



AUDITOR-GENERAL
SOUTH AFRICA



08 March 2016

Auditing to build public confidence

Briefing to the Portfolio Committee of Tourism on review of the draft 2016-17 APP

Reputation promise/mission

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country's democracy by **enabling oversight, accountability and governance** in the public sector through auditing, thereby **building public confidence**.

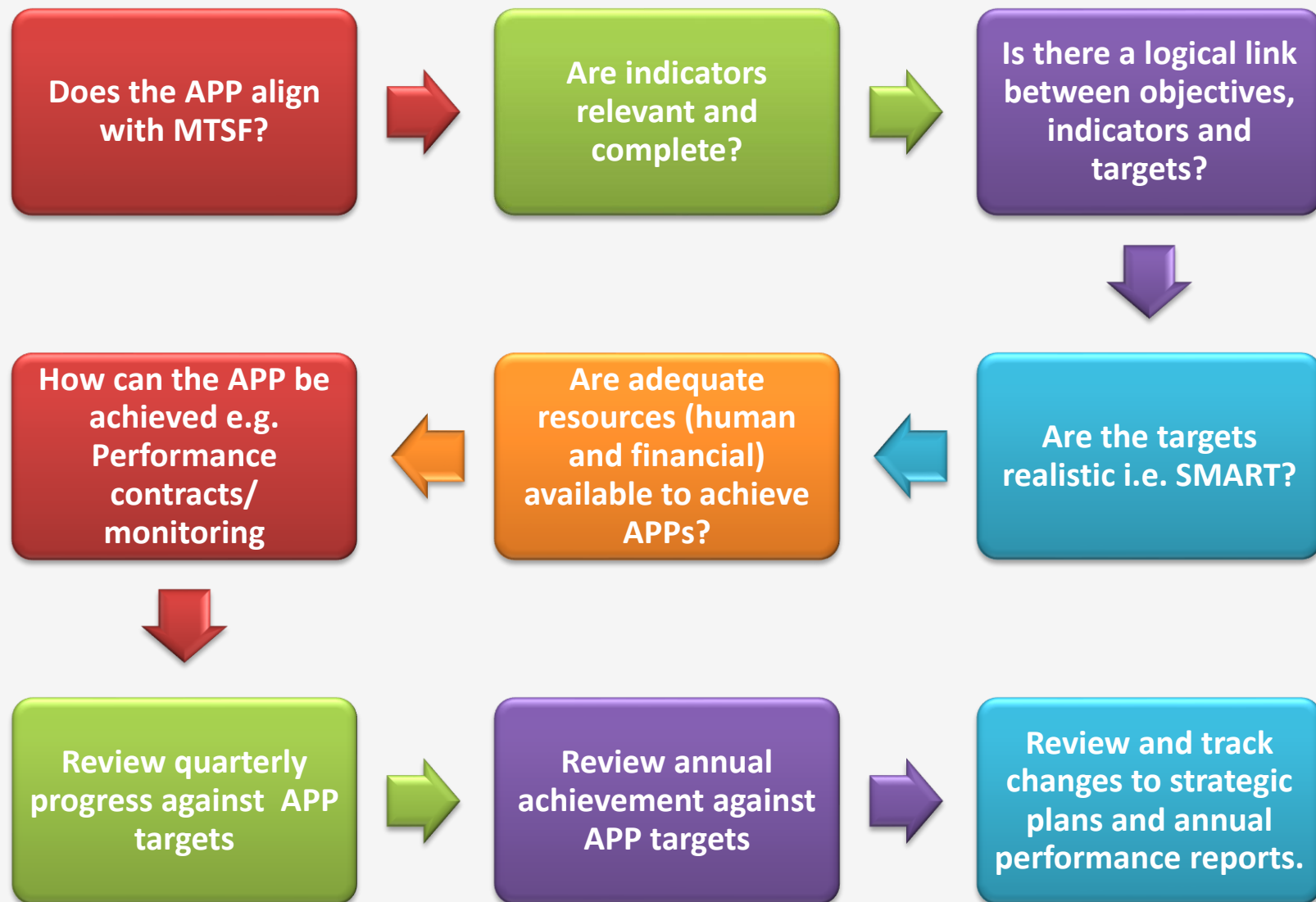


Purpose of the briefing

- To provide the portfolio committee (PC) with audit insights on the interim review of the department's draft annual performance plan (APP) in order to add value to oversight



Key committee considerations when reviewing the APP



Performance indicator criteria (FMPPI)

Criteria	Definition
Reliable	the indicator should be accurate enough for its intended use and respond to changes in the level of performance.
Well defined	the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use.
Verifiable	it must be possible to validate the processes and systems that produce the indicator.
Cost-effective	the usefulness of the indicator must justify the cost of collecting the data.
Appropriate	the indicator must avoid unintended consequences and encourage service delivery improvements, and not give managers incentives to carry out activities simply to meet a particular target.
Relevant	the indicator must relate logically and directly to an aspect of the institution's mandate and the realisation of strategic goals and objectives.



Criteria for SMART Targets (FMPPI)



Criteria	Definition
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



Examples



Indicator	Target	Comment on target/indicator
Number of initiatives to capacitate the tourist guiding sector	10 new tourist guides trained and placed at Cradle of Humankind by 31 October 2016	Indicator and target meet the criteria per the framework
Capacitate the tourist guiding sector	Increase number of guides at World heritage sites	Indicator is not: <ul style="list-style-type: none">• Well defined• Verifiable Target is not: <ul style="list-style-type: none">• Specific• Measurable• Time-bound



Examples



Indicator	Target	Comments on target/indicator
Number of capacity building programmes implemented (One)	300 Learners trained as Sommeliers (wine specialist) by 31 March 2017	Indicator and target meet the criteria per the framework
Number of capacity building programmes implemented (One)	Train learners as Sommeliers	Indicator meets the criteria per the framework Target is not: <ul style="list-style-type: none">• Specific• Measurable• Time-bound



AGSA review of the draft 2016-17 APP



Review process

- Assessed the process followed by departments to prepare and submit strategic plans and APPs.
- Assessed the **measurability and relevance** of the final draft indicators and targets planned for selected programmes

Reporting

- Findings from the review are communicated in the 2015-16 interim management report to enable changes to be made.
- Findings relevant to the interim review do not have an impact on the audit conclusion on usefulness or reliability of the selected programmes for the PFMA 2015-16 year end audit.



Criteria used to assess the draft APP



Measurability of indicators and targets

Relevance of indicators and targets

Indicators are well-defined

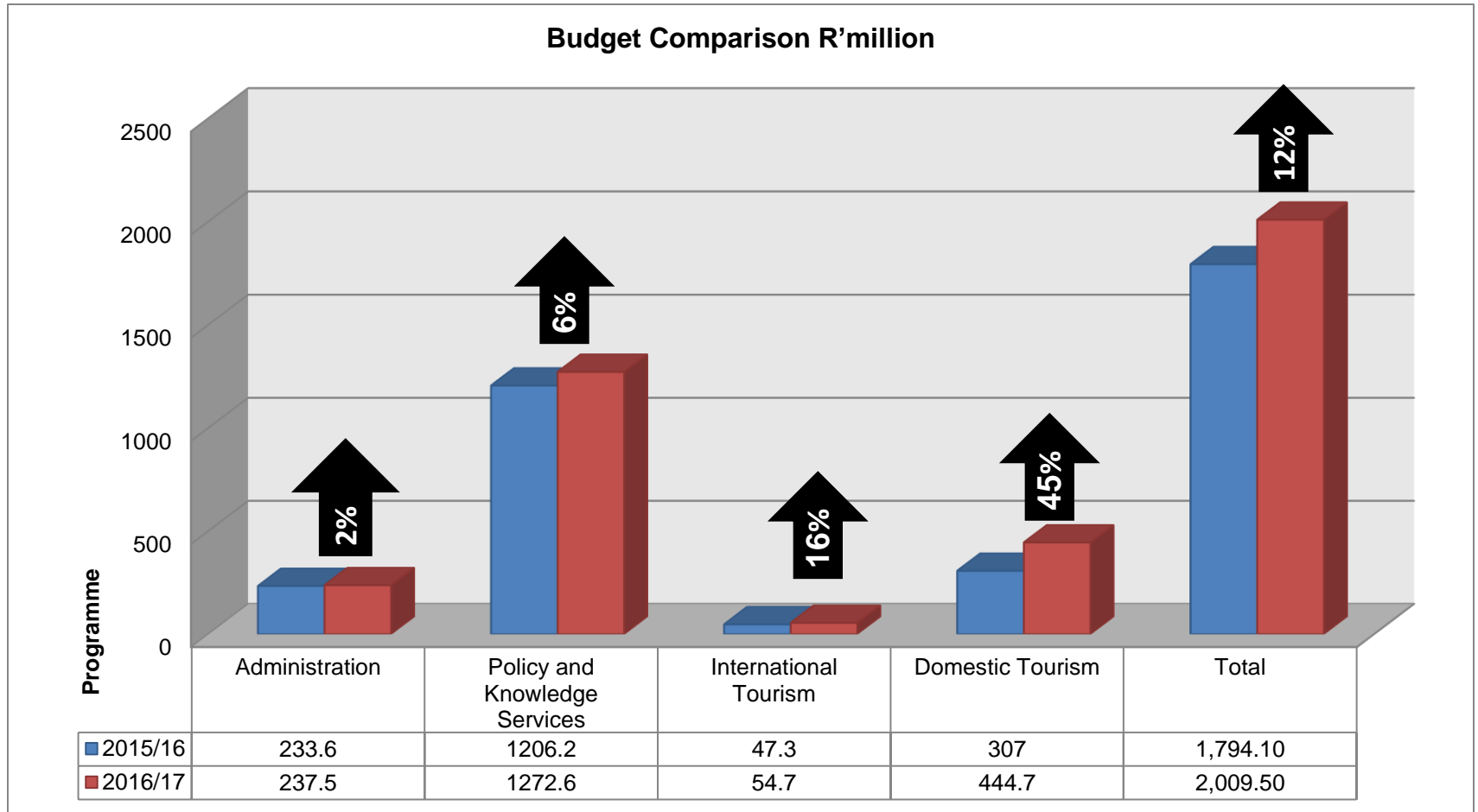
Indicators are verifiable

Targets are specific, measurable and time-bound.

Indicators and targets are relevant to the mandate and realisation of strategic goals and objectives.



Comparison between current year and prior year budget



% Budget increase

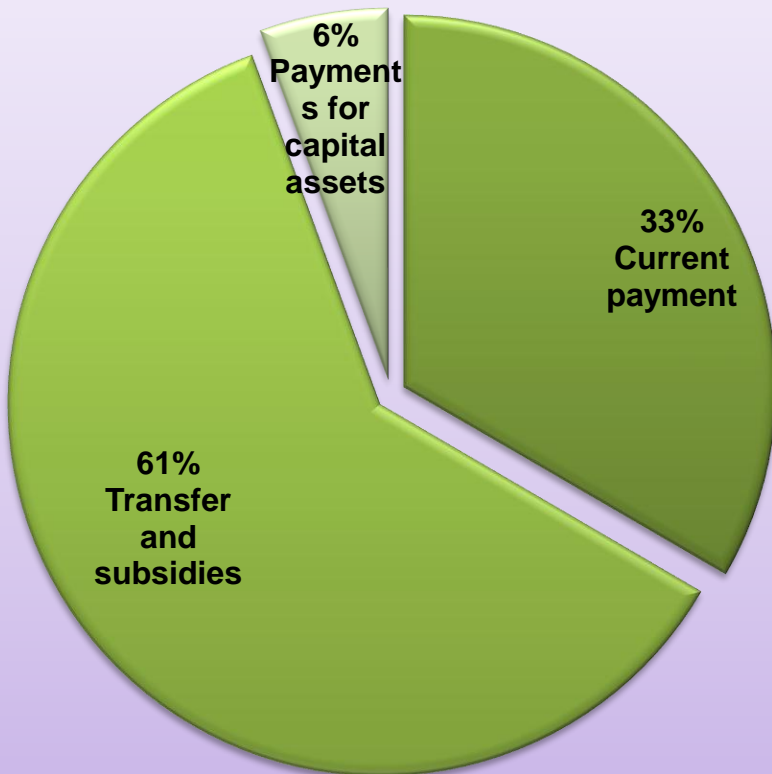


% Budget increase

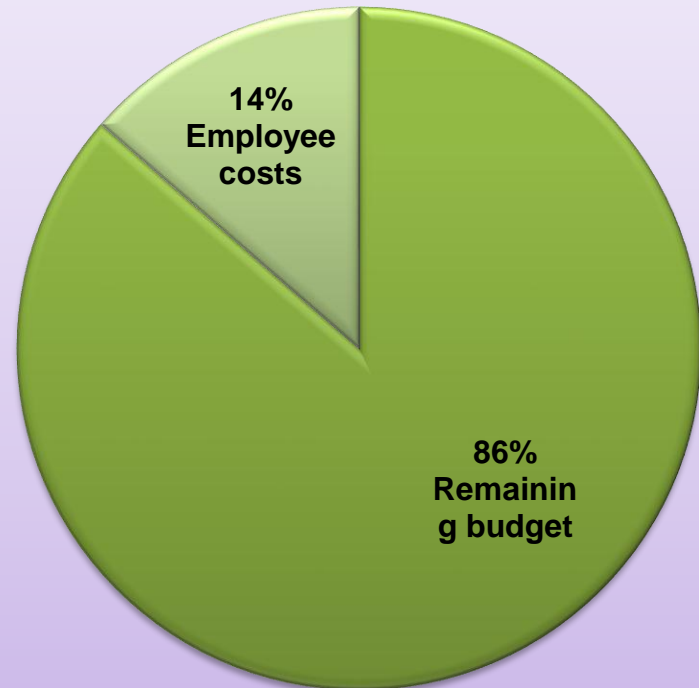
Budget analysis – Dept (cont.)

Economic classification

Department of Tourism



% budget spend on employee remuneration



Review findings on draft 2016/17 APP



Auditee	Measurability	Relevance
Department of Tourism	X	



Programme: 2 – Policy and Knowledge Services



Indicator no.	Indicator detail	Target	Auditor comments
5	Number of tourism attractions supported to enhance destination competitiveness	3 initiatives: Monitoring of implementation of enhancement/development plans for three identified sites: <ul style="list-style-type: none"> Establishment of an access gate at Shongoni Phalaborwa Wildlife Activity Hub Establishment of a tourism interpretation centre at the National Heritage Museum 	Target is not specific, that What will be done at the Phalaborwa Wildlife Activity Hub? What is a tourism interpretation centre, will this be built within the museum?



Programme: 2 – Policy and Knowledge Services



Indicator no.	Indicator detail	Target	Auditor comments
6	Number of priority areas incentivised to facilitate sustainable tourism growth and development	3 priority areas supported during the pilot phase: <ul style="list-style-type: none">• Market access• Tourism grading• Energy-efficiency	Target is not specific in that it is not clear what does supported mean? The target needs to be specific in terms of actions to be taken, plans to be rolled out, how will success be measured etc.



All Programmes



Indicator no.	Indicator detail	Target	Auditor comments
N/A	N/A	N/A	No technical indicator descriptions for all indicators included in the APP



All Programmes



Root Cause	Recommendation	Resolved
Leadership Slow response by management	Detailed reviews should be performed by those tasked with the responsibility for these functions within the department against the applicable framework for managing programme performance information (FMPPI) issued by National Treasury to ensure that all indicators and targets do meet the SMART (specific, measurable, achievable, relevant and time bound) criteria. Consequence management should be implemented within the department to take action against officials that do not comply with requirements of the FMPPI.	Yes



QUESTIONS

