3.		
4.		
5.		

Table 1.2: Overview of recent cases of misconduct

Case number	Nature of offence (Annexure A of Disciplinary Code)	Number of days from date case reported to date finalised	Outcome of case (guilty / not guilty)	Did it go on appeal (yes / no)	Decision varied on appeal (yes/ no)	Dispute declared. Referred to sectoral council	Decision varied in sectoral council (Yes/ No)	Comments
1								
2								
3								
15								
16								
17								
18								
19								

Notes

Only include serious cases of misconduct, that is, cases where a hearing was conducted.

"Date reported," means the date of communication if reported in writing and date when the case was first noted in official records when reported verbally

Table 1.3:   Staff assigned to investigation of corruption

Salary band	Number of staff			
	Competence			
	Still learning the ropes	Adequate	Highly competent	Total
1 – 2 Lower skilled				
3 – 5 Skilled				
6 – 8 Production				
9 – 12 Supervision				
13 – 16 Senior management				
TOTAL				

Report 2

A Report On The Department Of X
With Regard To Efficiency, Economy And Effectiveness

Background

1.	**Name of Department**	Full name
2.	**Name of reviewer**	Your name and position Job Title
3.	**Date of review**	Date on which review was undertaken From … to…
4.	**Reporting period**	What period is covered by this report?
5.	**Constitutional Principle**	Efficient, economic and effective use of resources must be promoted.
6.	**Performance indicator**	• Expenditure is according to budget • Program objectives are achieved

Assessment

7.	**Planned expenditure vs. Actual**	**Overview:** Complete **Table 2.1** below Obtain a copy of the department's audit report for the financial year under review. Turn to the notes to the appropriation account. In one of the notes variations in excess of 2% between expenditure and amount voted are explained. Comment on the variations using the Auditor-General's explanations as guide. Are variations related to performance issues or to factors beyond the department's control? **Rating:** • Is the expenditure within 2% of the planned budget? YES/NO OR • Are reasons provided for variance beyond the department's control? YES/NO • Does the Audit Report clearly support this position? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

| 8. | **Quality of the Department's service delivery indicators** | **Overview:**

Complete **Table 2.2** below.

Comment on whether the outputs and indicators are:

• Measurable
• Understandable
• Measuring final outputs to the department's clients
• About the department's own performance/ contribution towards outcomes

Comment on the quality of any management information system used to gather, store and report data.

Rating:

Are more than half of each programme's performance indicators measurable and clear and do they illustrate the programme intentions?

YES/NO

Areas of good practice or for improvement

Please list any areas of good performance or any which need improvement. |
| 9. | **Achievement of priority objectives** | Complete **Table 2.2** below

Comment on whether priority objectives were achieved. Do this systematically for each indicator.

Rating:

8 or more of the ten most important strategic objectives have been met = 3
6 to 7 of the ten most important strategic objectives have been met = 2
4 to 5 of the ten most important strategic objectives have been met = 1

Areas of good practice or for improvement

Please list any areas of good performance or any which need improvement. |

Rating		

10. Score:	DESCRIPTION	POINTS
	Expenditure	
	Expenditure stated in the Annual Report is within 2% of the planned budget set in the Red Book	
	More than half of each programme's performance indicators are measurable and clear and illustrate the programme intentions	
	Achievement of objectives	
	Eight of the ten most important strategic objectives have been met	
	Six of the ten most important strategic objectives have been met	
	Four of the ten most important strategic objectives have been met.	
	TOTAL	
	General Comments:	
11. References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview.	

Table 2.1: Planned and actual expenditure

Strategic objective / Programme (From Red Book)	Budgeted amount	Actual expenditure	Variance (%)

Table 2.2: The achievement of objectives

Strategic objective	Performance indicator and target	Achieved /Not	Reasons for: Performance / Non-performance/ Changes to objectives

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Report 3

A Report On The Department Of X
With Regard To: Development Orientation

Background

1.	**Name of Department**	Full name
2.	**Name of reviewer**	Your name and position Job Title
3.	**Date of review**	Date on which review was undertaken From … to…
4.	**Reporting period**	What period is covered by this report?
5.	**Constitutional Principle**	Public Administration must be development-oriented.
6.	**Performance indicator**	The Department effectively implements development programs that aim to alleviate poverty.

Assessment

7.	**Success of the programme**	**Overview:** Complete **Table 3.1** below using the ten projects that comply with the definition for development projects. **Rating:** • Have at least half the projects achieved half their objectives? • Could you describe the projects successful generally? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

8.	Participation of beneficiaries in the design of the project	**Overview:** Complete **Table 3.2, Column A,** below preferably using the same projects as an Table 3.1 • Comment on whether procedures require beneficiary participation in projects. • Conclude whether the issue of community participation is characteristic of the projects. (Participation refers to more than involvement in activities: it means playing an active role in governance, design and monitoring of projects.) **Rating:** Are at least half the projects of an acceptable standard in terms of beneficiary participation? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
9.	Good project management standards	**Overview:** Complete **Table 3.2 Column B** below. Comment generally on the quality of development project planning. **Rating:** Are at least half the project plans of an acceptable project management standard? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

10. Alignment of the programme with Local Development Plans	**Overview:** Complete **Table 3.2 Column C** below. Comment on the extent to which local development plans are generally considered when planning poverty alleviation projects. **Rating:** Are local development plans taken into account in at least half the projects reviewed? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
11. Learning	**Overview:** List and describe any system in place to consciously identify lessons learned and to apply these to future projects. The most basic forms of learning such as seminars and publications should be mentioned. *Documented evidence that lessons learned are applied in other projects* **Rating:** Are there any systems in place for systematically institutionalising lessons learnt? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

Rating

12. Score	DESRIPTION	POINTS
	Half the projects achieved success in at least half their objectives	
	At least half the projects are of an acceptable standard in terms of beneficiary participation.	
	At least half the project plans are of an acceptable project management standard	
	At least half of the local development plans are accommodated	
	A system is in place for systematically institutionalising lessons learnt	
	TOTAL	

	General Comments:
13. References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview.

Table 3.1: Development project performance

PROJECT NAME	PROJECT OBJECTIVES	TOTAL BUDGET	LARGELY OR FULLY ACHIEVED/ PARTLY ACHIEVED/ BARELY OR NOT ACHIEVED	COMMENTS / REASONS FOR PERFORMANCE
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Table 3.2: Project planning, beneficiary participation and local issues

	A	B	C
	BENEFICIARY PARTICIPATION	PROJECT PLAN QUALITY	LOCAL PLANS
PROJECTNAME	Did beneficiaries participate in planning and are they properly involved in implementation?	Is a standardized format used showing all relevant details including objectives, clear governance arrangements and detailed financial projections and also considering issues such as gender, the environment and HIV/AIDS?	Is local development planning taken into account?
	YES or NO and comment	*Rate each plan as Acceptable/Not acceptable and comment*	*State YES or NO and describe how*
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Report 4

A Report On The Department Of X
With Regard To: Impartiality And Fairness

Background

1.	Name of Department	Full name
2.	Name of reviewer	Your name and position Job title
3.	Date of review	Date on which review was undertaken From … to…
4.	Reporting period	What period is covered by this report?
5.	Constitutional Principle	Services must be provided impartially, fairly, equitably and without bias.
6.	Performance indicator	The Department is making a concerted effort to move towards compliance with the provisions of the Administrative Justice Act.

Assessment

7.	Implementation plan	**Overview:**
		• Does the department have an implementation plan with a schedule to map all its administrative procedures/actions and test them against the requirements of the Administrative Justice Act? (**Obtain a copy of the plan**).
		• Are responsibilities assigned for these tasks?
		• Which of the above administrative procedures/actions complied with the Administrative Justice Act?
		• Has any training been provided to staff on the application of the Act? Has this training had any particular impact?
		Rating:
		• The responsibility for the implementation of the AJA appears in a particular person's performance agreement or work plan = ½ point.
		• The person responsible is able to show a clear implementation plan = ½ point.
		Areas of good practice or for improvement
		Please list any areas of good performance or any which need improvement.

8. The provision of prior notice	**Overview:**
	Complete **Column B of Table 4.1** below
	• Does the Department provide affected people prior notice of the nature and purpose of the proposed administrative action?
	• If not, is it justified in terms of section 3(4) – *to depart from requirements* – and (5) – *to follow a different procedure* – of the Act?
	• How is this notice provided?
	• Is the provision of prior notice built into the business process or is it an exception made in certain cases?
	Rating:
	Is prior notice given in at least half the cases reviewed?
	YES/NO
	Areas of good practice or for improvement
	Please list any areas of good performance or any which need improvement.
9. Opportunities to make represen-tations	**Overview:**
	Complete **Column C of Table 4.1** below
	• Are opportunities to make representations granted?
	• If not, is it justified in terms of section 3(4) – *to depart from requirements* – and (5) – *to follow a different procedure* – of the Act?
	• Is the public made aware of these opportunities? How?
	• Is the provision built into the business process or is it an exception made in certain cases?
	Rating:
	Are opportunities to make representations granted in at least one third of the cases reviewed?
	YES/NO
	Areas of good practice or for improvement
	Please list any areas of good performance or any which need improvement.

10. Communication of decisions **Right to request reasons for decisions**	**Overview:** Complete **Column D of Table 4.1** below. • Is adequate notice of the right to request reasons for decisions given? • How is this notice given? (Section 24 of the Regulations on Fair Administrative Procedures.) • Are the reasons for the decision clearly noted in the records? • Is there a procedure in place for handling requests for reasons for decisions? Describe the procedure. • If not, is it justified in terms of section 3(4) – *to depart from requirements* – and (5) – *to follow a different procedure* – of the Act? **Rating:** Are administrative decisions clearly communicated and the reasons provided in at least one third of the cases reviewed? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
11. Reasons on request	**Overview:** Complete **Column E of Table 4.1** below. Are records kept of decisions that make the provision of reasons possible? **Rating:** Were at least on third of any requests for reasons for decisions properly answered? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

Rating

12. Score	DESCRIPTION	POINTS
	Responsibility to manage the implementation of the AJA is allocated to a particular manager The person responsible is able to show a clear implementation plan	
	Notice is usually given in at least half the cases prior to administrative actions	
	Opportunities are provided in at least one third of the cases reviewed to make representations before action is taken	
	Administrative decisions are clearly communicated and the reasons therefore are provided in at least one third of the cases reviewed	
	Requests for the reasons for decisions are properly answered in at least one third of the cases reviewed	
	TOTAL	
	General Comments	
13. References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview.	

Table One: Review of departmental administrative decisions (The selection of decisions for column a should be checked with the adviser first)

A Administrative decisions taken in this department	B Notice is given (Y/N)	C Opportunities for representation (Y/N)	D Decisions are communicated (Y/N)	E Reasons provided on request
1				
2				
3				
4				
5				

Format 5

A Report On The Department Of X
With Regard To: Public Participation in Policy-making

Background	
1. **Name of Department**	Full name
2. **Name of reviewer**	Your name and position Job Title
3. **Date of review**	Date on which review was undertaken From … to…
4. **Reporting period**	What period is covered by this report?
5. **Constitutional Principle**	People's needs must be responded to and the public must be encouraged to participate in policy-making.
6. **Performance indicator**	The department facilitates public participation in policy making.
Assessment	

7. **Policy and guidelines**	**Overview:**
	
	1) Is there a departmental policy and guidelines on public participation in policy making?
	
	2) Is staff aware of the policy? Please provide reasons for your answer.
	
	3) Are copies of the policy easily available? From where? To whom?
	
	4) Comment on the quality of the policy and guidelines and their scope. It should consider the following:
	
	   ➤ What is to be achieved?
	   ➤ Whose inputs should be obtained? (What client segment/ category, egg, business/labour/other government, rural/urban, rich/poor?)
	   ➤ On what? Is the policy simply published for comment or are specific questions asked?
	   ➤ How? What are the procedures to be followed? Should the input be obtained from the public directly or through representative bodies (other than legislatures) or special interest groups?
	
	5) Do the methods consider the following objectives?
	
	   ➤ Giving information. (I can't participate if I don't know what the issues are.)
	   ➤ Seeking information. (The views of the public can be researched.)
	   ➤ Sharing information. (There is some interaction between the

	members of the public and the policy maker.) **Rating:** A policy on public participation in place YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
8. **System for soliciting participation**	**Overview:** Complete **Table 5.1 Column B** below Comment generally on the extent to which there is a system in place for procuring and managing public contributions and the extent to which it is used. **Rating:** A system is in place but not always used = 1 point A system is in place and was used in more than half the cases = 2 points **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
9. **Inclusion of public comments**	**Overview:** Complete **Table 5.1 Column C** of table one below. • Are the results of participation processes presented in the form of reports to policy-makers with recommendations, and analysed into, egg, responses of different client segments to different issues? Were the recommendations of the report accepted? Describe in general terms the extent to which final policy draws upon public input. Use examples from the reporting period. • Are people who made inputs or who commented on policy, advised as to the outcome of their input? How are they advised? **Rating:** In at least half the cases contributions are acknowledged **but** not always considered = 1 point In at least half the cases contributions are acknowledged **and** considered = 2 points

Inclusion of public comments - Continued	Areas of good practice or for improvement Please list any areas of good performance or any which need improvement.

Rating

10. Score	DESCRIPTION	POINTS
	A policy on public participation is in place (Max. 1)	
	A system for generating inputs is used (Max. 2)	
	Inputs are responded to and used (Max. 2)	
	TOTAL	
	General Comments:	

Sources

11. References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview. .

Table 5.1: Systems for soliciting participation

A Policy name / area	B Inputs solicited (Y/N)	C Inputs responded to and incorporated (Y/N)
1		
2		
3		
4		
5		

Report 6

A Report On The Department Of X
With Regard To: Accountability

Background		
1.	Name of Department	Full name
2.	Name of reviewer	Your name and position Job Title
3.	Date of review	Date on which review was undertaken From … to…
4.	Reporting period	What period is covered by this report?
5.	Constitutional Principle	Public administration must be accountable.
6.	Performance indicator	Adequate internal control is exerted over all departmental financial transactions. Fraud prevention plans, based on thorough risk assessments, are in place and are implemented.
Assessment		
7.	Internal control	**Overview:** Summarise the main points from the Auditor-General's report. **Rating:** Does the Auditor-General's report conclude that the department's internal controls are adequate? YES = 2 points MOSTLY = 1 point **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

8. Fraud prevention plan	**Overview:** Obtain a copy of the department's fraud prevention plan and evaluate it against the standards for effective fraud control strategies. Use the checklist **(Table 6.1)** below. Comment in two to three sentences on each standard. Is the plan practical and suited to the department's circumstances? **Rating:** Is a comprehensive and appropriate fraud prevention plan being implemented? (8 or more of the 13 items on the checklist to be present) YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
Implementation of the plan	**Overview:** Complete **Table 6.2** below Comment on whether key staff for implementing the plan, especially investigation of fraud, are in place. **Rating:** Are sufficient staff members in place to implement the plan? (Researchers must use own judgment considering the scope and scale of necessary activities and the human resources available) **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

9. Risk assessment	**Overview:** Obtain copies of the department's risk assessment documentation. Review this documentation and commenting on whether • Risks have been identified for all activities/applications. (Activities/ applications in the Commission's office are for example "doing service delivery projects", procurement, salary administration, or payments of creditors. It is important to note that the line function activities are also included. • The seriousness of the risks has been assessed or whether risks have been prioritised. Estimating both the likelihood of the risk occurring and the impact of the risk usually does this. • Whether appropriate measures, including internal control measures, have been devised to address the risk. In light of this discussion, is the risk assessment adequate? **Rating:** Is the department's fraud prevention plan based on a thorough assessment of risks? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

Rating

Score	DESCRIPTION	POINTS
	AG reports states that controls are adequate (Max. 2)	
	Fraud prevention plans are in place (Max 1)	
	Key staff are in place (Max 1)	
	Proper risk assessment done (Max 1)	
	TOTAL	
	General comments:	
References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview. .	

Table 6.1: Checklist

Standard	√
1. A comprehensive responsibility structure must be developed to implement and give effect to the department's fraud control strategy.	
2. Fraud prevention strategies must be based on a thorough risk assessment. Only tick after the next section has been completed.	
3. A fraud database should be in place. Refer to assessment of the management of misconduct under constitutional principle number 1.	
4. It must be clear that every employee has a responsibility to contribute towards eliminating fraud.	
5. Service users, suppliers and the broader community should be made aware of the department's stance on fraud and corruption.	
6. It should be clear to everybody to whom and how fraud should be reported.	
7. A clear policy on protected disclosures must be in place.	
8. Accounting officers must be clear that there is no discretion in the reporting of fraud to either the police or other independent anti-corruption agencies.	
9. Provision must be made for the investigation of fraud once reported.	
10. The department to establish whether a basis exists for further investigation must promptly examine all instances of suspected fraud.	
11. Fraud investigations must be conducted without interference from management.	
12. Skilled officers must undertake investigations.	
13. The expected standards of conduct (code) must be clear. The Public Service Code of Conduct must be applied to the specific circumstances of the department.	

Source:
Australian New South Wales Premier's Department.
Office of Public Management.
"Fraud Control: Developing an effective strategy" Vol. 2, 1994.

Table 6.2: Staff assigned to investigation of corruption/misconduct

Salary level	Number of staff			
	Still learning	Competent	Highly competent	Total
1 – 2 Lower skilled				
3 – 5 Skilled				
6 – 8 Highly skilled				
9 –12 Supervisory				
13 –16 Management				
TOTAL				

Report 7

A Report On The Department Of X
With Regard To: Transparency

Background

1.	Name of Department	Full name
2.	Name of reviewer	Your name and position Job Title
3.	Date of review	Date on which review was undertaken From … to…
4.	Constitutional principle	Transparency must be fostered by providing the public with timely, accessible and accurate information.
5.	Performance indicator	The departmental annual report meets the required standard and thereby facilitates transparency.
6.	Title of Annual report	As on cover of the annual report. Date especially important

Assessment

7.	Reporting period	What period is covered by this annual report?
8.	Content	**Overview:** Complete **Table 7.1** below. **Rating:** Does the content of the Annual Report cover the areas prescribed by National Treasury and the Department of Public Service and Administration? Of the 81 items, at least 73 (90%) are reported upon in sufficient detail = 1 point **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

9. Reporting	**Overview:**
	Complete **Table 7. 2** below.
	• Comment overall on whether the report clearly communicates what the objectives were for the reporting period?
	• Does it explain how much was achieved?
	• Does it provide reasons for performance/non-performance?
	Rating:
	• Does the Annual Report clearly report on performance against predetermined objectives?
	• At least two thirds of the programmes listed should have progress reported against clearly defined objectives = YES/NO
	Areas of good practice or for improvement
	Please list any areas of good performance or any which need improvement.
10. Presentation	**Overview:**
	Review the overall presentation of the Annual Report.
	• Comment on its overall quality, its presentation and its use of simple or jargonised English.
	• What impression does it convey?
	• Comment on its quality and the level of readership to which it is aimed.
	• Generally assess the extent to which it is accessible, useful and assist in making the work done by the department known to ordinary people
	Rating:
	Does the report help to increase awareness of the department's work by being attractively presented and using simple accessible language?
	Areas of good practice or for improvement
	Please list any areas of good performance or any which need improvement.

Rating

11. Score:	DESCRIPTION	POINTS
	The annual report covers the areas prescribed by Treasury	
	The annual report clearly reports on progress against predetermined objectives	
	The report is well written in simple accessible language and is attractively and clearly presented.	
	TOTAL	
	General comments	
12. References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview.	

Table 7.1: Annual Report Content Checklist

A. GENERAL INFORMATION		Required level of detail provided: Yes/No
1.	Introduction by head of the institution	
2.	Information on the Ministry: a) The work involved in	
	b) Names of institutions falling under Minister's control	
	c) Bills submitted during reporting period	
	d) Official visits abroad – dates, purpose and cost	
3.	Mission statement	
4.	Legislative mandate	
B. PROGRAMME PERFORMANCE **(Must be in accordance with the Estimates of National Expenditure as tabled in Parliament and the Strategic Plan for the reporting period)**		
1.	Voted funds	
2.	Aim of the vote	
3.	Key objectives, programmes and achievements	
4.	Strategic overview & key policy developments	
5.	Summary of programme	
THEN PER PROGRAMME		
6.	Policy developments	
7.	Outputs and service delivery trends – in table format indicating:	

Sub-programme	Outputs	Output/performance Measure/Service Delivery Indicator	Actual performance against target Quantity	
			Target	Actual

A. GENERAL INFORMATION	Required level of detail provided: Yes/No
8. Transfer payment – if any	
9. Conditional grants – if any	
10. Capital investment, maintenance & asset management plan – if any	
AUDIT REPORTS, FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION	
1. Report of the departmental Audit Committee	
2. Management report	
3. Auditor-General's report	
4. Statements of accounting policies & related matters	
5. Appropriation Statements	
6. Notes on the Appropriation Statements	
7. Income Statement (Statement of financial performance)	
8. Balance Sheet	
9. Statement of changes in net Asset/Equity	
10. Cash Flow Statement	
11. Notes to the Financial Statements	
12. Disclosure notes to the Annual Financial Statements	
13. Annexures	
HUMAN RESOURCES OVERSIGHT REPORT – Department of Public Service and Administration	
B.1 Service delivery	
1.1 Main services provided and standards	
1.2 Consultation arrangements with customers	
1.3 Service delivery access strategy	
1.4 Service information tool	
1.5 Complaints mechanism	
B.2 Expenditure	
2.1 Personnel costs by programme	
2.2 Personnel costs by salary bands	
2.3 Salaries, overtime, home owners allowance and medical assistance by programme	
2.4 Salaries, overtime, home owners allowance and medical assistance by salary bands	
B.3 Employment and vacancies	
3.1 Employment and vacancies by programme	
3.2 Employment and vacancies by salary bands	
3.3 Employment and vacancies by critical occupation	
B.4 Job evaluation	
4.1 Job evaluation done during financial year under review	
4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded	
4.3 Employees whose salary level exceed the grade determined by job evaluation	
4.4 Profile of employees whose salary level exceed the grade determined by job evaluation	
4.5 No cases where the remuneration bands exceed the grade determined by job evaluation	
B.5 Employment changes	
5.1 Annual turnover rates by salary band	
5.2 Annual turnover rates by critical occupation	

A. GENERAL INFORMATION	Required level of detail provided: Yes/No
5.3 Reasons why staff are leaving the department	
5.4 Promotions by critical occupation	
5.5 Promotions by salary band	
B.6 Employment equity	
6.1 Total number of employees (including employees with disabilities) in occupational categories	
6.2 Total number of employees (including employees with disabilities) in occupational bands	
6.3 Recruitment for the period under review	
6.4 Promotions for the period under review	
6.5 Terminations for the period under review	
6.6 Disciplinary actions for the period under review	
6.7 Skills development for the period under review	
B.7 Performance Rewards	
7.1 Performance rewards by race, gender, and disability	
7.2 Performance rewards by salary bands for personnel below Senior Management Service	
7.3 Performance rewards by critical occupations	
7.4 Performance related rewards 9cash bonus), by salary band, for Senior Management Service	
B.8 Foreign workers	
8.1 Foreign workers by salary band	
8.2 Foreign workers by major occupation	
B.9 Leave utilization for the period 1 JANUARY TO 31 DECEMBER	
9.1 Sick leave	
9.2 Disability leave (temporary and permanent)	
9.3 Annual leave	
9.4 Capped leave	
9.5 Leave payouts for the period **1 April to 31 March**	
B.10 HIV/AIDS & Health Promotion Programmes	
10.1 Steps taken to reduce the risk of occupational exposure	
10.2 Details of Health Promotion and HIV/AIDS Programmes	
B.11 Labour relations	
11.1(a) Collective agreements	
11.1(b) No agreements	
11.2(a) Misconduct and disciplinary hearings finalised	
11.2(b) No disciplinary hearings	
11.3 Types of misconduct	
11.4 Grievances lodged	
11.5 Disputes lodged with Councils	
11.6 Strike actions	
11.7 Precautionary suspensions	
B.12 Skills development	
12.1 Training needs identified	
12.2 Training provided	
13.B Injury on duty	
14.B Utilisation of consultants	
14.1 Report on consultant appointments using appropriated funds	
14.2 Analysis of consultant appointments using appropriated funds in terms of Historically Disadvantaged Individuals	

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A. GENERAL INFORMATION	Required level of detail provided: Yes/No
14.3 Report on consultant appointments using donor funds	
14.4 Analysis of consultant appointments using donor funds in terms of Historically Disadvantaged Individuals	

Table 7.2: Reporting against objectives

Programme number and name (All departmental programmes should be included)	Are objectives clearly stated (quantifiable, illustrative etc.)? (YES/NO)	Is progress in the achievement of objectives clearly reported? (YES/NO)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9. etc.		

Report 8

A Report On The Department Of X
With Regard To: Good human resource management practices

Background

1.	**Name of Department**	Full name
2.	**Name of reviewer**	Your name and position Job Title
3.	**Date of review**	Date on which review was undertaken From … to…
4.	**Reporting period**	What period is covered by this annual report?
5.	**Constitutional Principle**	Good human resource management and career development practices, to maximize human potential, must be cultivated.
6.	**Performance indicator**	• Vacant posts are filled in a timely and effective manner. • The department complies with the provisions of the Skills Development Act.

Assessment

7.	**Human Resource Policy**	**Overview:**
		
		Obtain a copy of the department's policy on recruitment, selection and appointment and human resources plan and also refer to the department's delegations of authority. Evaluate the quality of the policy using the following standards:
		
		1. The policy clearly describes the procedure to be followed?
		
		2. Are responsibilities clearly assigned and commensurate authority delegated?
		
		3. Does the policy ensure that:
		
		  • A proper assessment matches a candidate's skills, knowledge and abilities with the work-related requirements of the job and the outcomes sought by the department, including representivity?
		
		  • The process is open, competitive and free of bias, unlawful discrimination, nepotism or patronage?
		
		  • Decisions are transparent and capable of review?

Human Resource Policy - Continued	4. Does the policy/human resources plan provide for creative recruitment strategies in circumstances where the department has difficulty in recruiting certain categories of personnel? **Rating:** Is a detailed recruitment policy that complies with good practice and with a detailed procedure spelled out in place? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
5. Recruitment times	**Overview:** Complete **Table 8.1** below reflecting the time taken to fill a post: Comment on how long it takes to fill a post. What are the reasons for the length of time? **Rating:** Are vacant posts filled within a reasonable period? (Average time should not **exceed 12 weeks**, including advertisement time) YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
6. Reporting	**Overview:** • Is any management reporting done on recruitment, selection and appointment? Obtain copies of such reports. • What is reported to whom? • What action is taken on the basis of the reports? • Do the reports clearly convey the recruitment situation in the department and indicate where action is needed, at all? **Rating:** Is regular management reporting done on recruitment? (Researcher's own judgement) YES/NO

		Areas of good practice or for improvement
		Please list any areas of good performance or any which need improvement.
7.	Skills development plan	**Overview:** Obtain a copy of the department's skills development plan. Evaluate the plan against the following minimum requirements. Does it: 1. List the essential **skills required** to execute the activities of the department per post on the establishment? 2. List the skills already possessed by staff, per post? 3. List the measures to acquire the skills to close the skills gap, including training and development plans? 4. Describe the training and development plans for previously disadvantaged groups? 5. Prioritise and cost and provides a budget to execute the plan? Based on this review, comment on the overall quality of the plan **Rating:** A comprehensive skills development plan is in place = ½ point The skills development plan is based on a thorough skills needs analysis = ½ point **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
8.	Performance against plan	**Overview:** Summarise implementation of the department's skills development plan in **Table 8.2** below. Based on this table, comment on the extent to which planned skills development activities are implemented and whether their impact on service delivery is assessed **Rating:** Are skills development activities implemented as planned and their impact on service delivery assessed? • Two thirds of planned activities have been implemented and assessed = 1 point • Two thirds of planned activities have been implemented, but not assessed = ½ point

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	Areas of good practice or for improvement Please list any areas of good performance or any which need improvement.

Rating

9. Score:	DESCRIPTION	POINTS
	A. Recruitment	
	A policy is in place that complies with good practice standards and spells out a detailed procedure	
	Vacant posts are filled within an acceptable period	
	Regular management reporting on recruitment is done	
	B. Skills Development	
	A skills development plan, based on a thorough skills needs analysis, is in place	
	Skills development activities planned for are implemented and their impact on service delivery is assessed/not assessed	
	TOTAL	
	General Comment	
10. References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview.	

Table 8.1: Time taken for recruitment processes

A	B	C	D	E	F	G	H
Post	Date vacant 1 April to 31 March	Date advertised	Closing date	Date of interviews	Decision on appointment	Appointment date	Time to fill the post G - B
Average							

Column A should compromise the twenty most recently filled posts.

Table 8.2: Skills development

A	B	C	D
Skills category	Activities planned	Activities implemented	How was impact assessed?

Column A should be summarized from the skills development plan.

Report 9

A Report On The Department Of X
With Regard To: Representivity

Background		
1.	Name of Department	Full name
2.	Name of reviewer	Your name and position Job Title
3.	Date of review	Date on which review was undertaken From … to…
4.	Reporting period	What period is covered by this report?
5.	Constitutional principle	Public administration must be broadly representative of South African people, with employment and personnel management practices based on ability, objectivity fairness and the need to redress the imbalances of the past to achieve broad representation.
6.	Performance indicator	Departments are representative of the South African people and support for people from designated groups is provided.
Assessment		
7.	Equity policy and plan	**Overview:** Review the department's employment equity plan. Has it been formally adopted and submitted to the Department of Labour? Comment on its quality and depth. Note any special features. **Rating:** Has an employment equity plan been formally adopted? YES/NO **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.
8.	Reporting	**Overview:** Review what management reporting is done on representivity. Attach copies of such reports, including any submitted to the Department of Labour. Comment on the content, frequency, to whom the reports are addressed and the action that is taken on the basis of the reports.

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	Rating:	
	Is implementation of the plan reported upon?	
	(To meet the standard reporting needs to be done more than once a year and should extend beyond that done to the Department of Labour).	
	YES/NO	
	Areas of good practice or for improvement	
	Please list any areas of good performance or any which need improvement.	
9. Numeric targets	**Overview:**	
	Complete **Tables 9.1, 9.2 and 9.3** below.	
	Based on these tables comment on the department's performance in meeting its equity targets.	
	Rating:	
	Are representivity targets being met?	
	In 80% + of the cases the targets have been met = 2 In 60 – 80% of the cases the targets have been met = 1 In 10 – 60% of the cases the targets have been met = ½	
	Areas of good practice or for improvement	
	Please list any areas of good performance or any which need improvement.	
10. Diversity management	**Overview:**	
	Interview Human Resource officials with regard to any diversity measures implemented in the department or provided for in the equity plan.	
	List any such measures and comment on them with evidence/reasons for answers. Do these measures:	
	1) Set specific objectives/targets to be achieved and activities to be undertaken and assignment of responsibility for achieving the objectives/undertaking the activities. 2) Reflect commitment from top management. 3) Get considered during recruitment and selection. 4) Get addressed during induction. 5) Get considered in the skills development plan. 6) Take account of the work environment (especially for people with disabilities). 7) Clearly provide support, egg, mentoring, job descriptions, and procedure manuals. 8) Build awareness of employment equity and diversity issues. 9) Promote work arrangements/management styles that value diversity. 10) They are innovative and practical.	

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Diversity management - Continued	**Rating:** Comprehensive measures are implemented = 1 point Some measures are implemented = ½ point **Areas of good practice or for improvement** Please list any areas of good performance or any which need improvement.

Rating

11. Score		

DESCRIPTION	POINTS
An employment equity plan has been formally adopted	
Implementation of the plan is reported upon	
In 80% + of the cases the targets have been met = 2 OR In 60 – 80% of the cases the targets have been met = 1 OR In 10 – 60% of the cases the targets have been met = ½	
Comprehensive diversity measures are implemented = 1 point OR Some diversity measures are implemented = ½ point	
TOTAL	

General comments

References	List all sources consulted in the preparation of this report. This should include a list of • documents, • electronic sources and • officials interviewed including the date and location of the interview.

Tables 9.1: Number of staff by race

Salary level	African		Asian		Coloured		White	
	Actual number/ %	Target number/ %	Actual number/ %	Target number/ %	Actual number/ %	Target number/ %	Actual number/ %	Target number/ %
1 – 2 (Lower skilled)								
3 - 5 (Skilled)								
6 – 8 (Highly skilled production)								
9 – 12 (Highly skilled supervision)								
13 – 16 (Senior Management)								
Total								

Table 9. 2: Number of staff by gender

Salary level	Male		Female	
	Actual number/%	Target number/%	Actual number/%	Target number/%
1 - 2 (Lower skilled)				
3 - 5 (Skilled)				
6 - 8 (Highly skilled production)				
9 - 12 (Highly skilled supervision)				
13 - 16 (Senior management)				
Total				

Table 9.3: Number of staff by disability

Salary level	Actual staff with disabilities Number/%	Target staff with disabilities Number/%	%
1 - 2 (Lower skilled)			
3 - 5 (Skilled)			
6 - 8 (Highly skilled production)			
9 - 12 (Highly skilled supervision)			
13 - 16 (Senior management)			
Total			

Calculation: