Public Sector: Accounting and Finance

Presenters: **Caryn Maitland CA(SA)**
Bronwyn MacCallum CA(SA)

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Session 10: Performance management

Understanding the objectives, key concepts and process of performance management in the public sector

Presenter

Caryn Maitland CA(SA)

Caryn is a qualified CA(SA and RA, who has lectured extensively at UKZN (and other institutes) where she lectured Advanced Financial Accounting up until 2011 as well as co-ordinating the module on the Pietermaritzburg campus and was appointed Section Head of Financial Accounting and Deputy Head of the School of Accounting (managing the Pietermaritzburg campus) prior to leaving UKZN.

She has conducted independent workshops and seminars for professional accountants since 2006 on various topics and has consulted on a number of technical issues. Since January 2011, she has focused on her own business as technical freelance consultant and trainer to those working within the accounting profession. Caryn is a technical advisor to the SAICA Eastern Region Midlands District, Northern District and Southern District Associations, as well as the Small Practice Interest Group in Durban – specialising in financial reporting (IFRS, IFRS for SME's and general accounting), assurance, legislation and ethics. Caryn has a passion for Corporate Governance, which together with her Companies Act specialism and Financial Management for Non Financial Management lecturing background, has served her well in consulting and advising various Boards of Directors in recent years.

Caryn is also a platform presenter for various institutes as well as many small to medium accounting practices across the country and into Southern Africa. Maitland was appointed as a visiting Associate Professor to the University of Limpopo tasked with mentoring their Financial Accounting staff (Aug 2011 to Dec 2013).

Maitland's passion is IFRS and IFRS for SME's and was delighted at the opportunity granted in 2013 to serve on the APC subcommittee constituted to investigate the need for Micro GAAP and the role of IFRS for SME's for small and medium sized practitioners. Caryn, also serves on the Joint Accountants, Auditors and Attorneys Committee of SAICA, and is part of the School Governing Body project initiated by SAICA in KwaZulu-Natal, and has been appointed as an alternative member to the APC in June 2020

Caryn was elected as the first woman Chairperson for the Midlands District Association for SAICA in 2018 and also serves on the Eastern Region SMP Committee as well as the Local Subvention Committee for SAICA. In 2019 Caryn was appointed to the SAICA Eastern Region Council. As someone who is committed to environmental affairs, Caryn serves as a non-executive director for the Institute of Natural Resources, a Non Profit Company focusing on research. Since 2018 Caryn has worked extensively with commerce and industry, assisting analysts, directors and other users of financials to interpret, prepare, analyse and forecast based on the results of financial statements.

Presenter

Bronwyn MacCallum CA(SA)

Bronwyn qualified as a CA(SA) in 2004 and has spent time in private practice as a partner and later director of small and medium firms as well as a tenure at the Auditor-General of South Africa as a Senior Manager and SAICA Training Officer. Her current professional focus is on the design, implementation and monitoring of systems of quality control in the auditing profession for firms and for engagements.

Bronwyn has also spent many years lecturing Auditing, IFRS and Public Financial Management at undergraduate, post-graduate and professional levels, both face to face and in the design and implementation of blended and on-line learning platforms. Bronwyn has played active roles at both SAICA and IRBA in board sub-committees related to professional practical training and development, and in various public sector governance structures and audit committees.

Bronwyn has significant experience in auditing in the public sector in South Africa, in audit committee and financial misconduct governance structures and speaking and presenting to political oversight structures. Bronwyn has also had extensive experience in the authoring and quality assurance processes of professional learning content for public finance management and related disciplines in government for the English speaking African countries. Topics include accounting and auditing in the public sector, public sector context, public financial management, financial management, economics, performance management, ICT and communications.

The content and training materials prepared and delivered have catered to both qualified accounting professionals working in the public sector, as well as to long-serving public servants who have not been formally trained in PFM, accounting and finance in the public sector.

COURSE OUTLINE

Session Objectives

Obtain a high-level understanding of:

- the link between service delivery and performance management

- the frameworks applicable to performance management

- the process for performance management

- a strategic objective and how it relates to service delivery objectives, programmes, tasks and indicators

- the planning for performance and how it relates to budgeting

- the measurement of performance

- the monitoring of performance

- the quarterly reporting of performance

- the annual reporting of performance

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- Reporting on performance

- Credibility of performance reporting

- PFM reform

PFM: Practical implementation

Definition of PFM:

- The set of **laws, rules, systems and processes** used by governments to

  - increase and collect revenue

  - allocate public funds

  - **implement service delivery and public expenditure**

  - **account and report for spending and service delivery**

  - provide assurance over the results

Strategic planning recap

o Informed by:

 o Process:

  o PFMA

  o NT Regulations

  o Revised Framework for Strategic plans and Annual Performance Plans (R-FSAPP)

  o Policy Framework for the Government-Wide Monitoring and Evaluation System, 2005

  o Framework for Managing Programme Performance Information (FMPPI)

  o Municipal Systems Act: Integrated Development Planning

  o MFMA

  o LG Municipal Planning and Performance Management Regulations (2001)

  o LG Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006)

  o Relevant national and provincial strategic planning laws and regulations

Strategic planning recap

o Informed by:

   o Strategic objectives and goals:

      o National Development Plan (NDP) (2030 development targets)

      o Medium Term Strategic Framework (MTSF) published by the Department of Planning, Monitoring and Evaluation (DPME)

      o Medium Term Expenditure Framework (MTEF) and Budget Prioritisation Framework (BPF)

      o Spatial Development Plans (SDPs)

      o Provincial, sector and local government priorities

      o Any other government medium and long term plans

      o Municipality's development objectives

      o Co-operative governance sources and objectives

Strategic planning / Integrated development planning process recap
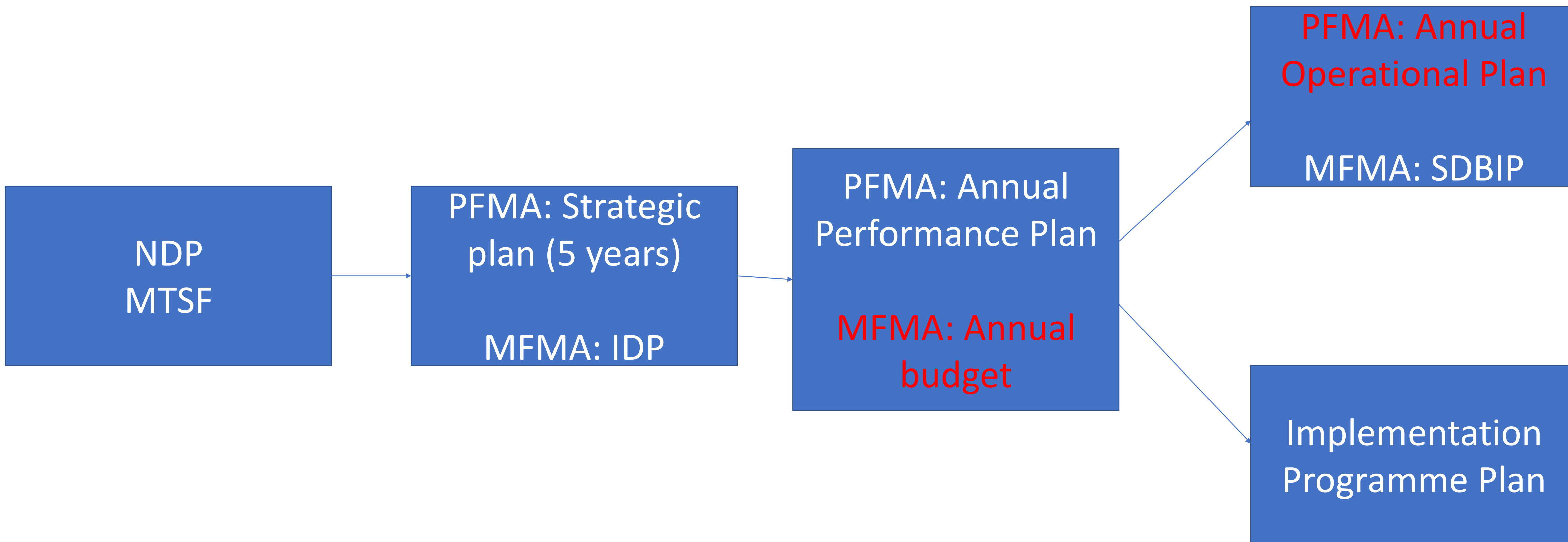
Framework/Guidance focus

o Framework for Managing Programme Performance Information (FMPPI) and related guidelines

o Revised Framework for Strategic plans and Annual Performance Plans (R-FSAPP)

o IPSASB's Recommended Practice Guide 3: Reporting Service Performance Information. (RPG3)

o Managing performance information has its own terminology/jargon – new terms and concepts will be discussed

The importance of performance management in service delivery

- indicates how well an institution is meeting its aims and objectives, and which policies and processes are working.

- key to effective management, including planning, budgeting, implementation, monitoring and reporting

- facilitates effective accountability, enabling legislators, members of the public and other interested parties to track progress, identify the scope for improvement and better understand the issues involved.

- plays a growing role in budget allocations and will increasingly be used to monitor service delivery.

Where performance management fits into the PFM cycle

Figure 2: Planning, budgeting and reporting cycle
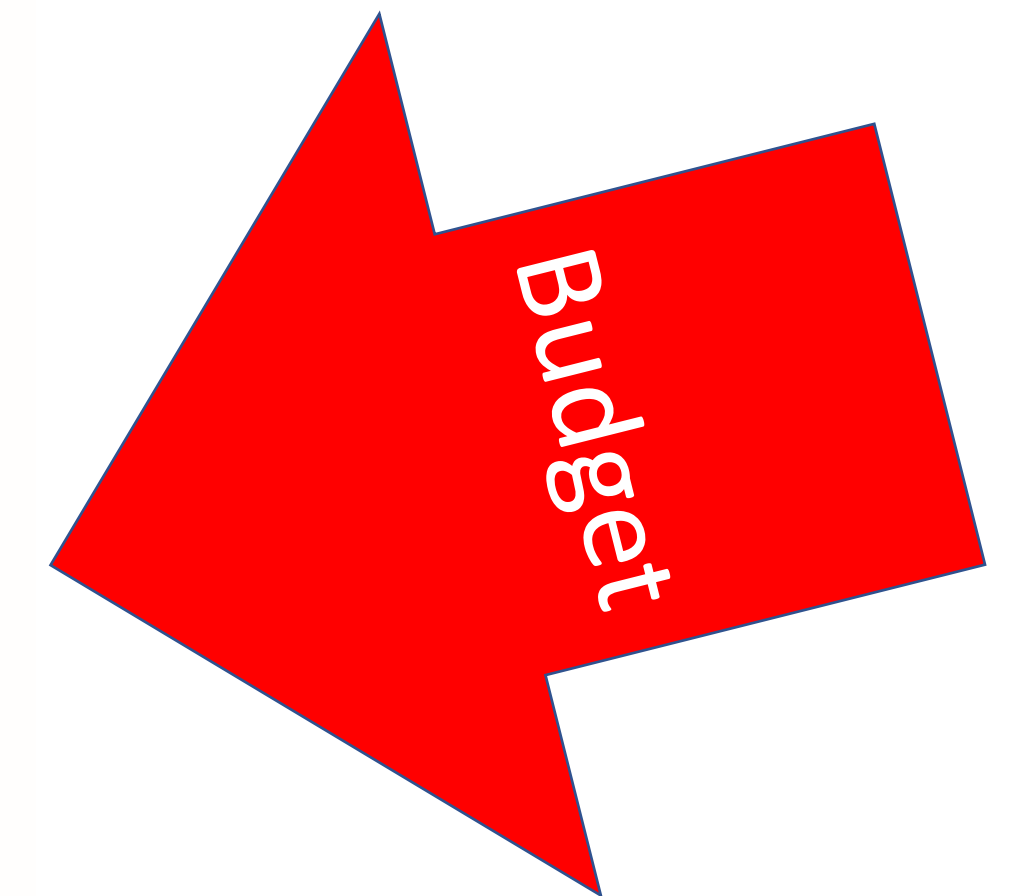
Performance management cycle

- Step 1: Identify national development goals and frameworks
- Step 2: Defining strategic objectives
- Step 3: Putting the strategy into operations (ie. Making it annualised into operations, allocating budget etc)
- Step 4: Planning for annual performance
- Step 5: Implementation of the annual performance plan
- Step 6: Monitoring and evaluation

Defining strategic objectives / impacts

- Setting strategies and strategic objectives are key to good performance management

- There must be a clear link between the strategic objective, the strategic outcome, the indicator and the target

- If the strategic objective is not clear, nothing that stems from that will be clear either

- Impact (*extracts)

  - Impact statement – intended impact

  - Outcomes – intended outcome

  - Outcome indicator – measure the extent to which the outcome has been achieved

  - Outcome indicator baseline – at the start of the 5 year period

  - 5-year target and planned performance over 5 years (explanation)

  - Technical indicator descriptions

National Department of Health strategic objectives (2021-2025)

8.1. Impact Statements and Outcomes

MTSF Priority 3: Education, Skills and Health	
Impact A	Life expectancy of South Africans improved to 66.6 years by 2024, and 70 years by 2030
Impact B	Universal Health Coverage for all South Africans progressively achieved and all citizens protected from the catastrophic financial impact of seeking health care by 2030

MTSF Priority 3: Education, Skills and Health	
Impact Statements	Outcomes
A. Life expectancy of South Africans improved to 66.6 years by 2024, and 70 years by 2030	1. Maternal, Child, Infant and neonatal mortalities reduced
	2. HIV incidence among youth reduced
	3. 90:90:90 targets for HIV AIDS achieved by 2020 and 95:95:95 targets by 2024/25
	4. Significant progress made towards ending TB by 2035 through improving prevention and treatment strategies
	5. Premature mortality from Non-communicable diseases reduced by 10%

National Department of Health strategic objectives (2021-2025)

MTSF Priority 3:	Education, Skills and Health			
Impact A:	Life expectancy of South Africans improved to 66.6 years by 2024, and 70 years by 2030			
MTSF Intervention	**Outcome**	**Outcome Indicator**	**Baseline (2018/19)**	**Strategic Plan Target 2024/25**
Improve access to maternal health services; Protect children against vaccine preventable diseases; Improve the Integrated Management of Childhood Diseases services	Maternal, Child, Infant and neonatal mortalities reduced	Maternal Mortality Ratio (MMR)	129 per 100 000 live births[22]	<100 per 100 000 live births
		Neonatal (<28 days) Mortality Rate (NMR)	12 per 1 000 live births[25]	<10 per 1,000 live births
		Infant (<1 year) Mortality Rate (IMR)	23 per 1000 live births[25]	<20 per 1000 live births
		Child (<5 years) Mortality Rate (U5MR)	32 per 1,000 live Births[25]	<25 per 1,000 live births
Provide prompt treatment of HIV and other sexually transmitted infections	HIV incidence among youth reduced	Number of new HIV infections among youth	88 000	<44 000 by 2024/25
	90:90:90 targets for HIV AIDS achieved by 2020 and 95:95:95 targets by 2024/25	ART Client remain on ART at end of month	4.9m	6.1m by Dec 2020 7m by 2024/25

# National Department of Health strategic objectives (2021-2025)

Indicator Title	Definition	Source of Data	Method of Calculation/Assessment		Assumptions	Disaggregation of Beneficiaries (where applicable)	Spatial Transformation (where applicable)	Desired performance	Indicator Responsibility
			Numerator	Denominator					
Number of new HIV infections among youth*	Number of new HIV infections among youth as confirmed by population based surveys	Population based Survey reports	Number of new HIV infections among youth	Not Applicable	Not Applicable	Youth	All Districts	Lower	Chief Directorate: HIV and AIDS
ART Client-remain on ART at end of month	Total patients that are receiving Antiretroviral Therapy (ART) at the end of the reporting period	TIER.Net System	ART adult and child under 15 years remaining on ART end of month	No Denominator	Not Applicable	Youth; Women; Children	All Districts	Higher	Chief Directorate: HIV and AIDS

Planning for annual performance

- Step 1: agree on what you are aiming to achieve

- Step 2: Specify outputs, activities and inputs (logic model)

- Step 3: Select the most important indicators

  - Clear communication

  - Data availability

  - Manageability

- Step 4: Set realistic performance targets

  - Communicate what will be achieved

  - Enable periodic performance comparison

  - Facilitate evaluation of the appropriateness of current policies and programmes

- Step 5: Determine the process and format for reporting purposes

- Step 6: Establish processes and mechanisms to facilitate corrective action

Performance management: Key concepts

Figure 3: Key performance information concepts
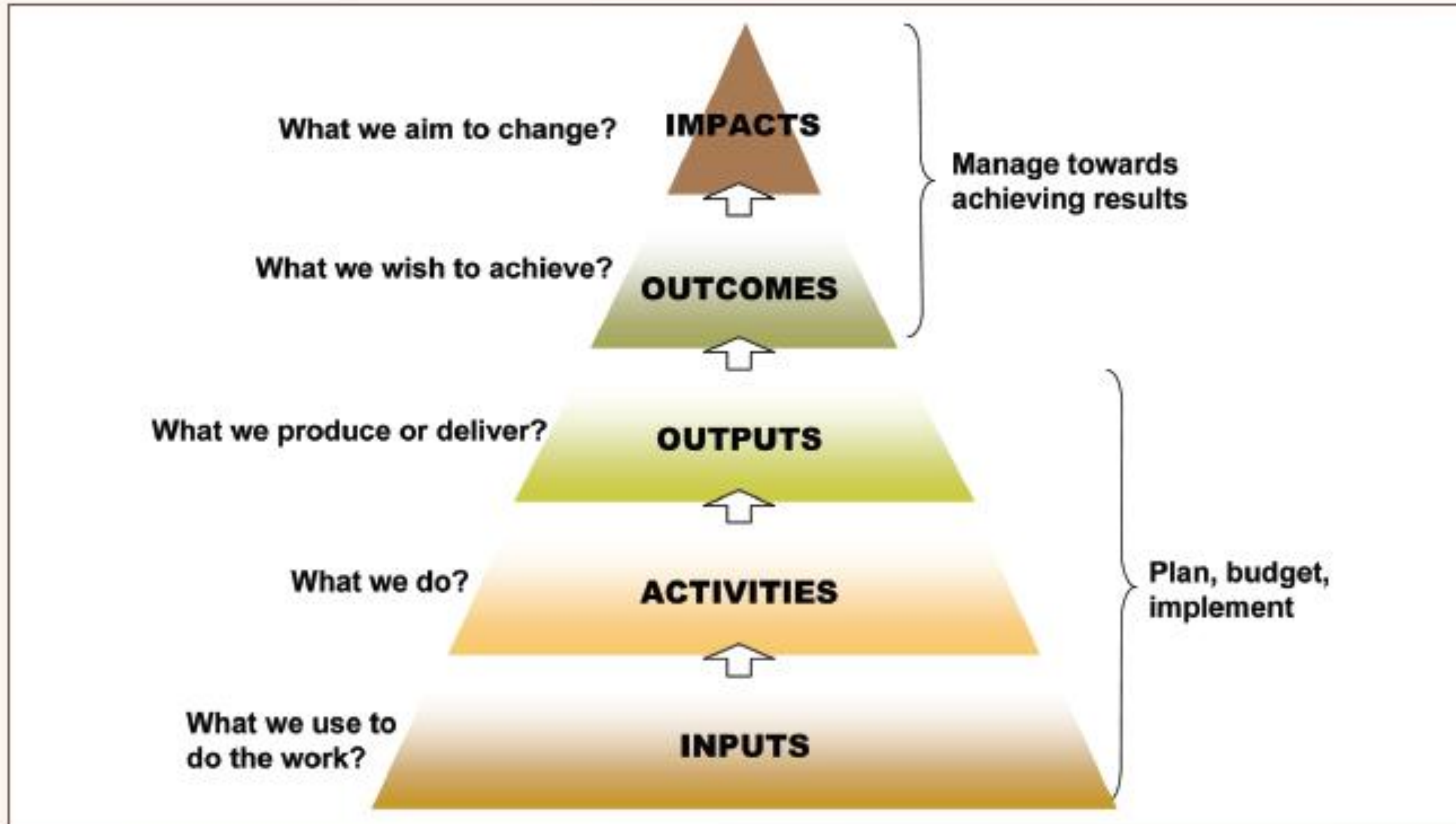
Performance management: Key concepts

- Inputs:
  - Resources: Resources used to produce outputs may include:
    - Human resources or labour;
    - Capital assets such as land, buildings and vehicles;
    - Cash and other financial assets; and,
    - Intangible assets such as intellectual property.
  - Inputs can be reported in terms of costs incurred or quantities used to produce outputs.

Performance management: Key concepts

- Outputs:

  - Outputs: Services provided by an entity to external recipients include:

    - Services provided directly to individuals and institutions—for example, health or education services or the provision of goods such as food or books;

    - Services provided indirectly to individuals and institutions—for example, services which aim to develop, promote, protect or defend a community, institution, country, or community values and rights;

    - Transfers to individuals and institutions—for example, cash transfers and the provision of economic incentives such as tax incentives;

    - Policies, regulations or legislation to achieve public policy goals, which includes, for example, revenue related legislation and the enforcement of such legislation; and

    - Collection of taxes and other revenues.

  - The receipt of services by recipients external to the entity is a critical factor in deciding whether services are outputs, rather than services consumed internally as part of an entity's production of outputs.

Performance management: Key concepts

- Outcomes:

  - Outcomes: An entity's outcomes could be impacts affecting society as a whole or impacts on particular groups or institutions within society.

  - Could be relatively direct impacts on recipients of the entity's services, or could be impacts on others who benefit indirectly from those services

  - Outcomes may include, for example, changes to educational achievements within society, changes to poverty and crime levels, or changes to the health of different groups within society.

  - There may be a strong, direct causal link between an entity's actions and its outcomes, but this will not always be the case. Factors beyond the entity's control may intervene to either hinder or facilitate the entity's achievement of outcomes.

Measuring performance

- **Performance indicators**

  - Relevant at all levels of the model

  - Used to measure performance in relation to inputs, activities, outputs, outcomes and impacts

  - Area of challenge: defining USEFUL performance indicators – for management and accountability

  - Requires a comprehensive understanding of the nature of the input/activity/output etc and all relevant definitions and standards used in the field – hence importance of experts and line managers' involvement in the performance management process

  - Should preferably be DIRECT indicators (eg cost or price, distribution, quantity, quality, dates and timeframes, adequacy, accessibility)

  - Should be developed to measure ECONOMY, EFFICIENCY, EFFECTIVENESS and EQUITY

EEE(E)

- Economy:
  - Inputs/processes acquired/effected at the lowest cost and at the right time
  - Relative indicator (lowest relative to…..)
- Efficiency:
  - How productively inputs are translated into outputs
  - Maximising output for a given level of input
  - Relative indicator (efficient in comparison to…)
- Effectiveness:
  - Extent to which outputs achieve desired outcomes (strategic goals and objectives)
  - Medium-term evaluation
- Equity:
  - Services are being provided impartially, fairly and equitably
  - Measured against benchmark standards or on a comparative basis

Useful performance indicators

Good performance indicators must be (from the FMPI)

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

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

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

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

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

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

Useful performance indicators

Challenge:

- Are performance indicators that government is setting really useful in driving service delivery?
  - Common performance indicators that do not measure impactful performance:
    - Number of meetings held
    - Number of oversight visits conducted
    - Number of reports compiled
    - Number of workshops held

Performance targets: annual

- Sets the level of performance that the entity is expected to achieve

  - Set a baseline

  - Set a target relative to the baseline

- Baseline

  - The current level of performance that the entity is expected to improve

  - Usually the actual performance achieved in the previous planning period

- Performance target

  - Specific level of performance that the entity (*) is expected to achieve within a given period

- Performance standards

  - Minimum acceptable level of performance (usually informed by legislative requirements / policies & procedures / service level agreements etc)

Performance targets: annual

- Challenge: Setting performance targets that are not soft/easy but are still achievable.

- Good performance targets are set using the SMART criteria (and NB – the link to performance MEASURES here):

  - **Specific**: the nature and the required level of performance can be clearly identified

  - **Measurable:** the required performance can be measured

  - **Achievable:** the target is realistic given existing capacity

  - **Relevant:** the required performance is linked to the achievement of a goal

  - **Time-bound:** the time period or deadline for delivery is specified.

Performance targets: annual

Challenge:

- Do performance targets set drive early monitoring and identification of service delivery challenges?
  - Common performance targets that do not drive impactful performance:
    - Quarterly
    - By the end of the financial year

National Department of Education: Annual Performance Plan 2021/2022

Outcome	Outputs	Output Indicators	Reporting Cycle	Annual Targets						
				Audited /Actual Performance			Estimated Performance	MTEF Period		
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Outcome 2: Maintain and develop information and other systems which enable transformation and an efficient and accountable sector	Ensure that governance systems evolve to deal with, and support emerging priorities, in particular those relating to teacher placement and accountability of schools	3.1.1 Percentage of School Governing Bodies (SGBs) that meet the minimum criteria in terms of effectiveness	Annually	96,9% (1 938) of the surveyed SGBs were found to be functional	1 793 of 1 846 schools (97,1%) met the minimum criteria in terms of effectiveness	97,05% (1 941/ 2 000)	90% of 1 000 sampled schools	90% of 1 000 sampled schools	95% of 1 000 sampled schools	95% of 1 000 sampled schools
		3.1.2 Percentage of schools producing the minimum set of management documents at a required standard	Annually	86% (1 720) of the 2 000 surveyed schools were found to have functional basic management documents	1 674 of 1 917 (87,3%) produced the minimum set of management documents	98,3% (1 966/ 2 000)	100% of 1 000 sampled schools	100% of 1 000 sampled schools	100% of 1 000 sampled schools	100% of 1 000 sampled schools
		3.1.3 Number of Funza Lushaka bursaries awarded to students enrolled for Initial Teacher Education per year	Annually	15 134	13 070	12 954	12 500	11 500	11 800	12 000
		3.1.4 Number of quarterly monitoring reports tracking the percentage of Funza Lushaka graduates placed within six (6) months upon confirmation that the bursar has completed studies	Quarterly	-	-	-	4	4	4	4
		3.1.5 Number of quarterly monitoring reports indicating the number and percentage of schools where allocated teaching posts are all filled	Quarterly	-	-	-	4	4	4	4

Performance targets: operational

Content:

- Programme/subprogramme
- Programme outputs
- Activities per output
- Activity timeframes
- Activity budget allocation
- Activity dependencies
- Activity responsibilities

Performance targets: operational

Outcome (as per SP 2020/21-2024/25)	Outputs	Planned Activities	Output Indicator	Means of Verification	Baseline 2018/19	Estimated Performance 2019/20	Targets 2020/21	Quarterly Targets			
								Q1	Q2	Q3	Q4
ICT											
Responsibility Manager: Chief Information Officer, Ms N. Gumede											
Quality of health services improved	Broadband installed in hospitals for connectivity and access	Identification of sites per district Submission of prescribed forms	Percentage of Hospitals with broadband access	Internet rollout report	100%	100%	100%	100%	100%	100%	100%
		Implementation, commissioning and monitoring	Numerator		89(6New)	89	89	89	89	89	89
			Denominator		89	89	89	89	89	89	89
		Identification of sites per district Submission of prescribed forms	Percentage of PHC with broadband access	Internet rollout report	71%	56%	100%	65%	80%	97.5%	100 %
		Implementation, commissioning and monitoring	Numerator		551	428	768	499	614	756	768
			Denominator		772	768	768	768	768	768	768
	HIM2 system installed	Develop provincial project team Assessment of the institutions for readiness Implement and recommend	Number of hospitals with HMS2(Hospital Management System Version 2)	Systems Report	New Indicator	1	2	-	-	1	1
		Develop bid specifications Procuring of the digital system/ solution Implement and recommend	Number of hospitals with digitised medical records	Systems Report	New Indicator	New Indicator	3	-	-	-	3

Recap: Planning for performance

- Step 1: agree on what you are aiming to achieve

- Step 2: Specify outputs, activities and inputs (logic model)

- Step 3: Select the most important indicators

  - Clear communication

  - Data availability

  - Manageability

- Step 4: Set realistic performance targets

  - Communicate what will be achieved

  - Enable periodic performance comparison

  - Facilitate evaluation of the appropriateness of current policies and programmes

- Step 5: Determine the process and format for reporting purposes

- Step 6: Establish processes and mechanisms to facilitate corrective action

Managing performance

- Components of performance management

  - Roles and responsibilities

    - Accounting officer – establish and maintain systems to manage performance information and ensure capacity, include in personal performance agreements

    - Line managers - establish and maintain systems to manage performance information within their areas of responsibility, include in personal performance agreements

    - Other officials – conscientiously capturing, collating and checking performance data (integrity of PI) related to their activities – cover is performance assessments specifically

  - Information structures and systems

  - Management capacity

Managing performance

- Information structures and systems
  - Internal monitoring and evaluation policies and procedures
  - Standard operating procedures
  - Information/communication and collaboration on:
    - Performance planning and budgeting
    - Performance targets and allocated budget
    - Evidence of performance (day to day – systems descriptions per indicator)
    - Recording performance
    - Collating, reporting, verifying
    - Timelines and deadlines
    - Accountability and individual performance management
    - Variances and verification of explanations

Reporting on performance

- Performance management:
  - Planning
  - Implementing
  - Reporting
- Reporting is aligned to this:
  - Planning: reporting against the strategic plan
  - Implementing: reporting against the APP and AOP (or SDBIP) (internal audit)
  - Reporting: annual report (internal and external audit)

Reporting on performance

- Annual report:

  - Service delivery environment

  - Service delivery improvement plan

  - Organisational environment

  - Key policy developments and legislative changes

  - Strategic outcome orientated goals

  - Programme performance information

    - Description

    - Strategic objectives, Performance indicators, planned targets, actuals

    - Strategy to overcome areas of under performance

    - Changes to planned targets

    - Linking performance to budget

Reporting on performance

Programme Name					
Strategic objectives	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement for 20YY/20ZZ	Comment on deviations

Programme / Sub-programme:					
Performance Indicator	Actual Achievement 20XX/20YY	Planned Target 20YY/20ZZ	Actual Achievement 20YY/20ZZ	Deviation from planned target to Actual Achievement 20YY/20ZZ	Comment on deviations

Reporting on performance: DOH

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objective statement	Performance indicator	Actual achievement 2017/2018	Planned target 2018/19	Actual achievement 2018/2019	Deviation from planned target to actual achievement 2018/2019	Comments on deviation
To implement combination of prevention and treatment interventions to reduce burden of HIV,STI and TB infections	Total number of clients remaining on ART (TROA)	New Indicator	5 000 000	4 629 831	-370 169	Target not achieved due to backlogs in capturing of data in Tier.Net.
	Number of people reached in the National Health Screening and Testing campaign annually	New Indicator	14 000 000	14 874 879	+874 879	Target has been achieved due to testing campaigns, data cleaning and mopping up. Intensified Advocacy, Communication, and Social Mobilisation (ACSM) activities in communities and institution of higher learning including public health facilities

Reporting on performance: DBE

Strategic objectives	Performance Indicator		2016/17	2017/18	2018/19	2019/20				
			Actual Achievement	Actual Achievement	Actual Achievement	Planned Target	Actual Achievement	Deviation from planned target	Comment on deviations	
3.3. To monitor the content knowledge of teachers in Mathematics, English First Additional Language, Physical Sciences and Accounting through Diagnostic Self-Assessments.	3.3.1	Number of EFAL diagnostic analysis reports produced.	2 242 EFAL teachers have been tested.	8 057 teachers assessed in both paper-based as well as computer tests.	2 029	4 quarterly	4	No deviation	Not applicable	
	3.3.2	Number of Physical Science diagnostic analysis reports produced.		648 teachers tested on both paper-based as well as computer-based tests.	2 008	4 quarterly	4	No deviation	Not applicable	
	3.3.3	Number of Accounting diagnostic analysis reports produced.		393 teachers tested only through the paper-based means.	2 035	4 quarterly	4	No deviation	Not applicable	
	3.3.4	Number of Mathematics diagnostic analysis reports produced.	1 892 Mathematics teachers have been tested.	3 670 teachers were tested through paper-based as well as computer-based system.	3 339	4 quarterly	4	No deviation	Not applicable	

Reporting on performance: LG

WATER & SANITATION SERVICES POLICY OBJECTIVES TAKEN FROM IDP

WATER POLICY OBJECTIVES TAKEN FROM THE IDP												
2018/2019				2019/2020							2020/2021	
SDBIP / OP REF-ERENCE	ANNUAL TARGET	ANNUAL PROGRESS - ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	SDBIP / OP REFER-ENCE	ANNUAL TARGET	ANNUAL PROGRESS - ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IM-PLEMENT CORREC-TIVE MEASURES	SOURCE DOCUMENT	SDBIP / OP REFERENCE	ANNUAL TARGET
W & S 07	Reduced Total Water Losses to 28.3% in Wards 1 to 38 (in total) by the 30th of June 2019	Reduced Total Water Losses to 28.8% in Wards 1 to 38 (in total) by the 30th of June 2019	2 (70% - 99%)	W&S 1	Reduced Total Water Losses to 28.3% in Wards 1 to 38 (in total) based on International Water Association Balance by the 30th of June 2020	Total Water Losses = 29.9% (TYD) based on International Water Association Balance by the 30th June 2020	2 (70% - 99%)	Incorrect figures received from income unit resulting in estimations been taken into account for December 19, Jan 20, Feb 20 and to date for the current FY. Refer to IWA Water Balance for detailed explanation.	Correct estimations moving forward	1 month	IWA Water Balance	W&S 01	Total Water Losses reduced to 28.3% based on the International Water Association Balance in Wards 1 to 38 (in total) by the 30th of June 2021
W & S 08	0.3 km of new water pipeline installed by 30 September 2018	0.3 km of new water pipeline installed by 30 September 2018	3 (100% - 129%)	W&S 8	1.6 km of water pipe installed by the 30th of June 2020	1,314 km of Water Pipe installed by the 30th June 2020	2 (70% - 99%)	Continuation of works on site post- lockdown (L5) has not commenced due to budget constraints as the project is CNL funded.	Awaiting funding confirmation	3 months	Progress Report	W&S 04	2.6 km of new water pipeline constructed in Ward 19 by the 30th of June 2021
W & S 09	0.5 km of new water pipeline installed by 30 June 2019	0 km of new water pipeline installed by 30 June 2019.	1 (69% & below)	PMO 36	0.8 km of new water pipe installed by the 30th of June 2020	0km of new water pipe installed. Site Establishment complete, site clearance and exposing of existing services complete by 30th June 2020	1 (69% & below)	Delays due to social issues regarding subcontractors & National Lockdown. Payment issues resulting in suspension of works on site	FastTrack progress once contractors return to site	2 months	June 2020 Progress Report	W&S 04	2.6 km of new water pipeline constructed in Ward 19 by the 30th of June 2021
W & S 05	0.2 km sewer pipeline constructed by 30 June 2019	0 km sewer pipeline not constructed by 30 June 2019.	1 (69% & below)	PMO 31	0.5km of new sewer pipeline installed by 30 June 2020	0km of new sewer pipeline installed. 100% of Site Establishment complete by 30th June 2020. Site clearance and pegging out of line commenced by 30th June 2020.	1 (69% & below)	Delays in procuring material due to Lockdown resulting in engineer and contractor commencing with road crossings on the project	FastTrack progress on site	2 months	June 2020 Progress Report	W&S 05	1.35 km of new sewer pipeline installed in Ward 11 by the 30th of June 2021

Credibility of performance reporting: PFMA

- 2019/2020 AGSA General report:

  - Material findings reported in 29% (even after correction) of annual reports

  - Poor quality of reports submitted and published

  - Poor internal controls and processes for monitoring of performance

  - Reported achievements not reliable (23%)

  - Performance reporting not useful (18%)

    - Not well defined (10%)

    - Variance reasons not reliable (5%)

    - Not verifiable (5%)

    - Not consistent (5%)

  - No planning or underlying records (2%)

Credibility of performance reporting: MFMA

- 2019/2020 AGSA General report:

  - Material findings reported in 52% (even after correction) of annual reports (regress)

  - Poor quality of reports submitted and published

  - Poor internal controls and processes for monitoring of performance

  - Unreliable performance reporting is adding to the challenge of poor service delivery

  - Reported achievements not reliable (41%)

  - Performance reporting not useful (39%)

    - Not well defined (17%)

    - Not verifiable (13%)

    - Not consistent (18%)

    - Measures taken to improve performance not corroborated (10%)

  - No planning or underlying records (4%)

PFM reform

- Reform of ineffective public financial management (PFM) systems, processes and institutions
- Critical in improving service access to and levels of delivery and in economic growth and development in developing countries
- Reforms generally categorised as:
  - Cross-cutting reforms (HR/SCM)
  - Monitoring and evaluation
  - Internal oversight (internal control)
  - Regulatory oversight
  - ICT
  - Financial reporting
  - Budgeting

PFM reform

- Budget reforms (relevant to performance management):
  - Programme-based budgeting (vs incremental budgeting)
    - linking strategy to activities with implementation and M&E plans with budgeted costings
      - Performance Based Budgeting (PBB), Results Based Management (RBM) and Results Oriented Monitoring (ROM)
      - Equitable Resources Allocation (ERA) model
      - Zero-based budgeting (RSA) (focus on the evaluation of activities and making meaningful decisions)

QUESTIONS

Thank you
for your participation