

**Eastern Cape Department of Education**

**Strategic Plan Evaluation: Annual  
Performance Plan 2007/08 – 2009/10**

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**Key Findings and Recommendations**

**No clear indication of stakeholder input in the preparation of the Annual Performance Plan.**

**Finding:** Consultation with internal and external stakeholders is not clearly articulated in the plan. The Annual Performance Plan relies on a dated consultative process that informed the Five-Year Strategic Plan.

**Recommendation:** Internal and external stakeholders should inform the Department's planning and such consultation is required by the regulatory framework. The Department should document the extent of consultation undertaken and how this has influenced the formulation of its plans and assisted in the identification of priorities areas. This should not only be a consultative process but should be reflected in the Annual Performance Plan detailing an action plan by the Department to respond to the concerns of stakeholders.<sup>1</sup>

**Lack of information and plans regarding the School Nutrition Programme**

**Finding:** The 2007/08 Annual Performance Plan has the same plans and activities for SNP as those contained in the 2006/07 Annual Performance Plan. The Department has

not updated its Plan according to changes and developments in respect of SNP in the province.

**Recommendation:** The Department should ensure that information included in the Annual Performance Plan is updated. When producing an Annual Performance Plan checks should be made to ensure that information contained in the plan is not outdated and includes current information. Given the recent changes in SNP, it is concerning that such information is not included in the plan.

#### **Programme of action to address Auditor-General queries**

**Finding:** While the Department does provide plans to address Auditor-General queries, it failed to provide a detailed breakdown of activities with responsible officials in light of Provincial Treasury's intervention to assist the Department.

**Recommendation:** The Plan should provide information on progress thus far, corrective action taken, and detailed activities to be undertaken in conjunction with the Provincial Treasury to address financial management issues. This should be in addition to the Department's own plans.

#### **Coordination with other Departments not clearly stated in the Plan**

**Finding:** The plan does not have any information provided on mechanisms that have been put in place to ensure effective coordination between departments. In ECD and the HIV/Aids programme, for example, the Department does not clearly state what its responsibilities are and how it is going to coordinate with the Departments' of Social Development and Health.

**Recommendation:** The plan should include detailed information on its responsibilities where there are interdepartmental programmes. These should include a breakdown of budget allocations for each Department to ensure that there are clear lines of responsibility for the purposes of reporting, accountability and oversight.

#### **No costed activities in the Annual Performance Plan and the Operational Plan**

**Finding:** Activities listed in both plans are not costed and do not have clear-cut deadlines for those activities. This makes it difficult for expenditure tracking and evaluation as these are not budget aligned.

**Recommendation:** All activities should be costed to assist in keeping within allocated budgets and to promote accountability and transparency. This is also useful for the Department to assess its progress in the delivery of services, to detect any likelihood of over-and under expenditure and to ensure that corrective steps are taken to rectify such situations.

#### **No timeframes and costed activities for outsourced projects**

**Finding:** The plan does not provide any details on time-frames, costs and progress on outsourced projects including infrastructure projects. In addition, there are no details of any plans to monitor the implementation of these projects, or whether there are any plans for future outsourcing of projects by the Department.

**Recommendation:** The Plan should include detailed and costed breakdowns of outsourcing arrangements so that these may be monitoring and oversight maintained. This is especially important to ensure accountability and to prevent fruitless and wasteful expenditure being incurred.

## **Introduction**

The South African Constitution commits government departments to the progressive realisation of socio-economic rights, including the right to education, healthcare, housing and social welfare, within available resources. The PSAM defines social accountability as the obligation by public officials and private service providers to justify their performance in progressively addressing the above rights via the provision of effective public services.<sup>2</sup> In order to effectively realise these rights through the delivery of public services, state departments and private service providers responsible for the management of public resources must implement effective accountability and service delivery systems. These include: planning and resource allocation systems; expenditure management systems; performance monitoring systems; integrity systems; and, oversight systems. The effectiveness of these systems can be established by monitoring their information outputs. To evaluate these systems, the PSAM has developed a set of evidence-based tools for monitoring the information produced annually by each system.

The following report focuses on the reviewed department's strategic planning system. In order to fulfil its mandate to provide effective and efficient public services that progressively realise people's socio-economic rights, every government department must produce strategic plans for the upcoming financial year and Medium Term Expenditure Framework (MTEF) period. This report evaluates the strategic plans of government service delivery departments by asking a number of questions which identify the necessary requirements for effective and accountable strategic plans.

Strategic planning forms the foundation on which service delivery is built. The responsibility for drawing up clear strategic plans and for setting measurable objectives for provincial government departments rests with the MEC for the relevant department. Amongst other responsibilities, the MEC should identify the people to be served by their department, and their specific service delivery needs. The MEC must also ensure that the implementation of the strategic plan is properly monitored to make certain that services are provided efficiently and in a way that represents value for money. Strategic planning requirements are strictly regulated in terms of the Public Service Regulations, Public Finance Management Act (PFMA), the Division of Revenue Acts (DORA) and by National Treasury regulations which govern the development of strategic plans.

No budget can be allocated to government departments in the absence of a strategic plan. This is because without evidence of what the department intends to do with its budget, the respective Treasury is not authorised to apportion funds to the department.

Strategic planning is intimately linked to the budgeting and reporting framework established by the PFMA. It is important to note that while strategic planning informs the budget to be allocated to departments, those undertaking planning should always develop their strategies taking the projected resource allocation for their department into account as indicated within the 3-year Medium Term Expenditure Framework.<sup>3</sup>

Provincial government departments are expected to draw up two strategic plans, a five-year plan and an annual plan.

- Five-year Strategic and Performance Plans -

The Five-year Strategic and Performance Plan, linked to the five-year election cycle, sets out the department's strategic policy priorities and plans for the coming five years. It

serves as a 'blueprint for what the provincial department plans to do over the next five years.'<sup>4</sup> The document focuses on setting specific strategic goals that will be prioritised, as well as identifying strategic objectives for each main service delivery area of the department.

- Annual Performance Plans –

Each year, provincial departments are required to produce annual performance plans which set out what they intend doing in the upcoming MTEF period in order to implement their respective Five-year Strategic and Performance Plans. For this reason, annual performance plans focus on the creation of specific measurable objectives and performance targets which ensure that departments meet their longer term goals. The annual performance plan covers the upcoming financial year and the following two years of the MTEF period. It should also inform, and be informed by, the budget and MTEF indicative allocations.

The importance of drawing up accurate and realistic strategic plans cannot be overestimated. In the absence of coherent plans, departments cannot properly quantify the needs of those requiring their services or properly estimate costs; they cannot accurately track, control or report on expenditure. Consequently they cannot properly monitor the delivery of services to ensure the efficient and effective use of scarce public resources to address the human rights of those dependent on public services.

- Operational Plans –

In addition to the annual performance plan, departments are expected to produce a detailed one-year operational plan. Both the annual performance plan and one-year plan (which gives effect to the first year of the three-year annual performance plan) are tabled annually. The operational plan must feed into performance agreements between executive authorities and accounting officers and should provide quarterly performance measures and targets, as well as quarterly budget information. According to Chapter 2 of the *Guidelines for Accounting Officers*, operational plans must specify measurable objectives and include service delivery indicators, total costs, timeframes and targets. Departments must report against the implementation of the one-year operational plan in their annual reports.

### **Part A: PSAM Evaluation of the Annual Performance Plan for the Eastern Cape Department of Education for 2007 - 2010.**

The following commentary provides an analysis of the **Eastern Cape Department of Education's** performance against necessary requirements for effective strategic planning.

<b>1. Is the plan guided by a clear set of policy priorities identified by the relevant Minister/MEC?</b>
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#### Requirement

Government departments prioritise plans to address the most pressing social needs of those dependent on public services and to respond to political priorities set by the government of the day. These policy priorities should be informed by constitutional

commitments to address people's rights and should form guiding principles for planning. Policy priorities should be articulated by the executive authority responsible for the Department as he/she is ultimately accountable for the implementation of policy priorities and, therefore, the Department's planning.<sup>5</sup>

#### Finding

The MEC for Education identifies a number of key policy areas for the 2007/08 financial year. He states that the Department will work towards improving the matric pass rate, ensure that learner and teacher support material (LTSM) is delivered in time for the start of the 2008 academic year, and improve the Department's financial management.<sup>6</sup> In addition, the Department will focus on improving safety and security in schools, and complete 79 infrastructure projects, including at least three of the worst mud-structured schools in each district.<sup>7</sup> Lastly, the MEC noted that addressing HIV/Aids was also a policy priority.<sup>8</sup>

While the MEC mentions that the number of no-fee schools has been increased, the School Nutrition Programme is not mentioned in his foreword.<sup>9</sup> This is surprising given that the programme has been beset by problems, and is one of the Department's key responsibilities. The MEC has also failed to mention other key policy areas, such as adult basic education and training (ABET), early childhood development (ECD) and the further education and training (FET) recapitalisation programme. These critical policies were included in the MEC's policy speech and should have been noted here.<sup>10</sup>

It is critical that all policy priorities are set out by the MEC to ensure that the Department has a clear understanding of its obligations over the upcoming year, and to ensure that the MEC is held accountable for the implementation of policy priorities.

**2. Does the Accounting Officer of the Department summarise shifts in policy that affect the Department's strategic direction, and identify the Department's most important performance targets for the upcoming MTEF period?**

#### Requirement

Each year, the Department's strategic plan should set out any changes to the Department's strategic direction due to policy or programme shifts. This is to ensure that the Department is held accountable for its performance in relation to its new policy priorities/strategic direction. By identifying the most important performance targets, the administrative head of the Department undertakes to achieve these targets and makes him/herself accountable for doing so.<sup>11</sup>

#### Finding

The foreword by the Accounting Officer does not provide any programme or policy changes as there are no significant shifts in the Department's strategic direction. Performance targets identified by the Accounting Officer are not clearly stated as targets for the upcoming MTEF period, because they are referred to as initiatives that will be implemented with the available budget.<sup>12</sup> These targets, or initiatives, are mainly learner or school oriented. These include, amongst others, targets such as "strengthening policy frameworks for learner admissions in public schools, creating greater equity and efficiency in the governance, funding and oversight of schools."<sup>13</sup> Issues such as improving the Department's financial performance to ensure the successful implementation of education initiatives in the province have not been included in the

Accounting Officer's foreword. This is concerning given that the effective implementation of these initiatives needs a strong and effective administration from school to provincial level. The Department's most important performance targets must also be clearly stated to strengthen accountability and ensure that the Accounting Officer accounts for any failure to meet these targets.

### **3. Is there a coherent relationship between the Department's Annual Performance Plan and its Five-year Strategic and Performance Plan?**

#### Requirement

Strategic plans must be integrated into macro planning frameworks in order for departments to give effect to national and sub-national policy priorities, as well as the realisation of international undertakings (such as the UN Millennium Development Goals). As the site of service delivery, it is critical for sub-national strategic plans to be aligned with both broader and narrower planning frameworks if such frameworks are to be implemented.<sup>14</sup>

#### Finding

The current Annual Performance Plan (APP) provides updates and changes that have been made since the creation of the Department's Five-Year Strategic Plan.<sup>15</sup> By its own admission, the Department notes that there are gaps in its Five-Year Strategic Plan, which need to be updated.<sup>16</sup> The APP lists five areas where the Five-Year Strategic Plan should be updated. These are:

- Enduring issues and priorities over the planned period
- Changes in measurable objectives
- Linkages to PGDP and Social Needs Cluster priorities
- Fuller accommodation of initiatives and issues within programmes and sub-programmes and
- Adjustments in the allocation of responsibilities to Chief Directorates, Directorates and Districts.<sup>17</sup>

The APP elaborates further on only four of the above mentioned areas. According to the APP, many issues contained in the Five-Year Strategic Plan have already been addressed necessitating changes to the issues that still need to be addressed.<sup>18</sup> In addition the strategic objectives in the Five-Year Plan do not address the PGDP and Social Needs Cluster priorities.<sup>19</sup>

The APP, however, has failed to offer any information or plans relating to "changes in measurable objectives." In addition, the Five-Year Plan does not contain any measurable objectives. The absence of these measurable objectives in the Five-Year Plan makes it difficult to assess if the APP and the Five-Year Plan are properly linked.

**4. Does the Department provide an account of its internal organisational environment, and indicate how this influenced the strategic plan under review?**

Requirement

The Department's ability to implement its strategic plan is determined, to a large extent, by its human resource capacity. It is therefore critical for the Department to provide an account of its internal organisational environment in its strategic plan, and indicate how organisational capacity or constraints were factored into its strategic plan.<sup>20</sup>

Finding

According to the 2007/08 APP, the Department had to align its organisational structure with the Five-Year Strategic Plan which resulted in a revised organogram being approved in January 2006.<sup>21</sup> The aim of this organisational review was to strengthen the Department's capacity to deliver.<sup>22</sup> Since the approval of the organogram, however, the Department has made little progress in filling vacancies necessary to improve strategic planning and ensure effective service delivery. According to the APP, the Department had an overall vacancy rate of 55.5 percent in January 2007.<sup>23</sup> The Department does not indicate how these vacancies influenced the attainment of its strategic goals and the creation of its APP. In addition, there is no plan in the APP to address these vacancies.<sup>24</sup> If there are no proper plans to address vacancies, it is unlikely that the Department will effectively implement its strategic plan.

The Plan does, however, give an account of the internal constraints it faces, but fails to provide a clear account of measures planned to address them. For example, one of the key strategic objectives for sub-programme 1.2 (Corporate Services) in Administration is "optimal provisioning and utilisation of human resources."<sup>25</sup> For this strategic objective to be achieved, the Department acknowledges that it would need to ensure that there are properly trained staff, and effective systems and procedures in place to improve the operation of this sub-programme at district level.<sup>26</sup> These constraints, which have had a negative impact on the performance of the Department to date,<sup>27</sup> are not responded to in the plan in a manner which seeks to systematically address the ongoing problem.

**5. Does the Department provide an account of its external service delivery environment, and demonstrate in its strategic plan how performance targets relate to this environment and service delivery commitments?**

Requirement

Strategic plans should be informed by rigorous needs analysis if they are to respond to the most pressing socio-economic needs of those they serve. Departments should demonstrate in their strategic plans how proposed targets give effect to service delivery commitments *in relation to* socio-economic needs. Only then can both performance targets and undertakings be properly evaluated. In addition, departments should clearly articulate service delivery constraints caused by the external service delivery environment and demonstrate how these constraints were factored into drawing up of strategic objectives and targets.<sup>28</sup>

### Finding

The Department's Education Management Information System (EMIS) is meant to provide up-to-date information in regard to the Department's wider service delivery environment.<sup>29</sup> The Department, through EMIS, gathers, analyses and reports on information pertaining to learners, staff, institutions, facilities and resources.<sup>30</sup> The EMIS was used to provide the APP with an update of basic background information on school and learner numbers. For example, according to the APP, an EMIS Departmental survey in 2006 found that there are 6 181 public schools in the Eastern Cape, accommodating 2.15 million learners.<sup>31</sup> In addition, the APP reports that there are still major backlogs in school infrastructure, with 939, or 16 percent of all schools, being identified as mud-structures.<sup>32</sup>

While the EMIS provides up-to-date information, data pertaining to socio-economic conditions in the province is dated. The Department relies on the 2001 Census for information on unemployment, income levels, access to basic services and literacy levels.<sup>33</sup> This is problematic, because the Department needs up-to-date data to be able to identifying which areas of the province are most in need of its resources and plan accordingly. For example, up-to-date socio-economic data is especially important for the declaration of no-fee schools as such information is vital in determining which schools should qualify as no-fee schools. The Department must prioritise poverty stricken areas to ensure access to education, to be able to do so, it clearly needs accurate and up-to date information.

The APP fails to demonstrate how performance targets relate to its service delivery environment as no up-to-date information is provided in certain programmes and sub-programmes within the Plan. The Department's failure to update its performance targets, for example in the SNP, shows that there is a level of disjuncture between the Department's service delivery environment and its performance targets.<sup>34</sup> The APP also fails to provide up-to-date information on the Office of the MEC sub-programme.

## **6. Is there evidence in the strategic plan that the Department consulted with both internal and external stakeholders when drafting its plan?**

### Requirement

The usefulness of the Department's strategic plan is largely determined by the extent and depth of consultation with staff 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.<sup>35</sup>

### Finding

The Annual Performance Plan fails to indicate if the Department consulted external stakeholders during the production of the current plan. This omission is a serious concern because it suggests that in its planning, the Department did not take into account the opinions of important stakeholders working in the education sector in the province. The APP also fails to include information in regard to internal consultation processes and how, if they did take place, these informed the drafting of the plan. For

the Department to be able to provide a clear and appropriate plan of action, input from both internal and external stakeholders must be sought.

**7. Does the plan summarise the strategic objectives of each programme and main sub-programme, evaluate progress made in achieving these objectives and indicate what needs to be undertaken to meet these objectives?**

Requirement

Strategic Objectives describe high-level outputs or the results of actions the Department plans to take; they must relate directly to the Department's policy priorities. Because they articulate the rationale for planned activities within each programme and strategically important sub-programme, strategic objectives must be included in the strategic plan in order to evaluate the Department's plans to progressively realise citizens' rights within available resources. By indicating both progress and what still needs to be done in order to meet the objectives for each programme, oversight bodies and citizens are able to evaluate the Department's planned programme objectives for the upcoming financial year in light of (a) the Department's past performance and (b) what the Department still needs to do to accomplish its strategic objectives for each programme.<sup>36</sup>

Finding

The APP does not provide a summary of all programme and sub-programme strategic objectives. For example, in programme 1 (Administration) there is no summary of strategic objectives in the main programme, and in sub-programmes 1.1 (Office of the MEC), 1.4 (Human Resources Development), and 1.6 (Education Management Information Systems).<sup>37</sup> There are also inconsistencies in other programmes, where the main programme's strategic objectives are not summarised in the plan. For example, the APP does not summarise strategic objectives for programme 2 (Public Ordinary School Education).<sup>38</sup> The absence of these objectives makes it difficult for Departmental management and oversight institutions to evaluate the Department's plans for its programmes, and check if sub-programme strategic objectives and activities, where included, are consistent with their respective programmes.

In addition, progress made in meeting the above stated objectives is not well articulated for specific programmes and main sub-programmes.<sup>39</sup> There is little information in the APP indicating what needs to be done in order to progressively realise each strategic objective. Instead, the APP provides an account of constraints for each programme and main sub-programme, and measures it plans to implement to overcome them. However, this narrative does not speak to progress made in meeting each strategic objective but rather illustrates internal and external service delivery problems.

For example, the main strategic objective for the Public Ordinary School Education and the Public Special Education programme is to:

increase admission, participation, progression, and success rates in Early Childhood Development (ECD), General Education and Training (GET) and Further Education and Training (FET), including rural learners, girls and Learners with Special Education Needs (LSEN)<sup>40</sup>

However, for the Public Secondary Schools sub-programme, the plan does not give a clear account of progress made in achieving the above stated objectives, nor does it indicate what still needs to be done to achieve the objectives. Such information needs to be provided in the APP to enable all its stakeholders to evaluate progress made towards the realisation of the Department's objectives. Only by doing so, will the Department and oversight institutions be able to hold accountable, those responsible for the realisation of these objectives .

#### **8. Does the plan identify a responsible official for each strategic objective?**

##### Requirement

In order to ensure that strategic objectives are realised, departments should assign responsible officials to each strategic objective. Performance agreements entered into by public officials should correspond to the relevant department's strategic plan. In order for department officials to be held accountable for their performance during a particular financial year, it is imperative that the strategic plan identifies an official responsible for each strategic objective.<sup>41</sup>

##### Finding

Responsible officials have been identified for each strategic objective in the Annual Performance Plan. Some strategic objectives identify more than one official because there are overlapping responsibilities in some directorates.<sup>42</sup>

#### **9. Does the plan indicate what the Department is doing in each programme and main sub-programme to improve the quality of service delivery?**

##### Requirement

Departments should ensure that the socio-economic rights of those they serve are progressively realised. It is important that the Department identify in its strategic plans specific measures it will take in order to improve the quality of service delivery, including improved access to services, improved standards and improved service delivery systems. This is particularly important for departments that did not meet their strategic objectives in previous financial years, or did not meet satisfactory service standards.<sup>43</sup>

##### Finding

Plans to improve service delivery are not consistent within the APP because not all programmes and sub-programmes have service delivery improvement plans. Only the following three, out of eight programmes in the Department, have service delivery improvement plans:

- Programme 4 (Public Special Schools Education)
- Programme 5 (Further Education and Training)
- Programme 6 (Adult Basic Education and Training).

However not all of these satisfactorily outline these plans. For example, one of the main steps to be taken in programme 4 (Public Special Schools Education) is to mobilise out-of-school disabled children and youth.<sup>44</sup> This plan clearly is not directed at improving the quality of service delivery, but rather speaks to ensuring access to services. Rather the Department should indicate in this section of the plan what it is doing to improve the

quality of education in public special schools. This could be related, for example, to improving the standards or teaching, or ensuring better access for disabled youth to fully equipped special schools.

Programme 5 (Further Education and Training) aims the “develop and enhance the capacity of educator staff, management and government structures ensuring the existence of institutional management systems, processes, and procedures and the provision of adequate and appropriate resources central to the provision of quality FET system.”<sup>45</sup> While this captures the essence of improving the quality of service delivery, it still lacks the most important aspect in the provision of FET, how this relates to those receiving the services. Therefore, the plan should address how this would enhance the learning environment of learners enrolled in FET colleges.

In programmes 1 & 2 (Administration and Public Ordinary School Education) these plans have been included for the main sub-programmes. However, these are the same as the quality improvement plans provided in the previous 2006/07 APP.<sup>46</sup> In Programme 2 for example, the plan for sub-programme 2.2 (Public Secondary Schools) is to “encompass improvement of the quality of education provision, registration of schools and school safety through an increased emphasis on service delivery based on monthly and quarterly performance reports submitted within specified timeframes.”<sup>47</sup> This has mostly been copied verbatim from to 2006/07 APP with few additions.<sup>48</sup>

Sub-programme 2.6 (School Nutrition Programme), also does not have any new plans to improve quality in the provision of SNP to schools for the 2007 school year. What appeared in the 2006/07 APP is repeated in the current APP.<sup>49</sup> It is highly likely that the Department does not have any planned measures too improve the quality of service in this sub-programme. This is likely to have serious effect on learning as most children in the province depend on the SNP to provide their only meal of the day.

The repetition of quality improvement measures from previous years indicates that the Department has done little, if anything, to improve the quality of service delivery in education within the province. It is clear that both the Department and oversight institutions need to carefully monitor the implementation of the Department’s quality improvement measures to ensure that progress is actually made in the upcoming financial year.

**10. Is there a coherent relationship between strategic goals and strategic objectives?**

Requirement

In order for the Department to achieve its strategic goals, there must be a direct correlation between these goals and its objectives. In other words, if the Department achieved each objective, it should have achieved its strategic goals. Any disjuncture between goals and objectives will result in the Department’s failure to implement its strategic plan and effectively address the rights of those they serve.<sup>50</sup>

Finding

There is a coherent relationship between strategic goals and strategic objectives.<sup>51</sup> The Department has seven strategic goals and its strategic objectives are clearly aligned to these goals and represent a clear and consistent mandate for the Department. For

example, strategic goal 1 seeks to realise “equity in educational achievements for all learners regardless of race, gender.”<sup>52</sup> One of the strategic objectives in this respect is “targeted and preferential funding to enhance achievement prospects for the most disadvantaged learners and communities”.<sup>53</sup> Another example is strategic goal 9, which is to provide “adequate physical and institutional infrastructure to support teaching and learning at all levels.”<sup>54</sup> In order to achieve this goal, one of its strategic objectives is to ensure that “adequate school buildings are appropriately placed and conducive to teaching, learning and administration.”<sup>55</sup> While there consistency here, the implementation of these goals and objectives is dependant on the accuracy of the Department’s short to medium term measurable objectives and activities.

**11. Are performance indicators for strategic objectives measurable and valid (i.e. is there a coherent relationship between indicators and objectives)?**

Requirement

Performance targets for each strategic objective must be included in the Department’s strategic plan. These targets must be measurable and observable in order for the Department and oversight bodies to monitor the Department’s performance. In addition, the indicators must provide an accurate, unbiased and complete measure of the strategic objective or activity and produce meaningful information from a management and oversight perspective.<sup>56</sup>

Finding

A number of performance indicators are inadequate because they do not include clear targets. This makes it difficult to measure if they have been achieved, and also makes it difficult for the Department and oversight institutions to hold officials accountable for their completion. In supply chain management, for example, the Department states as its performance measure, that “percentage of schools with all learner, teacher support material (LTSM) and other required materials delivered on day one of school year.”<sup>57</sup> While the performance measure refers to percentage, the target for the delivery of LTSM by the end of 2007/08 is 180.<sup>58</sup> This is confusing given that the expected performance measure would be 100 percent delivery, as opposed to the 180 referred in the APP. As a result, the delivery of LTSM for the year under review is not measurable as it does not provide meaningful information for monitoring purposes in-year. Without a clearly stated commitment, this indicator is inadequate because it does not indicate how many schools will have the necessary learning and teaching material on the first day of the academic year, or at the end of each quarter.

Under programme 2, the same problem emerges in regard to the number of learners enrolled in early childhood development (ECD), and the general education and training (GET) categories. According to the Department, 95 percent of eligible learners in the province will benefit from public education in the 2007/08 financial year.<sup>59</sup> If this performance indicator is to be valid, the Department needs to include an up-to-date indication of the total number of children eligible for ECD and GET in the province.<sup>60</sup> This will ensure that the indicator is measurable, and will enable the Department’s performance to be monitored.

The School Nutrition Programme (SNP) provides indicators in regard to the introduction of a new feeding model which involves the wider community.<sup>61</sup> However, these indicators do not mention the actual feeding of learners, as no targets are provided to

indicate how many learners will be fed within each district of the province. Without these indicators, the success or failure of this strategic objective cannot be monitored or assessed.

**12. Does the plan properly reconcile its performance targets with its available budget?**

Requirement

Draft strategic plans, consisting of costed activities, should form the basis of the Department's request for funding in upcoming financial years. However, once the Department knows its actual budget allocation for the upcoming financial year, it must reconcile its performance targets to its budget. The Department must reflect on previous and likely spending pressures and take these into account to ensure that strategic objectives are met. To this end, it must show expenditure by programme and sub-programme, and compare spending in previous years to MTEF projections and corresponding service delivery targets.<sup>62</sup>

Finding

The APP fails to properly reconcile the Department's targets with the available resources as it only provides a table with no narrative account of what the Department's spending pressures were, and how it has taken these into account in ensuring strategic objectives are met. The APP only has a resource plan at the end of each programme detailing spending in the previous MTEF period, and plans and budget targets for the 2007/08 to 2009/10 MTEF period. There is, however, no reflection on spending trends and projections by sub-programme. The absence of this narrative makes it difficult to evaluate whether the Department's MTEF projections correspond with its service delivery targets as its projections and spending trends can only be assessed in relation to the Department's strategic objectives, performance records and service delivery targets.

**13. Does the plan contain an up-to-date and detailed list of costed and time-bound capital expenditure and maintenance projects?**

Requirement

Infrastructure plays an important role in the effective and efficient delivery of public services. The Department's plans should include current and upcoming building projects, up-grading of existing facilities and plans to deal with maintenance backlogs. Capital expenditure and maintenance projects should be listed in detail and should include timeframes and costs in order to ensure effective expenditure tracking, performance monitoring, reporting and risk management.<sup>63</sup>

Finding

While the APP does provide an infrastructure implementation programme, it is not clear, and does not include budget information on renovations or maintenance.<sup>64</sup> The APP states that R44 million has been set aside for repairs to Section 20 and Section 21 schools (within the GET and FET bands) while R39 million has been earmarked for FET colleges.<sup>65</sup> However, it fails to state how many schools and colleges will be repaired, how much each one will cost to repair, and how long the repairs will take.<sup>66</sup> This makes it very difficult to track both expenditure and progress towards fulfilling this objective.

According to the Plan, there are currently 569 schools that have been declared “disaster schools.”<sup>67</sup> The Department has allocated R60 million to 140 of these disaster schools, but the plan fails to state how this money will be used, which schools will benefit and by when.<sup>68</sup> Failure to include this information makes it difficult for the Department to track its expenditure, monitor its performance and implement measures to avoid any under or over expenditure. In addition, the information tabulated in the APP appears to be dated and based on the 2005/06-2007/08 MTEF period.<sup>69</sup> In the table, for the year under review, 2007/08, the Department has a budget of R690.56 million allocated to the following categories of schools; mud structures, without water, without sanitation and those without electricity.<sup>70</sup> With a total infrastructure budget allocation of R715.72 million for the 2007/08 financial year, only R26 million will be left for other departmental building maintenance, as well as schools needing renovation.<sup>71</sup> This means that the FET colleges and Section 20 and 21 schools allocations mentioned above are unrealistic if R690.56 million will be allocated to categories listed in the APP. The Department should therefore include a list of all capital projects which correspond to the total allocation as reflected in the 2007/08 Provincial Budget Statements. Failure to do this could result in, either the Department over spending its allocation, or not spending its infrastructure budget in its entirety for the year under review.

**14. Does the plan include an account of the Department’s MTEF revenue and expenditure?**

Requirement

The Department must reflect on its previous financial performance when approaching the upcoming MTEF period. The strategic plan should include an overview of its medium term revenues and expenditure from the previous three financial years, as well as its budget allocation for the upcoming financial year and the proposed budget for the two outer years of the MTEF. The Department should distinguish between its main budget allocation and other sources of revenue.<sup>72</sup>

Finding

The Plan does not provide any reflection on previous financial performance, other than noting its actual spending. This makes it impossible to check the Department’s spending record against its allocation.<sup>73</sup> The Department’s own revenue is not included in the Department’s account of its revenue and expenditure as only the equitable share and conditional grant allocations have been included in the APP. Failure to include an account of other sources of revenue is likely to hamper the Department’s ability to plan and utilise its resources effectively,

**15. Does the plan contain a detailed revenue collection plan?**

Requirement

Departments should provide a summary of the revenue which they are responsible for collecting. Departments must describe in detail plans to ensure that all revenue for which they are responsible will be collected in the upcoming financial year. Departments must be accountable for the revenue they collect in order to ensure that it is (a) actually collected and accounted for and (b) transferred to the relevant fund for redistribution.<sup>74</sup>

### Finding

According to the plan, the Department generates its own revenue through hostel revenue, examination fees, sale of receipt books, and interest and commission received through garnishee orders, medical and insurance premiums.<sup>75</sup> Despite this, the APP contains no revenue collection plan for the 2007/08 financial year or the two outer years of the MTEF. This is despite the fact that the Auditor-General's report for the 2005/06 financial year noted that the Department did not have "an approved policy and procedure framework for revenue collection."<sup>76</sup> The Auditor-General added that there was a lack of "an audit trail from the payment of fees by students to the relevant schools and the subsequent submission of fees to the Department," which led him to conclude that "it was not possible to determine whether all revenue for services provided was actually charged received and recorded in the accounting system."<sup>77</sup> The current APP does not address these concerns, which is likely to mean that the Department's revenue collection will be inadequate during the 2007/08 financial year.

### **16. Does the plan detail how the Department intends using any conditional grant or donor funds?**

### Requirement

It is critical that departments set plans for the use of funds received additional to the equitable share (whether through additional allocations or from donors) in order to ensure that they are not wasted. This is especially true of supplementary funds given to departments to address specific, high-priority needs. In order to be accountable for the use of these funds, departments should include separate planned and costed activities for conditional grant and/or donor funds in their strategic plans.<sup>78</sup>

### Finding

The Department will receive the following conditional grants in the financial year under review:

- Provincial Infrastructure (PIG)
- School Nutrition Programme (SNP),
- HIV/Aids, and
- FET Recapitalisation grant.<sup>79</sup>

The Provincial Infrastructure Grant, however, has not been included in the Annual Performance Plan for 2007/08. This conditional grant is allocated to the Department as a top-up and included in the capital budget for the Department and is, therefore, not a stand alone grant.<sup>80</sup> Despite this, the Department still needs to indicate clearly what it intends doing with these funds to improve education infrastructure in the province.

The School Nutrition grant has no breakdown of planned or costed activities.<sup>81</sup> The Plan also fails to demonstrate how the Department intends using its HIV/Aids and the FET recapitalisation grants.

The Department has been funded by the British Department for International Development (DFID) and the Swedish International Development Agency (SIDA).<sup>82</sup> The DFID funding is directed towards the 'Imbewu II programme' and is aimed at 'increasing the learning achievements of children' within the province.<sup>83</sup> The Department has been allocated R187 million for this purpose for a period of six years, from 2002 to the end of

2007. It is not clearly stated in the plan what the programme consists of, what has so far been achieved with the funds, and no budgetary figures relating to spending are provided. The SIDA fund is for a project under the human resources and education management programme.<sup>84</sup> SIDA has funded the Department for this project for a four year period (from 2004 to 2007). The plan does not provide any information regarding the amount allocated to the Department by SIDA and fails to state the specific purpose of the funding.

**17. Does the plan detail mechanisms to ensure co-ordination with other departments?**

Requirement

Departments should detail areas in which they are jointly responsible for service delivery with other departments. They should state exactly what their responsibilities are and what mechanisms have been put in place to ensure effective co-ordination with other departments in order to avoid any duplication of function between departments. This enables the Department to monitor, report and be held accountable for its part of any agreement.<sup>85</sup>

Finding

According to the APP, the Department is a member of the social needs cluster and coordinates with the Departments of Health and Social Development in the regard to the comprehensive HIV/Aids and TB programme; with the Department of Social Development and Agriculture in relation to the comprehensive Integrated Nutrition Programme; and, with the Department of Social Development in regard to Early Childhood Development (ECD).<sup>86</sup> While this has been acknowledged in the plan, there is no information provided on mechanisms that have been put in place to ensure effective coordination. In regard to ECD, for example, the Department does not clearly state what its responsibilities are and how it is going to coordinate with the Department of Social Development. Without clear agreements between partner departments, it is difficult to properly define the respective roles of each department and monitor and evaluate their performance. This is likely to prevent the social needs cluster from cooperating fully on each objective which involves joint responsibilities, which is liable to result in compromised service delivery.

**18. Does the plan include details (including the amount of funds transferred) of service delivery agreements entered into with local authorities?**

Requirement

While the Department may need to work with local authorities to operate clinics, build houses, etc., the Department retains responsibility for the management of funds transferred to local authorities. It is therefore critical that the Department includes in its strategic plans the amount of money to be transferred as well as the purpose of the transfer and the conditions attached to it.<sup>87</sup>

Finding

There is no indication in the plan that the Department has entered into any service level agreements with local authorities.

**19. Does the plan provide information relating to the purpose of any public entities and their respective budgets under the Department's control?**

Requirement

In order to account for all funds transferred to public entities, the Department should provide the name and main purpose of the public entity and the amount to be transferred from the Department's budget to the entity.<sup>88</sup>

Finding

The Department does not have any public entities under its control.

**20. Does the plan indicate the extent and value of PPPs, outsourcing arrangements and transfers to NGOs?**

Requirement

Where departmental functions are outsourced to private service providers or non-governmental organisations, the Department must ensure that service level agreements are signed between these private parties and the Department. While the Department delegates the delivery of services to the private parties, it retains full responsibility for the quality of service delivery and must monitor both how these funds are spent and ensure that services delivered are done so efficiently. The Department should include in its strategic plan the details and cost of any outsourcing arrangements it has undertaken for the upcoming financial year(s) if it is to effectively track expenditure and monitor service delivery.<sup>89</sup>

Finding

According to the plan, the Department has outsourced project management and the implementation of infrastructure projects to the Independent Development Trust (IDT), Roschkon (Eskom), Amatole Water Board and Coega Development Corporation (CDC).<sup>90</sup>

The plan, however, does not provide any details on time-frames, costs and progress on these projects. In addition, there are no details of any plans to monitor the implementation of these projects, or whether there are any plans for future outsourcing of projects by the Department. This is concerning given the fact that this issue was raised by the Auditor-General in his audit report for the 2005/06 financial statements.<sup>91</sup> The Auditor-General noted that approximately R190 million of cumulative payments made to implementing agents for these projects was not spent.<sup>92</sup> The absence of clear agreements with these outsourcing arrangements is indicative of the Department's failure to manage and monitor progress in implementing these projects and keep track of infrastructure spending. This could result in these implementing agents not meeting their targets and breaching their service level agreements. This information should be included in the plan if the Department is to effectively monitor the implementation of these projects to ensure value for money, transparency and accountability.

**21. Does the plan include a programme of action to address Auditor-General queries and does the Department indicate how it intends strengthening its compliance with the PFMA?**

Requirement

In order to address weaknesses identified by the supreme audit institution, the Department must include a detailed strategy to address queries raised in previous financial years. The human and financial resources necessary to give effect to this strategy should also be included in the strategic plan.<sup>93</sup>

Finding

The plan does include a programme of action to address Auditor-General's queries. According to the plan, strategies to address audit queries will be the responsibility of the Internal Audit Unit.<sup>94</sup> The Department's action plan will involve the following activities:

- Each audit query will be directed to specific directorates where senior managers will be tasked with addressing the query,
- The Department will develop an action plan template to keep track of progress made in addressing queries which sets time-frames and identifies each responsible official.
- On a regular basis, responsible managers will meet to address progress.
- The internal audit unit will evaluate the implementation of controls to establish whether they are adequate, as well as ensure that there are detection controls to identify problems and prevent them from recurring.
- Progress on the above stated plans will be monitored by an internal oversight team.
- The Department, with support from the Provincial Treasury has implemented a financial management support programme to deal with financial management issues.<sup>95</sup>

The Department's Audit Committee noted at the end of the 2005/06 financial year that the internal audit unit had not been given the correct status and position in the Department to ensure its effectiveness.<sup>96</sup> It is clear that for the above initiatives to work the Department must, as a matter of urgency, ensure that its internal audit unit functions effectively and efficiently in the upcoming financial year. In addition, the APP needs to state clearly, with accurate timeframes and delegations of responsibility, how the above plans will be implemented and monitored. The role of the Provincial Treasury has to play in this regard also needs to be articulated more clearly to enable oversight institutions to monitor the effectiveness of both the Department's and the Treasury's efforts to overcome the Department's manifest financial management problems.

The APP simply lists a number of projects that are 'aimed at successful implementation of the PFMA.' It is not clear if these projects are functional or are to be embarked upon in the future. Therefore, no plans are provided in the APP to show how the Department intends ensuring compliance with the PFMA.

## **Part B: PSAM Evaluation of Final Operational Plan for the Eastern Cape Department of Education for the 2007/08 financial year.**

The following commentary provides an analysis of the Provincial Department of Education's performance against necessary requirements for effective one-year strategic planning.

### **1. Is there a coherent relationship between the Department's Operational Plan and its Annual Performance Plan?**

#### Requirement

One-year plans must be integrated into longer-term planning frameworks in order to give effect to long-term strategic goals. There should therefore be a clear relationship between a Department's one-year plan and the corresponding year in multi-year plans if longer-term goals are to be achieved.

#### Finding

The 2007/08 APP includes an implementation plan at the end of each sub-programme, which is a summarised version of the Operational Plan (OP). This may seem to present a coherent relationship between the APP and OP, but, in fact, represents a serious deviation from the minimum information requirement expected of the OP.<sup>97</sup> According to the Treasury Guidelines, the OP is the first year of the strategic plan and should provide "sufficiently detailed quantification of outputs and resources."<sup>98</sup> In the case of the Department's OP there are a number of serious problems.

Firstly, there is no budget information in the OP which means there is no way to align it financially to the first year of the APP. Secondly, the breakdown of strategic objectives, measurable objectives and activities in the OP is via directorates and not via programmes and sub-programmes as is the case in the APP. The implementation plans, therefore, do not correspond to the strategic objectives set out for the different programmes and sub-programmes. This means that while the directorates may achieve their stated objectives in the OP, the strategic objectives included by programmes and sub-programmes in the APP might not be achieved. For example, in the APP, one of the strategic objectives for sub-programme 2.2 (Public Secondary Schools, is to improve "literacy and relevant skills through high quality ABET programmes."<sup>99</sup> This objective does not appear in the OP making it impossible to measure how this objective will be achieved despite it being in the corresponding first year of the APP.

In addition, there are strategic objectives that are included in the OP which are absent in the APP. This implies that they relate to the directorates as opposed to programmes and sub-programmes. The OP strategic objective of "targeted and preferential funding to enhance achievement prospects for the most disadvantaged learners and communities" is not included in the APP.<sup>100</sup> Yet in the OP, it is indicated that it is related to the Public Ordinary Schools Education Programme. These examples are two of a significant number of strategic objective inconsistencies that exist between the APP and the OP. It is unclear how these objectives will be achieved when there are such discrepancies between the two plans.

## **2. Does the plan include detailed strategic objectives for each programme and main sub-programme?**

### Requirement

Strategic Objectives describe high-level outputs or the results of actions the Department plans to take; they must relate directly to the Department's policy priorities. Because they articulate the rationale for planned activities within each programme and strategically important sub-programme, strategic objectives must be included in the strategic plan in order to evaluate the Department's plans to progressively realise citizens' rights within available resources.<sup>101</sup>

### Finding

The plan's strategic objectives are presented by programme and by directorate, but not by programme and main sub-programme.<sup>102</sup> For the OP to properly align with the APP it must include strategic objectives for each main sub-programme. While the Department has presented strategic objectives by programme and directorate (which is likely to ensure improved accountability and responsibility) it must show how these align with the strategic objectives for each programme and sub-programme in the Annual Performance Plan. As required by Treasury Guidelines, the Operational Plan should describe the plans and strategic objectives that the various programmes and sub-programmes of the Department intend pursuing to achieve the Department's strategic goals.<sup>103</sup>

## **3. Is there a coherent relationship between strategic objectives and planned activities?**

### Requirement

In order for the Department to achieve its strategic objectives, there must be a direct correlation between these objectives and its planned activities. In other words, if the Department achieved each activity, it should have achieved its strategic objectives. Any disjuncture between activities and objectives will result in the Department's failure to implement its strategic plan and effectively address the rights of those they serve.<sup>104</sup>

### Finding

Some planned activities do not correlate with their related strategic objectives. For example, one of the strategic objectives in Programme 1 (Administration), under the Office of the MEC, is to "make management and administration systems work effectively."<sup>105</sup> However, the measurable objective and the activity in this instance are the same; "to assist the MEC in the monitoring and evaluation of implementation of education sector priorities at all levels."<sup>106</sup> In addition, the performance measure does not necessarily match the activity. The performance measure is to ensure that "monthly and quarterly reports are generated for the MEC."<sup>107</sup> There is no guarantee that this performance measure will result in the strategic objective being realised.

Strategic Objective, 1.1 in Programme 1, is "increased admission in ECD, as well as participation and success rates in GET and FET especially of rural learners, girls and LSEN."<sup>108</sup> The measurable objective is the same, "to ensure increased admission in ECD, as well as participation and success rates in GET and FET especially of rural learners, girls and LSEN."<sup>109</sup> The activity is, once again, the same, to "monitor the

increased admission in ECD, as well as participation and success rates in GET and FET especially of rural learners, girls and LSEN.”<sup>110</sup> This is a clear example of a complete disjuncture between the strategic objective, the measurable objective and the activity. While the strategic objective is valid, there are no measurable objectives or activities to ensure the realisation of this strategic objective. Monitoring the increased admission in ECD, as well as participation and success rates in GET and FET will not necessarily result in more learners having access to education. But ensuring that there is an increase in the number of eligible learners enrolled in educational institutions would result in more learners having access to public education.

#### **4. Are activities specific, time-bound and costed?**

##### Requirement

In order to monitor the implementation of its strategic plan, the Department must ensure that planned activities are specific enough to know when they have been completed. Activities must also have in-year time-frames; this enables the Department to monitor progress in implementing activities and to introduce in-year corrective measures where problems occur. In addition, activities must be individually costed in order to ensure accurate expenditure tracking. Specific, time-bound and costed activities are necessary for expenditure tracking and performance monitoring, as well as risk management and accurate reporting.

##### Finding

None of the activities in the Operational Plan have been costed, but targets have been set by quarter, thus making them time bound. While the activities are time-bound, it is unlikely that the targets will be met through the stated activities. For example, one of the activities in the Office of the MEC is to assist the MEC to conduct a performance audit to evaluate the implementation of education sector priorities.<sup>111</sup> In terms of performance, the Office of the MEC is expected to ensure that monthly and quarterly reports are generated for the MEC.<sup>112</sup> The OP states that twelve reports will be created for the MEC in the year under review. However, if the MEC were to receive monthly and quarterly reports over the financial year, a total of sixteen reports would have to be generated. In addition, there is no indication of what information the reports will contain, and how they will be used by the MEC to ensure that the Department’s measurable objectives are met. The information provided is too vague, because the generation of reports per se, will not necessarily assist in the evaluation of the implementation of education sector priorities.

The Operational Plan should clearly state what kind of information is needed to ensure that these activities are specific enough to be completed. For example, it is not clear whether the office of the MEC will assist the MEC in producing evaluation reports or getting reports to the MEC for evaluation. In addition, these activities need to be properly costed to be able to track spending and ensure that deviations from the plan are detected and rectified. Failure to do so could result in either under or over expenditure.

One of the measurable objectives regarding SNP is to “provide access to SNP in the public ordinary school system in accordance with policy.”<sup>113</sup> The activity is to monitor the “implementation of SNP, including involvement of CBOs and co-operatives” and performance is to be measured against the number of learners fed, and the number of co-operatives or small businesses involved.<sup>114</sup> These activities are not costed and do not have any targets, therefore it will be difficult for the Department to monitor the

implementation of this activity to assess how many learners have been fed and how many co-operatives have participated. This is likely to result in the Department failing yet again to ensure that all the eligible learners are fed.

**5. Are performance indicators for strategic objectives and activities, measurable and valid (i.e. is there a coherent relationship between indicators and activities/objectives)?**

Requirement

Performance targets for each strategic objective and activity must be included in the Department's strategic plan. These targets must be measurable and observable in order for the Department and oversight bodies to monitor the Department's performance. In addition, the indicators must provide an accurate, unbiased and complete measure of the strategic objective or activity and produce meaningful information from a management and oversight perspective.<sup>115</sup>

Finding

Performance indicators for certain strategic objectives are not measurable and make it difficult to evaluate progress made in achieving them. Strategic objectives and performance targets in the SNP provide clear examples of the lack of coherence between the objectives and the activities. In the SNP, one of the Department's strategic objectives is to have "a new model developed and introduced for the [sic] School Nutrition which involves community participation through cooperatives."<sup>116</sup> The measurable objective is "to ensure the establishment of support system through collaboration with other departments and local authorities to empower co-ops involved in the SNP."<sup>117</sup> The activity is to "facilitate the formalisation of concept documents and approval by HOD", while the Department's performance is to be measured against the number of inter-sectoral committees established and service level agreements signed.<sup>118</sup>

There is confusion between the strategic objective, the activity and the performance measure. It would be expected that the activity should be to engage other departments and local authorities, but the current activity stated in the plan does not involve interaction with other departments and local authorities. The performance indicator is also invalid because it is not measurable as it does not identify what service level agreements will be entered into by the Department, and with which institutions.<sup>119</sup> In addition, the targets are not clear because there is no reference to the number of sectoral committees established or the number of service level agreements to be signed. It is therefore not possible to monitor this activity.

Within the same strategic objective mentioned above, there are activities and performance measures which are exactly the same. Both the activity and the performance measure are "to revise ratio of food handlers" and both target 100 percent.<sup>120</sup> Given these serious problems, it is unlikely that this strategic objective will be realised.

**6. Does the operational plan identify a responsible official(s) for each strategic objective?**

Requirement

In order to ensure that strategic objectives are realised, departments should assign responsible officials to strategic objective. Performance agreements entered into by public officials should correspond to the relevant department's strategic plan. In order for Department officials to be held accountable for their performance during a particular financial year, it is imperative that the strategic plan identifies an official responsible for each strategic objective.<sup>121</sup>

Finding

Responsible officials are identified in relation to measurable objectives but not for strategic objectives, as some strategic objectives spread across different directorates..<sup>122</sup>

From 2007 the PSAM will produce seven main outputs: 1. Budget Analysis; 2. Strategic Plan Evaluation; 3. Expenditure Tracking Report; 4. Service Delivery Report, 5. Accountability to Oversight Report, 6. Scorecard; 7. Integrity Systems Evaluation. Together, these publications provide a comprehensive overview of the performance of government service delivery departments in respect of their implementation of accountability and service delivery systems necessary to realise socio-economic rights to education, health care, housing and welfare. The Budget Analysis and Strategic Plan Evaluation are forward-looking research outputs, produced at the beginning of the financial year. These outputs analyse the likely impact of policy priorities, budget allocations and planned activities on each department's ability to implement effective accountability and service delivery systems in the upcoming financial year. The remaining outputs are retrospective, and provide an analysis of each department's actual performance in the previous financial year. The current outputs, and those which will be completed during the course of 2007, can be accessed via [www.psam.org.za](http://www.psam.org.za).

<sup>1</sup> *Public Service Regulations*, 2001, regulation C.1(c)

<sup>2</sup> *Constitution of the Republic of South Africa*, Act 108 of 1996, Chapter 2, Sections 26, 27 and 29.

<sup>3</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 2, 2.1.1, p. 21.

<sup>4</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 1.4. 'Overview of planning, budgeting and reporting documents,' 1. Five-year Strategic and Performance Plans, p. 15.

<sup>5</sup> The executive authority of the department should set out clearly at the beginning of the Annual Performance Plan what outputs the department is required to deliver given its budget for the upcoming financial year in pursuit of its overall goals and objectives as set out in its Five-year Strategic and Performance Plan. Ibid, Section 4, 'Foreword', p. 60. See also *Public Service Regulations*, 2001, as amended, regulation B1(a).

<sup>6</sup> Eastern Cape Department of Education, Annual Performance Plan, 200/08, Foreword by MEC. ,

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<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Eastern Cape Department of Education, Policy Speech, 2007/08, Bhisho, 19 March 2007, pp. 4 & 7.

<sup>11</sup> In the Annual Performance Plan, the department's accounting officer should give an executive summary of any significant shifts in policy or programmes that have taken place over the past year that alter the direction of the Five-year Strategic and Performance Plan. The Accounting Officer should also identify the most important performance targets as set out in the Annual Performance Plan. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part A.1 'Overview', p. 64. See also *Treasury Regulations*, 2005, regulation 5.2.2(c).

<sup>12</sup> Eastern Cape Department of Education Annual Performance Plan, 2007/08, *Foreword by Accounting Officer*. The initiatives as set out in the Accounting Officer's foreword should be identified as targets to allow for effective monitoring and oversight. Initiatives could take longer than three year MTEF period and therefore make it difficult to measure their effective and efficient implementation.

<sup>13</sup> Ibid

<sup>14</sup> The department should provide details of any change to its strategic direction as set out in its Five-year Strategic and Performance Plan. This should indicate which factors made any changes necessary, and how these changes will impact on the department's strategic goals and objectives. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part A.2 'Strategic Plan Update Analysis', p. 64. According to the South African Constitution, national, provincial and local spheres of government must "provide effective, transparent, accountable and coherent government for the Republic as a whole." In addition, all spheres of government must "cooperate with one another" by, amongst other things, coordinating their actions. *South African Constitution*, Chapter 3, Section 41(1)(c) and (h)(iv). See also *Treasury Regulations*, 2005, regulation 5.2.2(b).

<sup>15</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 5.

<sup>16</sup> Ibid. It should be noted that the current Five-Year Strategic Plan is an updated version from the original one which was produced in 2005/06

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> The department should provide an account of changes in its internal and external service delivery environment, which updates the detailed needs analysis contained in its Five-year Strategic and Performance Plan. This should include an account of how these changes affect the department's objectives and organisational structure in its Annual Performance Plan. *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 2, 3.2.1. 'Aim and Focus of Part A of the Annual Performance Plan, p. 27. See also *Public Service Regulations*, 2002, regulation B.2 (a) – (d) and *Treasury Regulations*, 2005, regulation 5.2.2(b).

<sup>21</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 23.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid. It should also be noted that the Department has in its 2007/08, Annual Performance Plan information that was included in its plan for 2006/07 making the Plan under review seem more like a cut-and-paste information from the previous plan.

<sup>25</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 54.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid, p. 55-59. There are four main areas that have been highlighted in this sub-programme, as needing intervention. The plan notes that there are constraints in financial management services,

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human resources, information technology, strategic management, monitoring and evaluation, facilities and infrastructure management.

<sup>28</sup> Section 195(1)(e) of the *South African Constitution* states that ‘People’s needs must be responded to.’ Section 2 of the *Public Finance Management Act Implementation Guideline*, 2000, notes that departmental Accounting Officers ‘must have regard for the usefulness and appropriateness of planned outputs,’ (p. 8). It is clear that the department cannot comply with these legislative and constitutional requirements, nor be accountable for failing to do so, without providing an account of its external service delivery environment. See also *Public Service Regulation*, 2001, regulation C.1(a).

<sup>29</sup> According to the Department of Education, EMIS provides information, which is used to improve efficiency and optimise resource allocation. EMIS covers schools, colleges, higher education, Adult Basic Education and Training (ABET), Early Childhood Development (ECD), Education for Learners with Special Education Needs (ELSEN) and Further Education and Training institutions. Available at <http://www.education.gov.za/EMIS/>.

<sup>30</sup> *Ibid.*

<sup>31</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 20.

<sup>32</sup> *Ibid.* The percentage of mud-structures has increased by almost 2 percent from 14.8 percent in the 2006/07 financial year, according to the 2006/07 Annual Performance Plan. How do you account for this, it must be wrong surely?

<sup>33</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 20.

<sup>34</sup> *Ibid.*, p. 158. Sub-programme 2.6 (School Nutrition Programme), does not have any new plans to improve quality in the provision of SNP to schools for the 2007 school year. What appeared in the 2006/07 APP is repeated in the current APP.<sup>34</sup> It is highly likely that the Department does not have any planned measures to improve the quality of service in this sub-programme.

<sup>35</sup> According to the South African Constitution, national, provincial and local spheres of government must “provide effective, transparent, accountable and coherent government for the Republic as a whole.” In addition, all spheres of government must “cooperate with one another” by, amongst other things, coordinating their actions. *South African Constitution*, Chapter 3, Section 41(1)(c) and (h)(iv). Section 195(1)(e) of the *Constitution* states that ‘People’s needs must be responded to, and the public must be encouraged to participate in policy-making.’ In addition, 195(1)(g) states that ‘transparency must be fostered by providing the public with timely, accessible and accurate information’. See also *Public Service Regulations*, 2001, regulation C1(b).

<sup>36</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 3, p. 65. See also *Treasury Regulations*, 2005, regulation, 5.2.2(d)

<sup>37</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, pp 43-124.

<sup>38</sup> *Ibid.*, p.126.

<sup>39</sup> *Ibid.*, pp. 24-30. Progress made in the 2006/07 financial year has not been reported against, in terms of the strategic objectives for the Department but per programme and sub-programmes. Constraints and measures planned to overcome them are included in the planned activities which are linked to the strategic objectives.

<sup>40</sup> *Ibid.*, p. 157.

<sup>41</sup> Because an accounting officer may delegate responsibilities to an official, in terms of section 44(1)(a) and 2(c) of the *Public Finance Management Act*, it is important that the strategic plan identify all officials responsible for strategic objectives. Any official who wilfully or negligently fails to exercise the power or perform the duty delegated to him/her commits an act of financial misconduct in terms of section 81(2) of the PFMA.

<sup>42</sup> Eastern Cape Department of Education, Annual Performance Plan 2007/08, p. 60-61. Strategic objective 5.4 (to enhance the strategic role of the Department through effective management and administrative systems), identifies two responsible officials for this one objective.

<sup>43</sup> *Public Service Regulations*, 2001, regulations C1 (a) – (f).

<sup>44</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 203

<sup>45</sup> *Ibid.*, p. 213

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- <sup>46</sup> Eastern Cape Department of Education Annual Performance Plan, 2006/07, p.45, Eastern Cape Department of Education Annual Performance Plan, 2007/08, p. 49.
- <sup>47</sup> Ibid, p. 158.
- <sup>48</sup> Ibid. Also see page 104 pf the 2006/07 Annual Performance Plan.
- <sup>49</sup> Ibid, p.183, Eastern Cape Department of Education, Annual Performance Plan, 2006/07.
- <sup>50</sup> *Public Service Regulations*, 2001, regulation, B1(b).
- <sup>51</sup> Eastern Cape Department of Education, Annual Performance Plan 2007/08, p. 13.
- <sup>52</sup> Ibid, p. 54
- <sup>53</sup> Ibid.
- <sup>54</sup> Ibid, p. 55.
- <sup>55</sup> Ibid.
- <sup>56</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section Four, Part B, 3.5.5. See also *Treasury Regulations*, 2005, regulation 5.2.2(d).
- <sup>57</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 79.
- <sup>58</sup> Ibid.
- <sup>59</sup> Ibid, p. 149.
- <sup>60</sup> EMIS does not provide information on out of school children and therefore does not have detailed and up-to-date statistical information about the population in the Province.
- <sup>61</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 184. A new model was introduced in the 2006/07 financial year but was suspended due to alleged irregularities with tenders, payments and feeding.
- <sup>62</sup> "Part B must also reconcile the department's performance targets to the budget—analysing what pressures the department expects to emerge and what it intends doing to ensure that it, nevertheless, achieves its service delivery objectives." *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004 Section 4, Part B, 3.7 and 4.7, pp. 67-8.
- <sup>63</sup> The department must illustrate what it is doing to implement its capital investment, maintenance and asset management plans as set out in its Five-year Strategic and Performance Plan. This information should be provided for the coming year, and the two outer years of the MTEF period. Ibid, Section 4, Part B, subsection 5, pp. 68 - 69. See also *Treasury Regulation*, 2001, regulation 5.2.2(c).
- <sup>64</sup> Eastern Cape Department of Education, Annual Performance Plan, p. 8.
- <sup>65</sup> Ibid. The South African Schools Act (Section 20 and 21) identifies two kinds of schools: Section 20 and Section 21 schools. Section 21 schools have greater powers and responsibilities than Section 20 schools. Section 20 schools are dependent on government for the financial administration of their schools while Section 21 Schools are allocated finances by the Department and are responsible for administering their own allocations.
- <sup>66</sup> Ibid.
- <sup>67</sup> Ibid, p. 9.
- <sup>68</sup> Ibid.
- <sup>69</sup> Ibid, p. 8.
- <sup>70</sup> Ibid.
- <sup>71</sup> Fumba, L. Eastern Cape Department of Education, Budget Analysis 2007/08, p. 8. Available at <http://www.psam.org.za/Docs/277.pdf>. When inflation is taken into account, the budget available for infrastructure for the 2007/08 financial year is R600.77 million. This means that the table provided in the APP is dated and needs to be revised.
- <sup>72</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.1, p. 69.
- <sup>73</sup> Eastern Cape Department of Education Annual Performance Plan, 2007/08, p. 35.

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<sup>74</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.2, p. 70.

<sup>75</sup> Eastern Cape Department of Education Annual Performance Plan, 2007/08, p.10.

<sup>76</sup> Eastern Cape Department of Education Annual Report, 2005/06, p. 157.

<sup>77</sup> Ibid.

<sup>78</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 6.3 and 6.4, p. 70.

<sup>79</sup> Eastern Cape Provincial Treasury, Budget Statements II, 2007/08, p. 145.

<sup>80</sup> According to National Treasury, the Department is not required to report against this grant because it is subsumed in the spending of a range of programmes across provincial departments. Conditional grants transferred from national departments and actual expenditure by province, 1 April 2006 to 31 March 2007. Available at [www.treasury.gov.za](http://www.treasury.gov.za). The PIG is administered by provincial treasuries but subsumed into the infrastructure allocation within recipient departments.

<sup>81</sup> It is interesting to note that the Department did provide this information during its 2007/08 budget presentation to the Portfolio Committee on Education on 9 May 2007. The Department, in its commitment to meet the statutory requirements in terms of the Division of Revenue Act, has provided a split 93.5 percent for feeding and 6.5 percent for non-feeding as opposed to 93: 7 as required by DORA. This, the Department hopes, will allow for more feeding and thus meet its targets in terms of feeding.

<sup>82</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 10.

<sup>83</sup> Ibid.

<sup>84</sup> Ibid.

<sup>85</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.1, p. 71.

<sup>86</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 3.

<sup>87</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 7.2, p. 71. See also *Public Service Regulations*, 2001, regulation, B.1(c).

<sup>88</sup> Ibid, Section 4, Part B, subsection 7.3, p. 71.

<sup>89</sup> Ibid, Section 4, Part B, subsection 7.4, p. 71. See also *Public Service Regulations*, 2001, regulation B1(c).

<sup>90</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 10.

<sup>91</sup> Eastern Cape Department of Education, Annual Report, 2005/06, p. 155.

<sup>92</sup> Ibid.

<sup>93</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 4, Part B, subsection 8.1 and 8.2, p. 72.

<sup>94</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 10.

<sup>95</sup> Ibid, pp.10-11.

<sup>96</sup> Eastern Cape Department of Education, Annual Report, 2006/07, p. 147.

<sup>97</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Section 2, Part 4, information for Operational Plans.

<sup>98</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Annexure One, Table 25: Requirements of operational plans.

<sup>99</sup> Eastern Cape Department of Education, Annual Performance Plan, 2007/08, p. 158.

<sup>100</sup> Eastern Cape Department of Education, Operational Plan, 2007/08, p. 245.

<sup>101</sup> Treasury Regulation 5.2.2(d)

<sup>102</sup> Eastern Cape Department of Education Operational Plan, 2007/08, pp. 6-14.

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<sup>103</sup> *Framework and templates for provincial departments for the preparation of Strategic and Performance Plans for the 2005-2010, and Annual Performance Plans for the 2005 financial year*, National Treasury, 16 August 2004, Annexure One, Table 25: Requirements of operational plans.

<sup>104</sup> Public Service Regulations, B1(b)

<sup>105</sup> Eastern Cape Department of Education Operational Plan, 2007/08, p. 18.

<sup>106</sup> Ibid p.17.

<sup>107</sup> Ibid.

<sup>108</sup> Ibid, p. 166

<sup>109</sup> Ibid.

<sup>110</sup> Ibid.

<sup>111</sup> Ibid, p. 17.

<sup>112</sup> Ibid.

<sup>113</sup> Ibid, p. 162

<sup>114</sup> Ibid.

<sup>115</sup> Treasury Regulations, 2005, 5.2.2(d)

<sup>116</sup> Eastern Cape Department of Education, Operational Plan, 2007/08, p. 174.

<sup>117</sup> Ibid.

<sup>118</sup> Ibid.

<sup>119</sup> Ibid. This is even more confusing in the sense that the Department aims to collaborate with local authorities and other departments to empower co-ops in the SNP but does not state which of these will enter into SLAs with the Department.

<sup>120</sup> Eastern Cape Department of Education, Operational Plan, 2007/08, p. 187. Also on page 191 of the OP, the activity and the performance measure are the same. In this example the activity is to "Introduce Project Teams" and the performance measure is to see project teams introduced. The target here is 100 percent. the target does not clarify how many of these project teams are.

<sup>121</sup> Because an accounting officer may delegate responsibilities to an official, in terms of section 44(1)(a) and 2(c) of the PFMA, it is important that the strategic plan identify all officials responsible for strategic objectives. Any official who wilfully or negligently fails to exercise the power or perform the duty delegated to him/her commits an act of financial misconduct in terms of section 81(2) of the PFMA.

<sup>122</sup> Eastern Cape Department of Education, Operational Plan, 2007/08, pp. 17 & 24. The directors in the Office of the MEC and the Office of the Superintendent-General, are both responsible for strategic objective 5.4, which is to enhance the Department's management and administration systems.