



Reference : LA/18/5/3
Enquiries : J Koch

Director
Monitoring and Evaluation: Agriculture

Head of Department
Dept. of Agriculture
P/Bag X01
Glen
9360

SUBMISSION TO OBTAIN APPROVAL FOR THE USE OF THE NON-FINANCIAL POLICY AS HAS BEEN REVIEWED IN OCTOBER 2013 AS THE VALID NON FINANCIAL INFORMATION POLICY OF THE DEPARTMENT UNTIL SUCH A DATE THAT REVISION IS NECESSARY:

1. Purpose

To obtain approval to use the NON-FINANCIAL INFORMATION POLICY which has been reviewed during October 2013 and finally approved in December 2013 as the valid Non-Financial information Policy of this Department until such a date that revision is necessary.

2. Discussion

The current policy is still valid until the end of 2014/15. The policy was evaluated against the latest available information and trends as well as the discussion document as was approved by the cabinet in October 2014 and it was found valid in the current format.

There is no longer a specific indicator indicating revision every year and for this reason it is requested that this policy is used until revision is necessary. Previously the policy were revised every three years.

Financial implications

None

Implications for the RDP

None.

3. Personnel implications

None.

4. Communication Implications

The outcome will be communicated to all managers within the Department.

5. Institutions/Parties consulted

Director PPO.

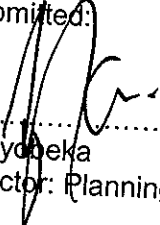
6. Authority of approval

The authority of approval is vested in the Head of Department

7. Recommendation

It is recommended that approval be granted that the NON-FINANCIAL PERFORMANCE INFORMATION MANAGEMENT POLICY which has been reviewed during October 2013 and approved during December 2013 is the valid policy of this Department until such a time that review is necessary.

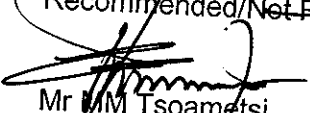
Submitted:



.....
T. Tyobeka
Director: Planning and Performance Oversight Services

Date: 06/03/2015

Recommended/Not Recommended



Mr. M. M. Tsoametsi
DDG DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Date: 9/3/2015

Approved/Not approved



Mr. M.P. Thabethe
Head of Department: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Date: 10/03/2015



agriculture & rural development

Department of
Agriculture and Rural Development
FREE STATE PROVINCE

Non-Financial Performance Information Management Policy

For the

**Department of Agriculture and
Rural Development**

| | | |
|---------------------------------|--|-------------|
| Document Title | Non-Financial Performance Information Policy | |
| Document reference Number | LA 18/5/3 | |
| 1 st Draft developed | 18 July 2008 | D. J. HAGEN |
| Document version 2 modified | 17 March 2010 | D. J. HAGEN |
| Document version 3 modified | 3 October 2013 | J. KOCH |
| Document version 4 modified | | |
| Document version 5 modified | | |
| Document version 6 modified | | |
| Document version 7 modified | | |

CONTENTS

1. Effective Date
2. Policy Application
3. Context
 - 3.1. The Importance of Measuring Performance
 - 3.2. Relevant Legislation and Guidelines / Regulations
4. Policy
 - 4.1. Objective
 - 4.2. Expected Outcomes
5. Policy Requirements
 - 5.1. Responsibilities
 - 5.1.1. Common Responsibilities
 - 5.1.2. Specific Responsibilities
 - 5.2. Performance Management
 - 5.2.1. Systems
 - 5.2.2. Terminology
 - 5.2.3. Performance Indicators / Measures
 - 5.2.4. Performance Targets
 - 5.2.5. Setting realistic performance targets
 - 5.2.6. Reporting
 - 5.2.7. Policy Adherence Monitoring
 - 5.2.8. MPAT
6. Consequences of Non Compliance
7. Review
8. Enquiries
9. Approval

1. Effective Date

This policy takes effect on the date of the signing by the Head of Department for Agriculture and Rural Development. It replaces all previous policies on Non-Financial Performance Information Management in the Department

2. Policy Application

The principles of this policy will be applicable to the departments as a whole. Its scope will include the following:

- Office of the MEC
- Head of Department
- Chief Directors
- Directors
- District Directors
- Responsibility Managers
- All other officials

3. Context

3.1 The importance of Measuring Performance

Realization of organizational strategy usually requires that managers have appropriate information and the interventions needed to control the organizational activities. Performance Information is critical to managers in that it tells how well the organization is achieving or not achieving its stated goals and objectives. Performance Information is not only crucial for compliance reporting but also for facilitation of accountability, budgeting, planning, reporting and evaluation of service delivery levels. The term **Performance Information** is used as a generic term for non-financial information about government services and activities.

The public sector delivers services essentials to the well-being and development of the nation. To ensure that public service deliver is as efficient and economical as possible, all government institutions are required to formulate strategic plans, allocate resources to the implementation of those plans, and monitor and report the results. Performance information is essential to focus the attention of the public and oversight services bodies on whether public institutions are delivering value for money,

3.2.2.2. National Treasury

Framework for Managing Programme Performance Information of 2007, Treasury Regulation 5.2.1 "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." Treasury Regulation 5.3 Evaluation of performance [Section 27(4) read with 36 (5) of the PFMA] 5.3.1 " The accounting officer of an institution must establish procedures for quarterly reporting to the executive authority to facilitate effective performance monitoring, evaluation and corrective action".

3.2.2.3 Public Service Regulations

Treasury regulations require strategic plans to comply with chapter 1, Part III B of the public service regulations, 1999, and also include information on the Service Delivery Improvement Plan.

3.2.2.4 Government – wide Monitoring and Evaluation System

In 2004, the cabinet initiated plans for a monitoring and evaluation system for government, and the Presidency subsequently developed the Government wide-Monitoring and Evaluation Framework. Although there are various existing systems gathering valuable information within government, there are also a number of gaps in the information needed for planning the delivery of services and for reviewing reporting and analyzing the success of policies. The Government wide Monitoring and Evaluation System seeks to enhance these systems by describing them and explaining how they relate to each other.

4. Policy Statement

4.1 Objectives

This policy is intended to:

- 4.1.1** Provide an integrated framework for systems and processes required to manage performance information
- 4.1.2** Define roles and responsibilities for managing performance information.
- 4.1.3** Clarify definitions and standards for performance information in support of an audit of such information where appropriate

4.1.4 Support programme and service deliver, foster informed decision making, facilitate and records for the benefit of present and future utilization.

4.2 **Expected Outcomes**

4.2.1. Government programmes and services provide convenient access to relevant, reliable, comprehensive and timely information.

4.2.2. Information and records are managed as valuable assets o supports the outcomes of programmes and services, as well as operational needs and accountabilities.

4.2.3 Governance structures, mechanism and resources are in place to ensure the continuous and effective management of information.

5. **Policy Requirements**

5.1. **Responsibilities**

Effective management of performance information requires a clear understanding of different responsibilities, and the structures and systems involved in managing performance.

5.1.1. **Common Responsibilities**

5.1.1.1. Ensuring that Departmental programmes and services integrate performance information management requirements into development, implementation, and evaluation and reporting activities.

5.1.1.2 Ensuring that performance information management is included in the job descriptions of all managers.

5.1.1.3 Ensuring that decisions and decision-making processes are documented to account for and support the continuity of departmental operations, permit the reconstruction of the evolution of policies and programme, and allow for independent evaluation, audit and review

5.1.1.4. Ensuring that Performance information is shared within and across directorates to the greatest extent possible, while respecting security

and privacy requirements.

- 5.1.1.5. Ensuring authenticity, quality, and cost effectiveness of performance information.
- 5.1.1.6. Ensuring that all reported performance data is supported with relevant audit evidence, and that a profile of evidence is maintained for each indicator on which a manager reports.
- 5.1.1.7. Ensuring the application of proven best practices in the safekeeping and filing of documented proof for reported performance data.
- 5.1.1.8. Ensuring that the reporting of performance data is completed in a timely manner, irrespective of whether it is a scheduled report or an ad hoc report.

5.1.2. **Specific Responsibilities**

5.1.2.1. **Line Function and Responsibility Managers**

Line Managers and responsibility managers are accountable for establishing and maintaining the performance information processes and systems within their areas of responsibility. Their performance agreements must reflect these responsibilities. A range of officials should be responsible for capturing, collating, and checking performance data related to their activities. The integrity of the department's overall performance information depends on how conscientiously officials fulfill these responsibilities. Consequently, their performance assessments should deal explicitly with the quality of this aspect of their work. Program managers will be responsible for the verification of reported against evidence as specified in the Annual Performance Plan (APP) and that these evidence are filed and indexed accordingly to the prescribes of the Department as it may change from time to time to meet requirements for the auditors. Program managers will be responsible for the safekeeping of those files with evidence and to ensure that no evidence is added or removed from those files. Program managers are also responsible for the completion of the key control document on a monthly basis and to submit it to the Manager

M & E.

5.1.2.2. Executive Manager

Executive Managers should ensure that an enabling environment is created for effective performance information management, and that all performance information is verified and rectified on a monthly basis. Their performance agreements must reflect these responsibilities and consequently, their performance assessments should deal explicitly with the quality of this aspect of life.

5.1.2.3. Head of Department

The Accounting Officer is accountable for establishing and maintaining the systems to manage performance information. His/her performance agreement should reflect these responsibilities. He/she should also ensure that all policy requirements are adhered to, that reported performance information is reviewed, and audited if necessary, on a quarterly base, and that all managers are held accountable to their documented individual roles and responsibilities in terms of this policy.

5.1.2.4 Non-Financial Performance Information reporting responsibilities are delegated to managers in the Department. All managers are required to strictly adhere to these delegations in conjunction with their common and specific responsibilities in terms of this policy

5.2. Performance Management

5.2.1. Systems

The Departmental Monitoring and Evaluation System, which contains a large number of MIS Database and a Knowledge Management component, is the preferred system for the capturing, storing and reporting of non financial performance information.

5.2.2. Terminology

The policy outlines a set of agreed terms for performance information for use within the public sector

5.2.2.1 Performance Information Concept

Performance information needs to be structured to demonstrate clearly how government uses available resources to deliver on its mandate.

5.2.2.2. Inputs, Activities, Outputs, Outcomes and Impacts

When describing what government institutions do for purpose of measuring performance the following terms are used:

(a) Inputs

These are all the resources that contribute to the production and delivery of outputs. Inputs are what we use to do the work. They include finances, personnel, equipment and buildings.

(b) Activities

Activities refer to the processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe what we do

(c) Outputs

The final products, or goods and services produced for delivery. Outputs may be defined as what we produce or deliver.

(d) Outcomes

The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are what we wish to achieve.

(e) Impacts

Impacts are seen in the results of achieving specific outcomes.

5.2.3 Performance Indicators/ Measures

Suitable indicators need to be specified to measure performance in relation to inputs, activities, outputs, outcomes and impacts. The challenge is to specify indicators that measure things that are useful from a management and accountability perspective. This means managers need to be selective when defining indicators. Defining a good performance indicator requires careful analysis of what is to be measured. One needs to have a thorough understanding of the nature of the input or output, the activities, the desired outcomes and impacts, and all relevant definitions and standard used in the field. For this reason, it is important to involve subject experts and line managers in the process.

5.2.4 Performance Targets

Once a set of suitable indicators has been defined for a programme or project, the next step is to specify what level of performance the department and its employees will strive to achieve. This involves specifying suitable performance targets relative to current baselines. The department needs to collect a wide range of performance information for management purposes, however not all this information is relevant in accountability documents. The department should specify in its planning documents a set of performance targets it will report against in its accountability documents.

The set of indicators selected for accountability reporting ought to provide a holistic view of the department's performance. In the case of concurrent functions, national department need to identify a core set of indicators that need to be reported by the department.

The baseline is the current level of performance that the department aims to improve. The initial step in setting performance targets is to identify the baseline, which in most instances is the level of performance recorded in the year prior to the planning period. Therefore, in the case of annual plans, the baseline will shift each year and the first year's performance will become the following year's baseline. Where a system for managing performance is being set up, initial baseline information is often not available. This should not be an obstacle- one needs to start measuring results in order to establish a baseline.

Performance targets express a specific level of performance that the department, programme or directorate is aiming to achieve within a given time period.

5.2.5 Setting realistic performance targets

When developing indicators there is always a temptation to set unrealistic performance targets. However, doing so will detract from the image of the department and staff morale. Effective performance management requires realistic, achievable targets that challenge the department and its staff.

Ideally, targets should be set with reference to previous and existing levels of achievement (i.e. current baselines), and realistic forecast of what is possible. Where targets are set in relation to service delivery standard it is important to recognize current service standards and what is generally regarded as acceptable.

The chosen performance targets should:

Communicate what will be achieved if the current policies and expenditure programmes are maintained.

Enable performance to be compared at regular intervals – on a monthly, quarterly or annual basis as appropriate.

Facilitate evaluations of the appropriateness of current policies and expenditure programmes.

A useful set of criteria for selecting performance targets is the "SMART" criteria

- Specific: the nature and the required level of performance can be clearly identified
- Measurable: the required performance can be measured
- Achievable: the target is realistic given existing capacity
- Relevant: the required performance is linked to the achievement of a goal
- Time-bound: the time period or deadline for delivery is specified

5.2.6 Reporting

All line function and responsibility managers should report in a scheduled and or ad hoc manner on a monthly, quarterly and annual basis.

5.2.7 Policy Adherence Monitoring

5.2.7.1 Within the department: All managers are responsible for monitoring adherence to this policy and its inherent requirements. They are responsible for ensuring that appropriate remedial action is taken to address any deficiencies within their Directorates and Chief Directorate.

5.2.7.2 By the Department: Managerial: Managerial adherence to this policy will be monitored by the Strategic Planning and Control Unit in the Department. Findings will be reported to the Executive Management Committee of the Department, via the office of the HOD.

5.2.7.3 Government-wide: The National Department of Agriculture, Provincial Treasury, National Treasury and the Auditor General will monitor and determine compliance with this policy on a quarterly and annual basis.

5.2.8 Management Performance Assessment Tool (MPAT)

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

Management performance assessments contribute to improving service delivery through providing a holistic picture of the quality of management practices within a department or municipality, against common standards.

The MPAT is:

- A tool that collates existing management policy and guidelines into a framework of standards and indicators of good practice in order to promote a common understanding of good management practice;
- A basis for ongoing learning about how improved management practice can improve public service so that we can collaboratively refine and develop the framework over time;
- A tool for senior managers to test their own practice against and identify management practice improvements that will enable improved service delivery;
- A tool to provide a snapshot of management practice in a range of key performance areas within departments and across the public service and identify what further support is needed from the relevant transversal departments.

The objectives of the MPAT are to:

- Establish benchmarks for performance;
- Establish the baseline performance of institutions;
- Provide managers with useful information to inform improvement;
- Catalyze improvements in management;

- For the worst performers, develop an agreed improvement plan and provide support where necessary;
- Track improvements against the baseline performance.

The Department will formally appoint MPAT Coordinator, as well as four (4) KPA Coordinators, on annual basis. The MPAT Coordinator is required to ensure that all specified MPAT guidelines are adhered to, and that the formal self-assessment of the department is completed by 30 September each year.

6. Consequences of Non – Compliance

6.1 All matters of non-compliance shall first be referred to Sub directorate: Labour Relations for advice

6.2. Possible consequences of non-compliance can include informal follow ups and reprimands by relevant internal and external role players, formal internal and external audits

6.3. All non- compliance cases will be registered in Non-Compliance register for managerial and audit purpose

6.4 Should an employee/ official fail to comply with the provincial of is policy appropriate discipline shall be taken against such an employee. Where appropriate, recorded verbal warning and/or written warning and/or final written warning will be issued against such official.

6.5 The Accountin Officer must take effective and appropriate disciplinary steps against any official in service of the department who,

- a. Contravenes or fail to comply with the provisions of this policy,
- b. Commits an act which undermines the internal control system of the department.

Please take into cognizance other provicions of legislation on non-compliance susch as section 86(1) read with section 40(1) (f) of PFMA, and section 51 of Public Audit Act. It is imperative that officials perform their duties in good faith to avoid application of the above sections.

7. Review

This policy shall be reviewed as and when required.

8. Enquiries

Formal enquiries in items of interpretation of this policy can be directed to the Departmental headquarters:

Senior Manager: Planning Performance and Oversight

Department of Agriculture and Rural Development

Glen(9360)

Free State Province

Tel:051-8618781

9. Approval

I, M.P.Thabethe, Head of the Department of Agriculture and Rural Development: Free State, hereby approve this policy for purpose of immediate implementation.

Signed this 10.....day of March.....2015



M.P. THABETHE

HEAD OF DEPARTMENT: AGRICULTURE AND RURAL DEVELOPMENT: FREE STATE