



the **dpsa**

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

Government Component

... New organisational form in the public service

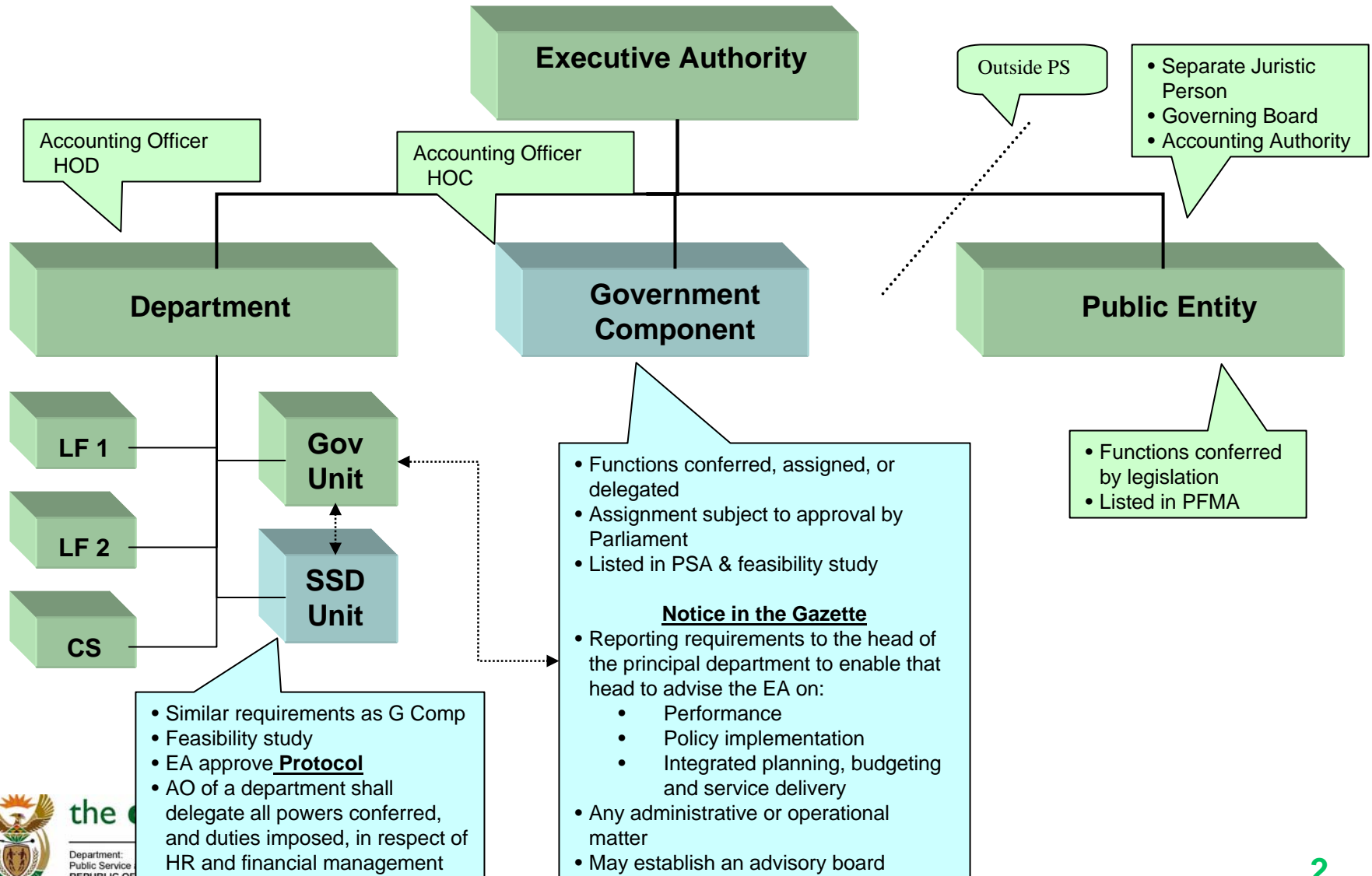
October 2007



the **dpsa**

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

Government Component and Specialised Service Delivery Unit – PSA



Government Component Org Form

Government Components and Specialised Service Delivery Units are introduced as a new organisational forms in the public service, to provide for:

- Administrative and operational arrangements can be customised to suit a particular service delivery environment
- Improved governance through direct accountability and decision-making as close as possible to the point of service delivery
- Direct control and influence by executive authorities over service delivery outcomes without the need to create institutions outside the public service such as public entities
- An institutional mechanism to reincorporate some public entities, if required, into the public service
- The establishment, if required, of an advisory board to advise the Executive or HOC on service delivery matters and to accommodate stakeholder interests

Government Component Org Form

- Flexibility to deliver government functions/services with appropriate accountability arrangements, but within the same Budget Vote
- A government component is listed in Schedule 3 of the PSA but partnered with a principal department (listed in Schedule 1 to the PSA)
- Principle department will assist its executive authority with exercising oversight over an component on policy implementation, performance, integrated planning, budgeting and service delivery
- The GC and SSD organisational forms were adopted in terms of the Public Service Amendment Act, 2007 and came into operation 1 April 2008 with the publication of Chapter 6 of the PSR
- Chapter 6 of the PSR provides for:
 - Conducting a feasibility study; and
 - Establishing an Interdepartmental Evaluation Committee to assess feasibility studies

Aspects to Consider in the Notice

- Audit – Internal and External
- Audit Committee (shared)
- Shared corporate services (HR, finance and procurement) with principal department
 - 0 to 50 transactions by principal department
 - 50+ to 300 on site (seconded) from principal department
 - 300+ full corporate services
- Chief Financial Officer
- Bank Account
- Separate financial statements and annual report
- Retention of surpluses
- Specialised services
 - Legal Services
 - Labour Relations
- Accommodation
- Service level agreement

Provisions set out in the PFM Bill, 2007

- Preparation, approval and revision of annual budgets. The executive authority approves the budget not later than three months before the start of the financial year.
- The strategic or performance plan of a GC must form part of the strategic or performance plan of its parent department, unless directed otherwise by the relevant treasury.
- The executive authority of a GC is the Cabinet member accountable to Parliament for the component.
- General fiscal and financial, and fiduciary responsibilities of executive authorities to provide general guidelines in achieving policy objectives and to monitor and oversee the exercise of responsibilities assigned to accounting officers.

Provisions set out in the PFM Bill, 2007

- The head of a GC is the accounting officer of the component.
- The accounting officer must appoint an official as chief financial officer.
- Transfer of assets or liabilities to and from government components.
- All money received is deposited into a bank account of the relevant revenue fund.
- Retention of money authorized by the treasury.
- Delegation of powers and duties by accounting officers to senior managers and other officials.

Provisions set out in the PFM Bill, 2007

- Establishment of internal audit functions and audit committee shared with parent department.
- The annual report must be part of the annual report of the parent department, unless directed otherwise by the relevant treasury.
- The accounting officer must prepare and submit annual financial statements. The accounting officer of the parent department must monitor compliance to these provisions.
- In terms of transitional provisions the PFMA, 1999 continues to apply, despite its repeal by the PFMA, 2007, to a trading entity until such trading entity is listed as a government component in terms of the Public Service Act.

Provisions set out in the PFM Bill, 2007

- The disestablishment or conversion of an impermissible corporate form into a government component must be investigated in accordance with the process and procedures set out in the Bill.
- The conversion of state controlled institutions into government components.

THANK YOU