



Title: Input to Finance Standing Committee on 2004/05 Budget Allocations and Strategic Plans for Eastern Cape Departments of Health, Social Development, Education, and Housing.

Description: The input on 2004/05 Budget Allocations and Strategic Plans for the four departments formed part of a joint submission to the Finance Standing Committee by the Public Service Accountability Monitor, Treatment Action Campaign and the Black Sash.

Input to Finance Standing Committee on 2004/05 Budget Allocations and Strategic Plans for Eastern Cape Departments of Health, Social Development, Education, and Housing.

Eastern Cape Legislature, Bisho

2 March

A. Budget Analysis

The Department of Health's budget allocation for the period 2003 to 2005 is as follows:

	Programme	Financial Year			Increase/ Decrease
		2003/04 Budget	2003/04 Actual	2004/05	
1	Administration	273 426	302 667	260 586	- 13 426
2	District Health Services	2 253 759	2 334 080	2 684 102	+ 430 343
3	Emergency Medical Services	364 774	311 767	65 365	- 299 409
4	Provincial Hospital Services	1 736 779	1 574 580	1 703 244	- 33 535
5	Central Hospital Services				
6	Health Sciences and Training	63 690	136 487	163 526	+ 99 836
7	Health Care Support Services	15 197	11925	21 607	+ 6410
8	Health Facilities Dev & Maintenance	411 261	447 380	511 864	+ 100 603

	Total	5 118 886	5 118 886	5 410 294¹	

Budget Summary per programme (R000s)

Matters of concern within this budget are the proposed cuts to three of the department's most important programmes. The figures for Programme 1: Administration indicate a R13.4m decrease in budget from 2003/04, and a planned decrease of R42m on actual expenditure for this programme. Similarly, the figures for Programme 3: Emergency Rescue Services demonstrate an 82 percent drop in budget, an amount of R 299.4m. The budget for Provincial Hospital Services (Programme 4) has also been cut by an amount of R33.5m.

There are a number of welcome increases in the budget, including R430.3m for the District Health Services programme, R99.8m for the Health Sciences and Training programme, and R100m for the Health Facilities Development and Maintenance programme.

B. Analysis of Strategic Planning

Introduction: The Importance of Strategic Planning

Strategic planning forms an integral part the entire planning, budgeting, monitoring and reporting framework set in place (in terms of the Public Finance Management Act and the Public Service Act) to ensure the effective oversight of government departments and their accountability to the public. The organisational structure of each department should reflect the measurable objectives set out in its strategic plan and contained in its budget allocation.

The first year of the strategic plan, or its operational plan, should reflect a detailed breakdown of the department's budget. The performance agreements of the head of department, and its senior managers, should be linked to the operational plan and budget, and the measurable objectives set out in these documents.

Operational plans and budgets should form the basis for the departments monthly and quarterly reports, and its annual report. The department's annual report should report against the measurable objectives and expenditure plans set out in the operational plan, and assess progress towards its realisation of the objectives set out in its medium term strategic plan.

In addition, the department's third quarter reports to the Treasury should feed into the following year's strategic planning process, and the monthly reports for its current financial year should inform the budgeting decisions for the budget for the next financial year².

PSAM Evaluation of Strategic Plans for Eastern Cape Department of Health

In what follows the PSAM will provide an analysis of the level of compliance by the Department of Health with a list of requirements set out in terms of South Africa's public sector legislative and policy framework.

¹ Budget Statement for the 2004/05 Provincial Budget, Eastern Cape Provincial Budget, p.58.

² Generic Format for Strategic Plans of Provincial Departments, National Treasury discussion document, 11 July 2002, p.5.

This analysis will be followed by a list of joint recommendations on the content of these strategic plans from the PSAM, the Black Sash and the Treatment Action Campaign. These recommendations are the product of a discussion and deliberation held during a workshop convened by the PSAM in Grahamstown on 1 March 2004.

1. Statement of Policy and Commitment by the MEC

Requirement

'The executive authority of a department should set out clearly at the beginning of the strategic plan what policy priorities he or she has set for the year and which have informed the development of the strategic plan. The executive authority is responsible for ensuring that these policy priorities are in line with the provinces' overall priorities, the priorities set by the relevant national department and the priorities of the national government'³.

Actual

Health: Instead of setting out the department's policy priorities for the year the MEC for Health lists a number of challenges faced by his department. He fails to provide an indication of what his policy priorities are and how these have changed from the previous year.

2. Mission and Strategic Goals

Requirement

The strategic plan should set out a clear statement of the department's vision, including its broad strategic goals and specific strategic objectives over the next 3-year MTEF period.

Strategic goals refer to the outcomes to be achieved by the department, whereas strategic objectives are statements that provide a tangible description of the things that will be done to achieve the department's outputs.

Actual

(Does the mission contained in the departments Strategic Plan set out broad strategic goals and specific strategic objectives to be achieved over the next 3-year MTEF period?)

Health: There is a mismatch between some of the department's strategic goals and its strategic objectives. For instance, Strategic Goal 1 is 'Ensuring equitable access by all communities to essential package of services through DHS'. One of the objectives set to achieve this goal – 'Implementation of health programmes to reduce morbidity and mortality rates in our communities' – is not immediately relevant to this goal. For the most part the goals are clearly linked to the department's strategic objectives.

3. Profile information on service delivery environment

Requirement

Each department should present profile information relevant to the functions of the department. So for instance health departments will profile the health status of the people in the province, the education departments the education status, and the housing department on the number of people requiring houses.

Actual

Health: The quality of the situational analysis information forming the department's strategic plan has improved between 2003/2004 and 2004/2005. The plan now contains information on socio-economic disparities in the province with a useful epidemiological profile. However, for a number of important disease patterns,

³ Ibid, p.8.

including TB and HIV/AIDS, there is no detailed breakdown of demographic indicators or geographic location of these groups. This limits the department's ability to target resources to locations and groups most in need. In addition, some of the situational analysis information cited in last years strategic plan has simply been repeated verbatim for 2004/05. The information provided on District Health Service Facilities has not been altered at all. It cites the same information as the 2003/04 plan, most of which dates back to 1999 or 2000. Some of this information concerns clinics and facilities connected to electricity supplies, with access to piped water and telephones. This defeats the object of undertaking a situational analysis and of basing strategic decisions on this situational analysis

4. Evaluation of current performance

Requirement

The department should give an evaluation of its performance in the current year (based on its third quarter 'Quarterly Report'), and indicate how this is likely to impact on its ability to meet the targets set out in the strategic plan for the current year. This will have an obvious impact on its plans and objectives for the coming year.

Actual

Health: The department has included a situational analysis for all of its main programmes and most important sub-programmes. This constitutes an improvement over previous strategic plans. However, the quality of the information contained in these situational analysis is often limited to providing a list of broad challenges without stipulating the exact details of problems encountered during the financial year. For instance, under Programme 1: Health Administration, staff recruitment and retention are listed as a key challenge. However, no figures for exact staff turnover and vacancies per job category are provided. Consequently, it will not be possible to determine whether sufficient measures have been taken in this regard or if there has been an improvement/deterioration in the department's performance when it produces its annual report. Similarly, the situational analysis provided within the HIV/AIDS sub-programme fails to provide a sufficiently detailed estimation of where its target locations and target groups are. For this reason it is not possible to establish whether the budget allocation for this programme is appropriate.

5. Consultation during the Strategic Planning Process

Requirement

The usefulness of a department's strategic plan is to a large extent determined by the extent and depth of staff involvement in its development. Staff that have played a meaningful role in developing a strategic plan are more likely to take ownership of it and thus actively work towards its implementation. The more effort taken to obtain stakeholder and community input into the department's planning process the more likely the department's services will actually target the most pressing needs of the community.

Actual

(Is there an indication of the processes that the department followed to get stakeholder and community input into its planning process?)

Health: The department failed to provide any account of the processes it followed in order to obtain stakeholder and community input into its planning process. This is despite the fact that one of its strategic goals is identified as the need to ensure that 'communities throughout the province become active, responsible partners in health issues that effect them' (p.35).

6. Programmes and sub-Programmes

Requirement

The Departments Strategic Objectives should be broken down into manageable programmes and sub-programmes with a set of clear programme objectives.

Actual

(Is there a clear statement of programme outputs to be achieved?)

Health: There is a clear delineation of programmes and sub-programmes. This is in operation.

7. Measurable objectives, performance measures and targets

Requirement

An appropriate set of measurable objectives should be set for each programme, and where appropriate for those sub-programmes that are of strategic importance.

These measurable objectives must comply with the 'SMART' principle, i.e. they must be specific, measurable, achievable, realistic and time-bound.

Linked to each measurable objective the department needs to provide one or more performance measures indicating the cost, quantity, quality and timeliness of the delivery of the output.

Actual

(Are all performance measures SMART? Do they indicate the cost, quantity and timeframe for delivery?)

Health: The department merely lists sets of objectives and indicators. No specific outputs are listed and all targets appear to be set for the end of the 2004/05 financial year. None of the objectives are linked to actual activities, which are costed. For instance, none of the actual HIV/AIDS sub-programme activities are listed (or costed) in the budget. This makes it impossible to make a judgement on the merits of the budget allocation to programmes.

8. Reconciliation of plan with previous expenditure by programme

Requirement

An account should be given of how actual spending trends have transpired in previous years and how MTEF projections correspond to strategic plan objectives.

Actual

Health: The figures contained on Table 16: Evolution of expenditure by budget programme and sub programme in current prices, do not add up and appear to be incorrect.

9. Revenue

Requirement

The department should provide a summary of its revenue, including a breakdown between the revenue voted by the Legislature and that obtained from conditional grants.

The department should also provide a detailed explanation of its own revenue collection plans.

Actual

Health: Unable to find any figures or plans detailing revenue collection or measures to improve revenue collection.

10. Coordination, Cooperation and Outsourcing

Requirement

The department should provide details of where it is jointly responsible for service delivery with another state department. It should indicate the exact extent of its responsibilities vis-à-vis the other departments. It should also state what mechanisms have been put in place to ensure good co-ordination among the departments.

Actual

Health: The department provides a list of transfers to municipalities (under programme 2) but does not provide a detailed indication of what these transfers are for (although it indicates that some of these amounts are for NGOs). It merely mentions that these transfers are governed by Service Level Agreements but fails to indicate the terms and conditions set out in these agreements, or the specific activities to be undertaken.

11. Local Government

Requirement

Departments should give details of any service delivery agreements or arrangements they have with local authorities. This should include details of all funds that the department will be transferring to local authorities for the delivery of such services. For instance in certain provinces local authorities operate clinics for which they receive funding from health departments. Similarly with housing funds.

Actual

Health: The department provides a list of transfers to municipalities (under programme 2) but does not provide a detailed indication of what these transfers are for (although it indicates that some of these amounts are for NGOs). It merely mentions that these transfers are governed by Service Level Agreements but fails to indicate the terms and conditions set out in these agreements, or the specific activities to be undertaken.

12. Public private partnerships and outsourcing to NGOs

Requirement

The department should provide a detailed account of its involvement in public private partnerships, including their cost implications and division of responsibilities, and of its outsourcing and transfers to individual NGOs.

Actual

Health: See comment above. As regards public private partnerships Programme 7 indicates plans to establish a public private partnership for 'management support for pharmaceutical depots' and for the 'distribution of pharmaceutical, medical and surgical supplies'. However, the terms of the proposed contract, and an indication of who the contract is to be entered into with, are not supplied. Moreover, in terms of the analysis of the 'current situation' contained in the strategic plan it is unclear how the establishment of the PPP will resolve problems relating to broader drug supply management systems in the department. These include the 'inaccurate estimation of requirements due poor ordering practice and lack of data'. The vital role played by district and hospital Pharmacy and Therapeutics Committees in this framework is overlooked.

13. Financial Management Issues

Requirement

The department should provide a detailed strategy for how it intends to follow-up and address audit queries identified by the Auditor-General.

Actual

Health: Although Programme 1 indicates an intention to reduce the number of emphasis of matter issues contained in the Auditor-General's audit report it does not provide a detailed strategy for how it intends to follow-up and address individual audit queries.

14. Capital Expenditure and Maintenance

Requirements

In accordance with the PFMA detailed information on the departments capital investment programme must be given:

1. What building projects are in progress, and when are they expected to be completed?
2. What new building projects are being planned, when will they commence and when will they be completed?
3. Are there any facilities whose closure or down-grading is being planned?
4. What plans are there for major refurbishing projects?
5. What is the department's maintenance backlog, and what are its plans to deal with the backlog over the MTEF period, and over five years and ten years?
6. How are the above developments expected to impact on current expenditures?⁴

Information should also be given on the management of key moveable assets, such as plans to replace important items of medical equipment.

Details of medium term maintenance plans, focussing on the following issues should be provided:

1. What is the current state the department's capital stock? I.e. What percentage is in good, medium or bad condition?
2. How much is the department planning to spend on maintenance? And what is the split between major maintenance expenditure and routine maintenance expenditure?
3. What is the schedule for major maintenance projects?

The department should give detailed lists of assets under its control, and how its asset holding have changed over the past number of years and how they are likely to change in future⁵.

Actual

The information provided on District Health Service Facilities is exactly the same as that provided for the 2003/04 plan, most of which dates back to 1999 or 2000. Some of this information concerns undertakings to provide infrastructure for clinics and facilities not connected to electricity supplies, and without access to piped water and telephones. Unless this information is regularly updates this defeats the object of undertaking a situational analysis and of basing strategic decisions regarding infrastructure commitments on this situational analysis. The department still appears to be relying on a provincial hospital audit profile undertaken in 1998/99 to describe the infrastructure status of its hospitals. This information is now five years old, and provides no account of the sums of money spent on hospital maintenance and infrastructure during this time.

Annexure B sets out an account of budgeted infrastructure expenditure per health facility for the financial years between 2002 and 2005. However, this annexure does not provide a schedule and timeframes for major maintenance projects. Disturbingly, this annexure concludes with the following cautionary remark "NB: Schedule of

⁴ Generic Format for Strategic Plans of Provincial Departments, National Treasury discussion document, 11 July 2002, p.22.

⁵ Op cit, p.23.

implementation of the clinic building will depend on available funds”⁶. This tends to indicate that the department does not have any indication of how much funds are currently available for spending during the 2004/05 financial year.

⁶ Eastern Cape Department of Health, Strategic Plan 2004 – 2007, p.149.

<p>Input to Finance Standing Committee</p> <p>On 2004/2005 Strategic Plans for Social Development</p>

A. Budget Analysis

The Department of Social Development's budget for the period 2003 to 2005 is as follows:

	Programme	Financial Year			Increase/Decrease
		R '000	2003/04 Actual Budget	2003/04 Actual Exp.	
1	Administration	113 157	99 813	117 959	+4 802
2	Social Assistance Grants	7 377 239	7 788 684	8 647 332	+1 270 093
3	Developmental Social Services	240 395	248 609	268 282	+27 887
4	Developmental and Support Services	110 513	112 114	111 079	+566
5	Demogr. Trends on Soc Dev Services	1 356	1 406	1 377	+21
	Total	7 842 660	8 250 626	9 146 029⁷	

Budget Summary per programme (R000's)

The budget proposes welcomed increases for all the programmes of the Department. The largest increase is for Programme 2: Social Assistance Grants with an amount of R1.270 billion catering for extensions primarily of the child support grant. This increase will also provide for increases in the old age grant.

The Department's strategic plan however does not give the number of children expected to enter the system as a result of the child support grant extension. This number would enable a more informed discussion about the adequacy of the additional R1.270 billion allocation to this programme. This is because apart from the extension of the grant there is also a pay increase in the grant that needs to be accommodated in the budget.

The Department's strategic plan has costed the activities under Programme 1: Administration, at R97 million⁸ for the 2004/2005 financial year. The estimated actual expenditure figure (R99.8 million) for this programme for the 2003/2004 financial year is below the budgeted allocation of R113 million. It is therefore probable that this programme will under spend in the coming financial year.

⁷ Budget Statement for 2004/05 Provincial Budget, Eastern Cape Provincial Budget p. 84.

⁸ Department of Social Development, Strategic Plan Document 2004 – 2007, p 45.

B. Analysis of Strategic Planning

1. Statement of Policy and Commitment by the MEC

Requirement

'The executive authority of a department should set out clearly at the beginning of the strategic plan what policy priorities he or she has set for the year and which have informed the development of the strategic plan. The executive authority is responsible for ensuring that these policy priorities are in line with the provinces' overall priorities, the priorities set by the relevant national department and the priorities of the national government'⁹.

Actual

The MEC sets out policy priorities for the year ahead. Some of these include monitoring of poverty alleviation programmes, improving the department's infrastructure and the establishment of centres for victims of violence. The MEC however does not quantify progress made by the Department against previous years in these areas of priority; so as to get a sense of how much still needs to be done. This is particularly important as the policy priorities of the department have not changed for the last two financial years. The content of the policy statements has remained virtually unaltered during these years.

2. Mission and Strategic Goals

Requirement

The strategic plan should set out a clear statement of the department's vision, including its broad strategic goals and specific strategic objectives over the next 3-year MTEF period.

Strategic goals refer to the outcomes to be achieved by the department; strategic objectives are statements that concretely and specifically describe things that will be done to achieve the department's outputs.

Actual

The Department has set out five broad strategic goals for the next three years. These goals are specific and focused, identifying those members of the community that are prioritised as well as those service areas requiring the Department's intervention.

3. Profile information on service delivery environment

Requirement

Each department should present profile information relevant to the functions of the department. So for instance health departments will profile the health status of the people in the province, the education departments the education status, and the housing department on the number of people requiring houses.

Actual

The SWOT analysis given by the department on the state of the social sector it operates in is not an adequate account of such a profile. This analysis largely remains unchanged over the years suggesting little evidence of improvement of the Department's weaknesses, for instance.

The Department does give further details of the province's situational profile at the back of the strategic plan. For instance the Department details current aggregated

⁹ Ibid, p.8.

demographic statistics on the province. It details numbers of unemployed people as well as people living under the poverty line.

This information is however still insufficient as it does not detail vital statistics representing different areas of need in the province like estimates of child headed households and estimates of children in need of a child support grant.

4. Evaluation of current performance

Requirement

The department should give an evaluation of its performance in the current year (based on its third quarter 'Quarterly Report'), and indicate how this is likely to impact on its ability to meet the targets set out in the strategic plan for the current year. This will have an obvious impact on its plans and objectives for the coming year.

Actual

There is no evidence in the strategic plan of an evaluation by the Department of its current performance and using this information to review and revise its strategic planning going forward.

It does not evaluate the relative impact, for instance, of its poverty alleviation programmes in communities nor give estimates of people who are still in need of social assistance grants? This information is important in establishing the Department's progress and the impact of its programmes.

This information therefore needs to be captured by the Department and reviewed every year. This is both in terms of quarterly spending information and actual delivery by programmes.

5. Consultation during the Strategic Planning Process

Requirement

The usefulness of a department's strategic plan is to a large extent determined by the extent and depth of staff involvement in its development. Staff that have played a meaningful role in developing a strategic plan are more likely to take ownership of it and thus actively work towards its implementation. The more effort taken to obtain stakeholder and community input into the department's planning process the more likely the department's services will actually target the most pressing needs of the community.

Actual

The Department gives a brief account of the process by which it involved its programme and district managers in its strategic planning. It does not however give any information of community and other stakeholder participation in the planning process.

Inputs from external stakeholders would be critical in ensuring better allocation of the Department's resources.

6. Programmes and sub-Programmes

Requirement

The Departments Strategic Objectives should be broken down into manageable programmes and sub-programmes with a set of clear programme objectives.

Actual

The Department has firstly demonstrated how its objectives align with the broader departmental goals and also how these objectives align with the Provincial Growth

and Development Plan. This is to be commended. The objectives set out for each programme and sub-programme are clear and manageable.

7. Measurable objectives, performance measures and targets

Requirement

An appropriate set of measurable objectives should be set for each programme, and where appropriate for those sub-programmes that are of strategic importance. These measurable objectives must comply with the 'SMART' principle, i.e. they must be specific, measurable, achievable, realistic and time-bound. Linked to each measurable objective the department needs to provide one or more performance measures indicating the cost, quantity, quality and timeliness of the delivery of the output.

Actual

The department has presented a specific, measurable, achievable and largely realistic set of objectives. These are costed by activity making for increased accountability by the department. The Department however fails to set clear and meaningful timeframes. Almost all the time-bound activities are set for completion by the end of March 2007. This effectively means that the Department cannot be held to account by the oversight committees for any output until the end of March 2007.

The department needs to set itself meaningful milestones during the course of the three year MTEF period, including those goals it commits to achieving in the first year of the period.

8. Reconciliation of plan with previous expenditure by programme

Requirement

An account should be given of how actual spending trends have transpired in previous years and how MTEF projections correspond to strategic plan objectives.

Actual

The department does detail expenditure estimates for the two outer years of the MTEF period and links these to the performance activities of each programme. It does not however give comparative actual expenditure figures for the previous financial year. The plan gives the budget estimates for the previous financial year (2003/2004).

9. Revenue

Requirement

The department should provide a summary of its revenue, including a breakdown between the revenue voted by the Legislature and that obtained from conditional grants.

The department should also provide a detailed explanation of its own revenue collection plans.

Actual

The Department gives a summary of its expected own revenue as well as expected future own revenue collection.

It does not however detail its own revenue collection plans and therefore does not give an account of reasons why it expects its revenue collection to increase for instance in 2004/2005 to R2 million from R837 000 in the current financial year (2003/04).

10. Coordination, Cooperation and Outsourcing

Requirement

The department should provide details of where it is jointly responsible for service delivery with another state department. It should indicate the exact extent of its responsibilities vis-à-vis the other departments. It should also state what mechanisms have been put in place to ensure good co-ordination among the departments.

Actual

The Department gives a brief explanation of inter-governmental co-operation and coordination obligations it carries as a member of the social needs cluster departments. The Department also mentions its outsourcing partnership arrangement with the grant payment companies AllPay and Cash Paymaster Services.

It does not, however detail the financial implications of the neither arrangement nor evaluate this agreement against the performance of the two companies.

11. Local Government

Requirement

Departments should give details of any service delivery agreements or arrangements they have with local authorities. This should include details of all funds that the department will be transferring to local authorities for the delivery of such services.

Actual

The Department has detailed its involvement in district development initiatives through a partnership with the Department of Housing and Local Government. No details of money flows to local municipalities have been given.

12. Public private partnerships and outsourcing to NGOs

Requirement

The department should provide a detailed account of its involvement in public private partnerships, including their cost implications and division of responsibilities, and of its outsourcing and transfers to individual NGOs.

Actual

The Department does not provide the details of the Non Governmental Organisations it transfers funds to, as well the nature of work these organisations do.

13. Financial Management Issues

Requirement

The department should provide a detailed strategy for how it intends to follow-up and address audit queries identified by the Auditor-General.

Actual

The Department does not provide this information in its strategic plan.

14. Capital Expenditure and Maintenance

Requirement

In accordance with the PFMA detailed information on the departments capital investment programme must be given:

1. What building projects are in progress, and when are they expected to be completed?
2. What new building projects are being planned, when will they commence and when will they be completed?
3. Are there any facilities whose closure or down-grading is being planned?
4. What plans are there for major refurbishing projects?

5. What is the department's maintenance backlog, and what are its plans to deal with the backlog over the MTEF period, and over five years and ten years?
6. How are the above developments expected to impact on current expenditures?

Information should also be given on the management of key moveable assets, such as plans to replace important items of medical equipment.

This section should also give details of medium term maintenance plans, focussing on the following issues:

1. What is the current state the department's capital stock? I.e. What percentage is in good, medium or bad condition?
2. How much is the department planning to spend on maintenance? And what is the split between major maintenance expenditure and routine maintenance expenditure?
3. What is the schedule for major maintenance projects?

The department should give detailed lists of assets under its control, and how its asset holding have changed over the past number of years and how they are likely to change in future.

Actual

Where applicable to the Department, no separate information on these issues has been provided in the strategic plan.

<p>Input to Finance Standing Committee</p> <p>On 2004/2005 Strategic Plans for Eastern Cape Department of Education</p>

A. Budget Analysis

The Department of Education's budget allocations for the period 2003 to 2005 is as follows:

	Programme	2003/04 Budget	2003/004 Actual	2004/05 MTEF	Decrease/increase
1	Administration	828, 236	785,390	752, 389	-75 847
2	Public ordinary schools	8. 468, 476	8,575,166	9, 367, 426	+898 950
3	Independent schools	16, 788	18,864	17, 459	+671
4	Public special schools	196, 579	193,109	252, 425	+55 846
5	Further education and Training	148, 415	131,454	166, 103	+17 688
6	Adult basic Education	128, 655	119, 132	140,217	+11 562
7	Early Childhood development	40, 306	28, 987	39,245	-1 061
8	Auxiliary and Associated services	104,735	100,110	122, 548	+17 813
	TOTAL	9, 912,190	9, 952,212	10,857,872	

Budget summary per programme in (R000s)

There are a number of welcome increases in the budget especially in Programme 2: Public Ordinary Schools, which is responsible for meeting the department's core functions, and where the bulk of it's budget goes.

The 11% budget increase over the 2003/04 financial year is a welcome development. This increase will translate into increased spending on Infrastructure and Learner Support Materials.

B. Analysis of Strategic Planning

1. Statement of Policy and Commitment by the MEC

Requirement

The executive authority of a department should set out clearly at the beginning of the strategic plan what policy priorities he or she has set for the year and which have informed the development of the strategic plan. The executive authority is responsible for ensuring that these policy priorities are in line with the provinces' overall priorities, the priorities set by the relevant national department and the priorities of the national government'¹⁰.

¹⁰ Ibid, p.8.

Actual

The MEC sets out priority areas that the department will focus on in the MTEF period. He points out that the department plans to prioritise resourcing of Schools as well as implement targeted programmes to focus on the fight against the scourge of HIV/AIDS. The Provincial Growth and development Plan will assist the department to achieve these goals.

There is also mention of the department's plans to focus on a Turn Around Plan as recommended by the Joint Management Task Team. These will then focus mainly on improved planning processes towards the provision of the Learner Support Material. This is a welcome move.

2. Mission and Strategic Goals

Requirement

The strategic plan should set out a clear statement of the department's vision, including its broad strategic goals and specific strategic objectives over the next 3-year MTEF period.

Strategic goals refer to the outcomes to be achieved by the department, strategic objectives are statements that concretely and specifically describe things that will be done to achieve the departments outputs.

Actual

The department's mission does set out clear strategic goals and objectives for the department.

3. Profile information on service delivery environment

Requirement

Each department should present profile information relevant to the functions of the department. So for instance health departments will profile the health status of the people in the province, the education departments the education status, and the housing department on the number of people requiring houses.

Actual

Although the department acknowledges the fact that it has serious problems of service delivery it fails to provide demographic information that would outline the situation in the province, for example the matric pass and literacy rate against previous years or the number of schools which still need to be built in order to address the shortages of classrooms in the province. The Department's situational analysis is therefore not an adequate account of the education sector in the province. It is imperative that the department report on the progress on the service delivery model that it has just designed.

4. Evaluation of current performance

Requirement

The department should give an evaluation of its performance in the current year (based on its third quarter 'Quarterly Report'), and indicate how this is likely to impact on its ability to meet the targets set out in the strategic plan for the current year. This will have an obvious impact on its plans and objectives for the coming year.

Actual

There is no indication that the department has done a thorough evaluation of its current performance against other financial years. This evaluation would include a comparison of the department's third quarter spending with previous years. The department only provides tables of expenditure trends with no explanations of actual expenditure in the third quarter.

This has a negative impact on department's strategic planning process.

5. Consultation during the Strategic Planning Process

Requirement

The usefulness of a department's strategic plan is to a large extent determined by the extent and depth of staff involvement in its development.

Staff that have played a meaningful role in developing a strategic plan are more likely to take ownership of it and thus actively work towards its implementation. The more effort taken to obtain stakeholder and community input into the department's planning process the more likely the department's services will actually target the most pressing needs of the community.

Actual

The budgetary and strategic planning process in the department has been shaped by the Budget Indibano, which mainly consists of the Budget Committee and district managers with other stakeholders. There is however no mention of involvement of other non-governmental organisations, such as teacher's unions, in the strategic planning process. This is critical for the strategic planning process as input from all the relevant stakeholders is crucial.

6. Programmes and sub-Programmes

Requirement

The Departments Strategic Objectives should be broken down into manageable programmes and sub-programmes with a set of clear programme objectives.

Actual

The programmes and sub-programmes in the department are quite clearly broken down allowing for clear management and monitoring of their activities. There is also a clear statement on outputs to be achieved.

7. Measurable objectives, performance measures and targets

Requirement

An appropriate set of measurable objectives should be set for each programme, and where appropriate for those sub-programmes that are of strategic importance. These measurable objectives must comply with the 'SMART' principle, i.e. they must be specific, measurable, achievable, realistic and time-bound. Linked to each measurable objective the department needs to provide one or more performance measures indicating the cost, quantity, quality and timeliness of the delivery of the output.

Actual

Although the department does have a set of goals and objectives for sub-programmes there are no cost estimates for any the projected plans. The set goals also lack relevant time frames, which would make it easy for the department to actually monitor and measure its progress over a specific period of time. The department must set realistic goals with cost estimates and relevant time frames.

8. Reconciliation of plan with previous expenditure by programme

Requirement

An account should be given of how actual spending trends have transpired in previous years and how MTEF projections correspond to strategic plan objectives.

Actual

In its strategic plans the department has highlighted the need to improve infrastructure in public primary schools. It has also acknowledged the need to deal with classroom shortages, which have been a major problem in the department since 2000. The department has responded accordingly by increasing the budget by over 45% from the previous year (2003/04) financial year. This is a welcome move but the department should clearly indicate how it plans to improve service delivery from the previous year.

9. Revenue

Requirement

The department should provide a summary of its revenue, including a breakdown between the revenue voted by the Legislature and that obtained from conditional grants.

The department should also provide a detailed explanation of its own revenue collection plans.

Actual

The department does provide a summary of revenue, conditional grants and the estimated amounts of spending in each financial year. However it still fails to give explanation on its revenue collection plans.

10. Coordination, Cooperation and Outsourcing

Requirement

The department should provide details of where it is jointly responsible for service delivery with another state department. It should indicate the exact extent of its responsibilities vis-à-vis the other departments. It should also state what mechanisms have been put in place to ensure good co-ordination among the departments.

Actual

In its strategic objectives the department does mention that it intends to improve collaboration with the Department of Public Works and other departments like the Department of Safety and Security, Health and Social Development. But the extent of the collaboration with these departments is not quite clear. The department should provide detailed plans on collaboration agreements with these departments.

11. Local Government

Requirement

Departments should give details of any service delivery agreements or arrangements they have with local authorities. This should include details of all funds that the department will be transferring to local authorities for the delivery of such services.

Actual

The department does not work with local municipalities.

12. Public private partnerships and outsourcing to NGOs

Requirement

The department should provide a detailed account of its involvement in public private partnerships, including their cost implications and division of responsibilities, and of its outsourcing and transfers to individual NGOs.

Actual

The department points out that it does not have any public-private partnerships.

13. Financial Management Issues

Requirement

The department should provide a detailed strategy for how it intends to follow-up and address audit queries identified by the Auditor-General.

Actual

The department recognises that it has serious financial management issues. It reported that plans are already in place to deal with the issue for example the department is in the process of recruiting new staff for the critical posts in financial management.

It also reports that financial management is taken seriously in the department and is monitored on a weekly basis and that plans are already in place to address weaknesses identified by the Auditor General in the previous financial years but exactly what kind of plans these are is still not clear.

14. Capital Expenditure and Maintenance

Requirement

In accordance with the PFMA detailed information on the departments capital investment programme must be given:

1. What building projects are in progress, and when are they expected to be completed?
2. What new building projects are being planned, when will they commence and when will they be completed?
3. Are there any facilities whose closure or down-grading is being planned?
4. What plans are there for major refurbishing projects?
5. What is the departments maintenance backlog, and what are its plans to deal with the backlog over the MTEF period, and over five years and ten years?
6. How are the above developments expected to impact on current expenditures?

Information should also be given on the management of key moveable assets, such as plans to replace important items of medical equipment.

This section should also give details of medium term maintenance plans, focussing on the following issues:

1. What is the current state the department's capital stock? I.e. What percentage is in good, medium or bad condition?
2. How much is the department planning to spend on maintenance? And what is the split between major maintenance expenditure and routine maintenance expenditure?
3. What is the schedule for major maintenance projects?

The department should give detailed lists of assets under its control, and how its asset holding have changed over the past number of years and how they are likely to change in future.

Actual

The department has a number of planned projects underway for the medium term. The department implemented an Education Facilities Management System (EFMS) to manage physical infrastructure provision in the province.

The EFMS will also facilitate asset management, repair and maintenance of physical infrastructure. A Facilities management audit was expected to be complete by October 2003. Progress report on this is still pending. A number of capital projects planned by the department still lack relevant cost estimates and some don't have time frames attached to them.

The total of 177 projects were planned for 2003/04 financial year, 155 are under-construction, 100 are expected to be complete by March 2004 and 25 are complete.

45 Facilities have been closed and amalgamated into larger schools. A total of 134 projects are planned for this year and 55 projects are carried forward from last year to be completed in July 2004 and again there are no costs attached to these projects.

<p>Input to Finance Standing Committee</p> <p>On 2004/2005 Strategic Plans for the Department of Housing and Local Government</p>

A. Budget Analysis

The budget for the Eastern Cape Department of Housing, Local Government and Traditional Affairs for the 2003 - 2005 period is provided in the table below.

	Programme	Financial Year			Increase/ decrease
		2003/04 Budget	2003/04 Actual	2004/05	
1	Administration	77, 654	80, 409	93, 386	+15, 732
2	Housing	739, 122	739, 042	703, 509	-35, 613
3	Developmental Local Government	241, 089	223, 428	195, 058	-46, 031
4	Traditional Affairs	65, 338	65, 067	68, 911	+3,573
	Total	1, 123, 203	1, 107, 946	1, 060, 864¹¹	

As it can be seen from the table, the budget allocation for Administration (Programme 1) has increased by R15, 7 million from the 2003/04 budget. Housing (Programme 2) has seen a cut of more than R35 million. For Local Government (Programme 3) the cut is sharper, at R46 million. Traditional Affairs (Programme 4) has seen an increase of R 3.5 million.

Overall, more than R100 million will be cut from the Department's budget in the 2004/05 financial year, compared to the current (2003/04) financial year. It is not clear whether the cut in the department's housing budget represents a decline in the need for houses in the province (which is doubtful) or a decline in the performance of the Department in respect of actual housing delivery.

The events or activities cited by the Department as having influenced the budget, however, do not justify a cut of such magnitude.

¹¹ *Budget Statement* for the 2004/2005 Provincial Budget, Eastern Cape Provincial Budget, p. 148.

B. Analysis of Strategic Planning

1. Statement of Policy and Commitment by the MEC

Requirement

'The executive authority of a department should set out clearly at the beginning of the strategic plan what policy priorities he or she has set for the year and which have informed the development of the strategic plan. The executive authority is responsible for ensuring that these policy priorities are in line with the provinces' overall priorities, the priorities set by the relevant national department and the priorities of the national government'¹².

Actual

The MEC for Housing merely sets out the five priority areas for the Province as a whole, as tabled by the Premier in his State of the Province address. These include "a systematic eradication of poverty and the creation of a fiscally sustainable social security system"; "infrastructure provisioning"; "fighting HIV/AIDS and other diseases". But these are not specific to the Department. The MEC mentions in passing the broad challenges faced by his department (the need to enhance the provision of houses, municipal infrastructure, and building of viable municipalities). He does not give a hint as to how these challenges are to be addressed and by when.

2. Mission and Strategic Goals

Requirement

The strategic plan should set out a clear statement of the department's vision, including its broad strategic goals and specific strategic objectives over the next 3-year MTEF period.

Strategic goals refer to the outcomes to be achieved by the department; strategic objectives are statements that concretely and specifically describe things that will be done to achieve the department's outputs.

Actual

There is no clear distinction between the Department's strategic goals and strategic objectives. Its intention to "promote stabilisation, consolidation and development of sustainable municipalities and traditional institutions, and delivery of housing through effective stakeholder participation, integrated planning and capacity" reads more like a strategic goal. But the Plan goes further to cite "developmental local government", "integrated development planning", "sound relations between Government and Traditional Institutions", etc, as strategic goals. There does not appear to be clear strategic objectives to implement the stated goals. Therefore, it is not entirely clear how the mentioned challenges faced by the Department will be addressed and how soon.

3. Profile information on service delivery environment

Requirement

Each department should present profile information relevant to the functions of the department. So for instance health departments will profile the health status of the

¹² Ibid, p.8.

people in the province, the education departments the education status, and the housing department on the number of people requiring houses.

Actual

The Plan does mention a number of challenges faced by the department, such as “unfunded mandates at municipalities”; “lack of financial management capacity to comply with PFMA requirements”; “lack of risk management”, which have an impact on service delivery.

4. Evaluation of current performance

Requirement

The department should give an evaluation of its performance in the current year (based on its third quarter 'Quarterly Report'), and indicate how this is likely to impact on its ability to meet the targets set out in the strategic plan for the current year. This will have an obvious impact on its plans and objectives for the coming year.

Actual

The Department provides an evaluation of its current performance. It then proposes to develop new policies to address the problems it encounters. However, what is lacking is a brief explanation on how the proposed policies will tackle the mentioned problems. For instance, it is not clear how the department intends using the Provincial Housing policy to address shortage of critical skills, weak leadership, poor communication, etc, which profoundly impact on the department's performance. It is also not clear how the proposed Succession Plan will address the problems identified at local government. Explanation on these proposed policies is necessary, in particular given that some, if not all, of these problems were identified as early as 2002.

5. Consultation during the Strategic Planning Process

Requirement

The usefulness of a department's strategic plan is to a large extent determined by the extent and depth of staff involvement in its development. Staff that have played a meaningful role in developing a strategic plan are more likely to take ownership of it and thus actively work towards its implementation. The more effort taken to obtain stakeholder and community input into the department's planning process the more likely the department's services will actually target the most pressing needs of the community.

Actual

There is an indication that consultation between various stakeholders (local government, traditional leaders and labour) and all managers did take place in the process of drawing up the Strategic Plan. Even though the Department claims that such consultation resulted in its revised vision, mission and strategic goals, lack of clarity in the MEC's statement of commitment, coupled with the lack of clarity on the proposed policies to deal with the problems encountered by the Department, provide little evidence that the Plan was indeed the product of wide consultation and communication amongst various stakeholders.

6. Programmes and sub-Programmes

Requirement

The Departments Strategic Objectives should be broken down into manageable programmes and sub-programmes with a set of clear programme objectives.

Actual

The Department's strategic objectives are broken down into programmes and sub-programmes. Each programme and sub-programme has its set objectives. However, not all of these objectives have set time frames and cost estimates. For instance, to enable the administration programme to deal with critical lack of resources, in particular human resources, the Plan proposes the following policies, among others: "Performance Management Development System Policy"; "Recruitment and retention policy". The challenge though is for the Plan to provide clear time frames within which these policies will be implemented, and the cost estimates for both their implementation.

7. Measurable objectives, performance measures and targets

Requirement

An appropriate set of measurable objectives should be set for each programme, and where appropriate for those sub-programmes that are of strategic importance. These measurable objectives must comply with the 'SMART' principle, i.e. they must be specific, measurable, achievable, realistic and time-bound. Linked to each measurable objective the department needs to provide one or more performance measures indicating the cost, quantity, quality and timeliness of the delivery of the output.

Actual

The performance measures are not specific. For example, in Housing they do not indicate which areas or municipalities in the province are in dire need of houses. While estimates of houses to be completed in the current financial year and the other 2 outer years; the number of practitioners to be trained; are provided, no indication is made as to the total number of houses that must be completed by 2007 and the number of practitioners that must have been fully trained by that time.

The Department intends to build about 64 203 houses by the year 2006/2007. It is not clear whether this number represents the sum total of the housing need in the province by this financial year and if so how the department arrived at the number. More over, the Department provides no cost estimates for its activities. It seems that in all respects, the objectives do not meet the "Specific Measurable Achievable Realistic Time-bound" requirements.

8. Reconciliation of plan with previous expenditure by programme

Requirement

An account should be given of how actual spending trends have transpired in previous years and how MTEF projections correspond to strategic plan objectives.

Actual

The Department does provide an account of the expenditure patterns for the previous years. But the figures provided in the Plan often do not match with those provided in the Annual Reports of the previous years.

9. Revenue

Requirement

The department should provide a summary of its revenue, including a breakdown between the revenue voted by the Legislature and that obtained from conditional grants.

The department should also provide a detailed explanation of its own revenue collection plans.

Actual

The Department provides a summary of its revenue collections, including those obtained through conditional grants.

10. Co-ordination, Cooperation and Outsourcing

Requirement

The department should provide details of where it is jointly responsible for service delivery with another state department. It should indicate the exact extent of its responsibilities vis-à-vis the other departments. It should also state what mechanisms have been put in place to ensure good co-ordination among the departments.

Actual

The plan provides an indication of how the Department is participating in clusters such as Social Needs, Infrastructure and Governance & Administration. The department is therefore in a position to inform other departments of its plans and programmes, which must be aligned to municipalities' Integrated Development Plans. The Plan also sets out how good co-ordination is to be maintained. However, the specific roles and responsibilities of the Department in this cooperation are not spelt out clearly.

11. Local Government

Requirement

Departments should give details of any service delivery agreements or arrangements they have with local authorities. This should include details of all funds that the department will be transferring to local authorities for the delivery of such services. For instance in certain provinces local authorities operate clinics for which they receive funding from health departments. Similarly with housing funds.

Actual

While there are no agency functions by municipalities on behalf of the Department, the latter sets out to establish a new public entity (Eastern Cape Municipal Development Corporation) to enhance its capacity and that of municipalities. For the purpose of getting the entity's operations off the ground, the Department has set aside R 10, 000, 000.

12. Public private partnerships (PPP) and outsourcing to NGOs

Requirement

The department should provide a detailed account of its involvement in public private partnerships, including their cost implications and division of responsibilities, and of its outsourcing and transfers to individual NGOs.

Actual

Other than engaging experts occasionally to provide whatever professional services needed, the Department does not currently have, and does not intend to have, partnerships with private entities. Therefore, no cost information is provided for PPP's and outsourcing.

13. Financial Management Issues

Requirement

The department should provide a detailed strategy for how it intends to follow-up and address audit queries identified by the Auditor-General.

Actual

The Department, in conjunction with Provincial Internal Audit Unit, does have activities, such as risk identification and profiling; developing a strategy to address control weaknesses; and internal audit in order to take into account revealed control weaknesses into audit plans. These plans are intended to address audit queries.

14. Capital Expenditure and Maintenance

Requirement

In accordance with the PFMA detailed information on the departments capital investment programme must be given:

1. What building projects are in progress, and when are they expected to be completed?
2. What new building projects are being planned, when will they commence and when will they be completed?
3. Are there any facilities whose closure or down-grading is being planned?
4. What plans are there for major refurbishing projects?
5. What is the departments maintenance backlog, and what are its plans to deal with the backlog over the MTEF period, and over five years and ten years?
6. How are the above developments expected to impact on current expenditures?

Information should also be given on the management of key moveable assets, such as plans to replace important items of medical equipment.

This section should also give details of medium term maintenance plans, focussing on the following issues:

1. What is the current state the department's capital stock? I.e. What percentage is in good, medium or bad condition?
2. How much is the department planning to spend on maintenance? And what is the split between major maintenance expenditure and routine maintenance expenditure?
3. What is the schedule for major maintenance projects?

The department should give detailed lists of assets under its control, and how its asset holding have changed over the past number of years and how they are likely to change in future.

Actual

The Plan identifies a number of challenges that each programme – Administration, Housing, Developmental Local Government and Traditional Affairs - in the department faces. But it does not give any further detail. It also provides for acquisition and/ or construction of accommodation for the House of Traditional Leaders and for administration facilities at palaces of the Kings and at Regional Authorities. Other than that it provides no details (on the department capital stock, on how much the department is intending to spend, etc) of its capital expenditure, maintenance and asset management.

Appendix 1.

Legislative requirements governing the production of Strategic Plans

Section 2 of the **Public Finance Management Act Implementation Guidelines**, July 2000, on 'Actions to implement the PFMA' contains the following guidelines on Strategic planning:

"In the preparation of the strategic plan the accounting officer must have regard to the:

- (a) usefulness and appropriateness of the planned outputs in meeting the programme objectives/outcomes agreed by the executive authority for the department;
- (b) affordability of the plan, having regard to the resources likely to be available to the department and the overall fiscal policy of the Government;
- (c) achievability of the plan, having regard to the resources likely to be available and the vision, level of capacity and commitment of the people responsible for driving the process of achieving the department's objectives/outcomes; and
- (d) accessibility of the plan to those responsible for its execution and those to whom the department is accountable for their performance in executing the plan (the Executive Authority, the relevant Treasury and Parliament or the provincial legislature concerned)"¹³.

In addition, the **Treasury Regulations** set out the following requirements for strategic planning:

"5.2 Strategic plans

5.2.1 The approved strategic plan must be tabled in Parliament or the relevant provincial legislature within 15 working days after the Minister or relevant MEC for finance has tabled the annual budget.

5.2.2 The strategic plan must –

- (a) cover a period of three years and be consistent with the institution's published medium term expenditure estimates;
- (b) include the measurable objectives and outcomes for the institution's programmes;
- (c) include details of proposed acquisitions of fixed or movable capital assets, planned capital investments and rehabilitation and maintenance of physical assets;
- (d) include details of proposed acquisitions of financial assets or capital transfers and plans for the management of financial assets and liabilities;
- (e) include multi-year projections of income and projected receipts from the sale of assets;
- (f) include details of the Service Delivery Improvement Programme;
- (g) include details of proposed information technology acquisition or expansion in reference to an information technology plan that supports the information plan; and
- (h) for departments, include the requirements of Chapter 1, Part III B of the *Public Service Regulations*, 2001.

5.2.3 The strategic plan must form the basis for the annual reports of accounting officers as required by sections 40(1)(d) and (e) of the Act"¹⁴.

Finally, of the **Public Service Regulations, 2001**, sets out the following requirements for departmental strategic plans:

¹³ National Treasury, PFMA Implementation Guide, July 2000, see www.treasury.gov.za, click Legislation, then click Public Finance Management Act, then click PFMA Implementation

¹⁴ Sect. 3, Treasury Regulations, 9 April 2001, Regulation Gazette No 7048.

“B. Strategic Planning

B.1 An executing authority shall prepare a strategic plan for her or his department -

- (a) stating the department’s core objectives, based on Constitutional and other legislative mandates, functional mandates and the service delivery improvement programme mentioned in regulation III C;
- (b) describing the core and support activities necessary to achieve the core objectives, avoiding duplication of functions;
- (c) specifying the functions the department will perform internally and those it will contract out;
- (d) describing the goals or targets to be attained on the medium term;
- (e) setting out a programme for attaining those goals and targets;
- (f) specifying information systems that
 - (i) enable the executing authority to monitor the progress made towards achieving those goals, targets and core objectives;
 - (ii) support compliance with the reporting requirements in regulation III J and the National Minimum Information Requirements, referred to in regulation VII H; and
- (g) complying with the requirements in paragraphs 5.1 and 5.2 of the Treasury Regulations.

B.2 Based on the strategic plan of the department, an executing authority shall-

- (a) determine the department’s organisational structure in terms of its core and support functions;
- (b) grade proposed new jobs according to the job evaluation system referred to in Part IV;
- (c) define the posts necessary to perform the relevant functions while remaining within the current budget and medium-term expenditure framework of her or his department, and the posts so defined shall constitute the department’s approved establishment; and
- (d) engage in the human resource planning in accordance with regulation III D with a view to meeting the resulting human resource needs¹⁵.

More recently, these requirements have been fleshed out by sets of **National Treasury Guidelines**. According to the ‘Guide for Accounting Officers, Public Finance Management Act’ produced in October 2002 the first year of the strategic plan is known as the operational plan. The operational plan ‘must provide a sufficiently detailed quantification of outputs and resources, together with service delivery indicators, for the legislature to understand exactly what it is buying’ for the community when it approves the budget. The operational plan must not be a wish list, but must be flexible and adjustable while remaining within the MTEF allocation. The plan must contain:

- Descriptions of the various programmes that the department will pursue to achieve its objectives, and for each programme, the measurable objectives, total cost and intended lifespan
- Information on any conditional grants to be paid or received, including the criteria to be satisfied
- Information on any new programmes to be implemented, including the justification for such programmes, expected costs, staffing and new capital, as well as future implication
- Information on any programmes to be scaled down or discontinued during the financial year

¹⁵ Sect. III, B, Public Service Regulations, January 2001, Regulation Gazette, No 21951.

- Where two or more departments contribute to the delivery of the same service, a concise summary of the contribution of each department (the accounting officers must ensure that the summaries included in their respective plans are consistent)
- Summary information, drawn from the strategic plan, of all capital investments planned for the year, including the future impact on the operating budget (this information should be rolled forward, amended as appropriate, to the next year's strategic plan)'.

This Guide also stipulates that 'the operational plan will include conditional grants, transfers and capital projects' and that 'the strategic and operational plans must be submitted to the relevant treasury by 30 June, together with the MTEF submissions'.

Sect 6 of the **Normative Measures for Financial Management**, (a guideline produced by the National Treasury, January 2003), which deals with 'Performance requirements for financial management for the public sector' states the following:

'The use of financial resources to achieve specified outputs must be monitored and controlled against the strategic and operational plans of the department by means of quantitative and qualitative data'.