



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

Private Bag X916, PRETORIA, 0001 Tel: (012) 336 1000, Fax: (012) 326 7802
Private Bag X9148, Cape Town, 8000. Tel: (021) 467 5120, Fax: (021) 465 5484

TO ALL:

Directors-General
Heads of Provincial Departments
Heads of Government Components

Dear Colleagues

AMENDED 2015 DIRECTIVE ON CHANGES TO THE ORGANISATIONAL STRUCTURES BY DEPARTMENTS.

Following the approval of the 2015 Directive by the MPSA, the Chief Directorate: Organisational Design and Macro-Organising (CD: ODMO) conducted 10 awareness and capacity building workshops (9 provincial and 1 national workshop) on the implementation of the 2015 Directive. Amongst others, departments raised concerns in relation to the role of Internal Audit in the organisational review and redesign process and provisions with regard to the employment of persons additional to the post establishment. The main concerns raised are that Internal Audit units will play a role of a 'referee and player' and also seem to be assuming the responsibility of the Accounting Officer in the organisational review and redesign process and that the DPSA seems to be assuming the role of Executives Authorities and Accounting officers in relation to the employment of persons additional to the post establishment.

The MPSA has approved the amendment of paragraph 9.7.6 and 9.5 of the 2015 Directive on changes to the organisational structures by departments to clarify the role of internal audit in the review and redesign of organisational structures and the principle on the employment of persons additional to the post establishment.

In terms of paragraph 9.7.6, the submission, including all the necessary documents, as outlined in the 2015 Directive as amended, to be forwarded to the EA for support and to the MPSA for consultation shall contain, at a minimum, the signatories as indicated in the attached template.

The deletion of the Principle 9.5 clarifies that departments are not obliged to subject the employment of persons additional to the post establishment to the consultation processes prior to appointment. However, departments need to adhere to the provisions of regulation 57 (2) of the Public Service Regulation, 2016, in this regard. This provision is contained in paragraph 8.12 of the amended Directive.

Following the approval of the PSR, 2016, the 2015 Directive on changes to the organisational structures by departments has also been amended to align the content of the 2015 Directive (*where reference is made to the Public Service Regulation, 2001, as amended*) to the new PSR, 2016.

The amended Directive is available on the Department of Public Service and Administration website (www.dpsa.gov.za). The Directive takes effect on 01 October 2016.

In case of any enquiries, please contact the Chief Director: Organisational Design and Macro-Organising at the following address:

Private Bag X916

PRETORIA

0001

Tel: (012) 336 1000/1403

Kind regards,



MR M DIPHOFA

DIRECTOR-GENERAL: DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

2016/ 09/13



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Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

ORGANISATIONAL DESIGN DIRECTIVE ON CHANGES TO THE ORGANISATIONAL STRUCTURES BY DEPARTMENTS

First issued 01 September 2015

Amended with effect from 01 October 2016

ISSUED BY THE MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

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LIST OF ACRONYMS

DG:	Director-General
CFO:	Chief Financial Officer
DPSA:	Department of Public Service and Administration
EA:	Executive Authority
HOD:	Head of the Department, includes reference to the Head of Government Component
HRIS:	Human Resource Information System
MTEF:	Medium-Term Expenditure Framework
MPSA:	Minister for Public Service and Administration
NDP:	National Development Plan
OD:	Organisational Design or Development. In the context of this document also refers to Organisational Design.
OSD:	Occupation Specific Dispensation
PERSAL:	Public Service Salary Payment System
PSA:	Public Service Act, 1994 (as amended)
PSR:	Public Service Regulations, 2016

DEFINITIONS

In this Directive, any word or expression to which a meaning has been assigned in the PSA and PSR, bears the meaning assigned to it and, unless the context otherwise indicates -

Additional to the establishment: Employment of persons in addition to the approved establishment on a temporary basis.

Approved organisational structure: The organisational architecture of a department, configured into units at different levels, describing purposes, functions and funded posts for each unit, which has been consulted with the MPSA and finally approved by the relevant Executive Authority.

Delegated Authority: Authorised decision-maker.

Department: A national department, national government component, the office of the Premier, a provincial department, or a provincial government component listed in schedules 1 to 3 of the PSA.

Establishment: The posts which have been created for the normal and regular requirements of a department.

Executive Authority: As defined in the PSA and PSR is in relation to-

- (a) the Presidency or a national government component within the President's portfolio, means the President;
- (b) a national department or national government component within a Cabinet portfolio, means the Minister responsible for such portfolio;
- (c) the Office of the Public Service Commission, means the Chairperson of the Commission;
- (d) the Office of a Premier or a provincial government component within a Premier's portfolio, means the Premier of that province; and
- (e) a provincial department or a provincial government component within an Executive Council portfolio, means the member of the Executive Council responsible for such portfolio;

Function: Logical grouping of actions or activities directed at meeting a particular objective. A function can also be defined as high-level activities that are mandated in terms of the key objectives of an organisational unit.

Functional Decomposition: The process of disaggregating functions from a legal mandate, into core major functions, then to processes, then into key sub-functions, then into minor functions for each sub-function, then into basic functions and lastly into tasks and activities. This process if correctly done provides an estimate at which performer level posts should be pitched.

Components/Functional Heads: Employees in the Senior Management or Supervisory level responsible for the management of the units.

Functional Structure: A structure where similar or related functional activities are grouped together, without posts, to form components to deliver on particular services.

Generic functional structure: The organisational architecture of departments in a sector, configured into units at different levels, containing purposes and functions per unit, with or without posts, developed in a cooperative and consultative manner with the national sector department and all provincial departments within that sector, which is recommended after consultation with the MPSA, serving as a baseline blueprint to which the approved organisational structures of sector departments should be aligned.

Geographical dispersion: The situation where the operations of an organisation are widely dispersed and managers at a central office must directly supervise and manage such operations, which is rather different from cross-sectional and longitudinal monitoring and evaluation of how the operations are managed by a coordinating manager.

Head of the department: The incumbent of a post mentioned in Column 2 of Schedule 1, 2 or 3 of the PSA, 1994 and includes any employee acting in such post.

Job: The basic duties, tasks, functions, competency requirements and responsibilities according to which one or more posts of the same grade are established.

Job evaluation: A systematic, fair and consistent means of measuring the relative value/weight of jobs in an organisation (in this case the Public Service as a single source employer). Job evaluation measures jobs, not the jobholders or their performance. It also does not measure job loading (volume of work) or determine the job price.

Organisational review and design: A process of assessing the current organisational structure and ensuring alignment to the organisational mandate and strategic objectives, with the ultimate aim of improving the efficiency and effectiveness of the organisation. Also refers to organisational structuring or process of assessing organisational environment, capacity and current business processes to identify challenges and successes and determine alternate solutions and capabilities to the design of the future state.

Organisational structure: A functional structure that incorporates the staff establishment information. It shows a pattern of relationships among positions and people in the organisation, dividing work among them and co-coordinating their activities to achieve the goals and objectives of the organisation.

Organisational Functionality Assessment (OFA): OFA is a process to systematically assess and diagnose whether all the necessary service delivery enablers are in place to support delivery processes in an optimum and accountable manner which informs the appropriate organisational structure in line with the life cycle needs of a department.

Post: A post/job for which financial provision exists on the approved establishment as referred to in regulation, 25 (2) (b) and (c) of the Public Service Regulations, 2016. There are different types of posts such as full-time permanent, full-time temporary, part time permanent and part time.

Post provisioning norm: is the total number of posts to be created for a post level or occupational class based on contextual factors.

Post provisioning: The rational allocation of posts created for a post level or occupational class to drive the core mandate of a department.

Programme: A main division within a department's budget that funds a clearly defined set of objectives based on the services or functions within the department's legislative and other mandates. It also constitutes a management unit established within a department responsible for the delivery of that defined set of services and functions.

Programme 1: Administration functions: Often referred to as corporate management or support services functions, which are not directly involved in the delivery of services to the public, but rather provide support services to all functions within the department, including to other support functions such as human resource management, finance management, strategic planning, monitoring and evaluation, legal services, organisational design, office support services, security, communication and information and communication technology and general office support services.

Proposed organisational structure: The organisational structure of a department, configured into units at different levels, containing purposes and functions per unit and posts, persons employed additional to the establishment to functionally resource such units, as approved in principle by the relevant Executive Authority after internal consultation in that respective department and submitted to the MPSA for consultation.

Sub-programme: A constituent part of a programme, that defines the services or activities, which contribute to the achievement of the objective(s) of the programme of which it forms a part. Some of the defined services or activities could include key projects identified by a department.

Span of Control: The span of control refers to the number of employees that directly report to a manager or supervisor.

Work measurement: The application of techniques designed to establish the time for an average worker to carry out a specified task at a defined level of performance. It is concerned with the length of time it takes to complete a work task assigned to a specific job.

1. INTRODUCTION

- 1.1. In terms of the PSA, EAs have all those powers and duties necessary regarding the internal organisation of the department concerned, including its organisational structure and establishment, the transfer of functions within that department, human resources planning, the creation and abolition of posts and provision for the employment of persons additional to the fixed establishment.
- 1.2. The competency of EAs regarding the internal organisation of departments is exercised within the norms and standards determined by the MPSA. The MPSA gives effect to the organisational design norms and standards on the changes to organisational structures by departments and the implementation of the approved organisational structures through the PSA, the PSR, and the relevant Guidelines, Directives and Frameworks.
- 1.3. In 2006, the MPSA, under section 41 of the PSA, 1994, (Proclamation 103 of 1994) amended the PSR in line with the January 2006 Cabinet Lekgotla decision which stated that, *the EAs can only approve organisational structures of their Department(s) after consultation with the MPSA with effect from July 2006*. To that end, the MPSA issued a Directive on 27 June 2006, in terms of section 41(3) of the PSA, 1994, read in conjunction with chapter 1, part III/B.2.A of the PSR, 2001, as amended.
- 1.4. Regulation 25 (2)(a) of the PSR, 2016, provides that an EA authority shall— determine the department's organisational structure in terms of its core mandated and support functions—
 - (i) in the case of a national department or national government component, after consultation with the Minister and National Treasury; and
 - (ii) in the case of a provincial department or provincial government component, after consultation with the relevant Premier, the Minister and the relevant Provincial Treasury.
15. This Directive is issued to outline requirements linked to organisational design principles and information to be supplied, and to specify which principles, protocol and procedures on the organisational structure of the department, shall be subject to consultation with the Minister. The OD Directive *specifies requirements and which principles and procedures on changes to the organisational structures should be consulted with the MPSA by departments prior to the approval thereof by the relevant Executive Authority and monitoring implementation of the approved organisational structures after consultation with the MPSA*. The Directive is also supported by the Guidelines on *Organisational Structuring in the Public Services* accessed from the DPSA website (www.dpsa.gov.za).
16. Section 16A of the PSA of 1994, provides the MPSA with the necessary authority to oversee compliance with the afore-mentioned prescripts and may apply corrective and compliance measures in response to non-compliance of the Act.

2. AUTHORISATION AND SCOPE OF APPLICATION

- 2.1. The Directive is issued in terms of section 41(3) of the PSA, read with Regulation 25 (2)(a) of the PSR, 2016.
- 2.2. The Directive applies to all departments and government components, both nationally and provincially, unless a deviation is approved by the MPSA in terms of clause 3.
- 2.3. This Directive repeals the 2006 Directive issued by MPSA specifying which changes to the organisational Structure of a department must be consulted with the MPSA prior to the approval thereof by the relevant EA.

3. DEVIATION

- 3.1. The Directive is applicable to all departments and government components, unless the content of the Directive is contrary to the laws governing the employment of certain employees provides otherwise. The MPSA may, under justifiable circumstances, authorize a deviation from the provision of this Directive.

4. COMMENCEMENT

- 4.1. This amended Directive shall take effect on 01 October 2016 and replaces the 2015 Directive.
- 4.2. All consultation requests received before 01 October 2016 will be dealt with in terms of the 2015 Directive on Organisational Structuring.

5. PURPOSE

- 5.1. To give effect to the provisions of the PSA and the PSR by establishing norms and standards to guide the implementation of the organisational design function in the public service.
- 5.2. Stipulate monitoring provisions and consequences for non-compliance.

6. OBJECTIVES OF THE DIRECTIVE

The objective of this Directive is to:

- 6.1. Emphasise the minimum levels of compliance in terms of the PSA and PSR, with regard to the implementation of organisational designs in the public service;
- 6.2. Stipulate the guiding principles, conditions, requirements, procedures and protocols to enhance the execution of the organisational design function in the public service;
- 6.3. Ensure the standardization of organisational design processes;
- 6.4. Ensure that the organisational structures are responsive to the mandate and vision of the department and contribute to the attainment of the strategic objectives of the department;
- 6.5. Promote value for money and achieve the envisaged impact in the manner in which the department is configured and capacitated;
- 6.6. Ensure the effective maintenance of organisational structures to gain stakeholder confidence in the organisational design functional area;
- 6.7. Empower practitioners and decision makers with a view to enhance the implementation of the organisational design function in the public service;
- 6.8. Guide departments in developing internal organisational review and redesign policies; and
- 6.9. Strengthen compliance monitoring and reporting.

7. TRIGGERS FOR ORGANISATIONAL DESIGN CHANGE

The organisational review and redesign processes shall vary in scope and complexity, and the impact on staff must be considered. To avoid continuous review and changes that have the potential to affect implementation of programmes or the functioning of the departments, changes to the organisational structure of the departments should be limited to the following conditions, informed by principles as set out in the PSR:

- 7.1. *Structuring based on amended mandate or change to the strategic focus:* based on 3- 5 year strategic review processes. Change in the organisation's environment often compels a change in strategy, which in turn, may require departments to assess the internal and/or external environment, organisational capacity and current business processes to determine if the organisation is well positioned to support the strategy. In the public service, the departmental strategy is mostly informed by the electoral and legal mandate of the department. In terms of Regulation 25 (2) of the PSR, 2016, an Executive authority shall, based on the strategic plan of the department-
 - a) determine the department's organisational structure in terms of its core mandated and support functions—
 - (iii) in the case of a national department or national government component, after consultation with the Minister and National Treasury; and
 - (iv) in the case of a provincial department or provincial government component, after consultation with the relevant Premier, the Minister and the relevant Provincial Treasury.
 - b) define and create the posts necessary to perform the relevant functions of the department while remaining within—
 - (i) the current budget;
 - (ii) the Medium-Term Expenditure Framework of the department; and
 - (iii) the norms and standards determined by the Minister for post provisioning for occupations or categories of employees; and the posts so defined and created shall constitute the department's approved establishment;
 - c) grade proposed new jobs according to the job evaluation and job grading systems referred to in regulation 41(1), except where the grade of a job has been determined in terms of an OSD or directed by the Minister in terms of regulation 41(2)(d); and
 - (d) engage in human resource planning in accordance with regulation 26 to meet the resulting human resource needs.
- 7.2. *Splitting of departments,* as may be determined by the President or the relevant Premier.
- 7.3. *Transferring a function between departments,* as may be determined by the President or the relevant Premier.
- 7.4. *Establishment and abolishment* of the departments, as may be determined by the President or the relevant Premier.
- 7.5. *Organisational structuring based on a macro-organisation of the state,* as may be determined by the President.

- 7.6. Re-structuring emanating from the adverse findings of an *organisational functionality assessment (OFA) and organisational performance improvement processes*: warning signs for structural change in this regard are usually required when strategies and policies are not/poorly implemented. High-level diagnosis should be conducted to inform the business case and/or the rationale for such.
- 7.7. *Other proposed changes that affect functional configuration and the staff establishment* i.e. abolishment of posts or functions, redesigning of posts or functions and relocation of posts or functions. High-level diagnosis should be conducted to inform the business case and/or the rationale for such or the nature and scale of the exercise shall inform the organisational review and redesign processes to be followed by departments, in line with the requirements of the PSA and PSR. The process to be followed must be guided by the phases, consisting of different steps, as well as decision making and review points, in line with DPSA Guide and toolkit on Organisational Structuring available on the DPSA website.

8. FUNDAMENTAL ORGANISATIONAL DESIGN ASPECTS AND PRINCIPLES

- 8.1. The organisational design processes should consider the democratic values and principles enshrined in Chapter 10 (s195[1]) of the Constitution, which amongst others emphasises the promotion of efficient, economic and effective use of resources, responsiveness to people's needs and good human-resources management.
- 8.2. In terms of regulations 25 (2) of the PSR,2016, an Executive authority shall, based on the strategic plan of the department-
 - a) determine the department's organisational structure in terms of its core mandated and support functions—
 - (v) in the case of a national department or national government component, after consultation with the Minister and National Treasury; and
 - (vi) in the case of a provincial department or provincial government component, after consultation with the relevant Premier, the Minister and the relevant Provincial Treasury.
 - b) define and create the posts necessary to perform the relevant functions of the department while remaining within—
 - (iv) the current budget;
 - (v) the Medium-Term Expenditure Framework of the department; and
 - (vi) the norms and standards determined by the Minister for post provisioning for occupations or categories of employees; and the posts so defined and created shall constitute the department's approved establishment;
 - c) grade proposed new jobs according to the job evaluation and job grading systems referred to in regulation 41(1), except where the grade of a job has been determined in terms of an OSD or directed by the Minister in terms of regulation 41(2)(d); and
 - (d) engage in human resource planning in accordance with regulation 26 to meet the resulting human resource needs.

- 8.3. The department's organisational structure in terms of its mandate/core and Programme 1: Administrative functions shall be based on the strategic plan of the department, illustrating how the functional analysis was conducted to define the mandate, strategy and policy mandates. There should be alignment of functions between the strategic level and implementation level to inform the service delivery chain.
- 8.4. The organisational design process shall consider the content and processes as well as influential contextual factors and realities of the departments such as geography/typography, technology, environment and the service delivery model.
- 8.5. Proposed functional organisational structures should be aligned to the approved sector specific generic structures, where applicable. Any deviation from the sector specific generic functional structure should be justified, as the generic functional structures are based on the key sector legislative mandates.
- 8.6. Programme 1: Administration functions in the organisational structures of departments, should be aligned to the generic functional structure as issued by the MPSA. The MPSA may, under justifiable circumstances, authorize a deviation from the generic functional structure.
- 8.7. Departments should conduct the organisational redesign process based on available resources and the organisational structure to be consulted with the MPSA, must only contain funded posts.
- 8.8. No unfunded posts must be captured on the HRIS/PERSAL system after consultation with the MPSA and the approval of the organisational structure by the relevant EA.
- 8.9. Where the creation of posts is based on the redirection of funding from an abolished redundant post to the other, the affected post must first be abolished, thereafter the details of the newly funded post must be captured on the approved organizational structure and PERSAL /HRIS.
- 8.10. The current and the proposed organisational structure must contain functional and staff establishment information as illustrated in **Annexure A**.
- 8.11. An organisational human resource capacity assessment report should consider the outcomes of work measurement investigations techniques so as to inform the creation or abolishment of any post. The outcome of this process should also assist in determining the effective utilization of existing posts to ensure optimum use and correct placement of human resources.
- 8.12. The employment of persons additional to the post establishment should adhere to the provisions of regulation 57 (2) and (4) of the PSR, 2016, and other relevant legislative prescripts in this regard. Departments should ensure that there are no duplication and overlap between the job descriptions of existing posts and persons to be employed additional to the staff establishment, that remuneration level/s are correctly determined, sufficient funding is available and that the employment of persons additional to the post establishment is justifiable and does not hamper the filling of vacant posts.
- 8.13. The grading of proposed jobs should be conducted in terms of the job evaluation and job grading system, except where the grade of a job has been determined in terms of an OSD or by the Minister in terms of the Regulations and Directive on the process to coordinate the grading of an entire occupational category or certain level within an occupation category that

is utilised by more than one department.

- 8.14. Regulations 39 (2) of the PSR,2016, states that at least once every 60 calendar months, an executive authority shall review job descriptions and titles and, where necessary, redefine them to ensure that they remain appropriate and accurate.
- 8.15. The configuration of Offices of Executive Authorities and capacity requirements should be in line with the provisions as contained in the Ministerial Handbook and the PSR.
- 8.16. The newly proposed posts that have been consulted with MPSA which could not be funded at the time of the approval of the organisational structure must form part of the approved human resource plan to inform future capacity requirements. Upon confirmation of the need and funding, appropriate processes should be followed for the creation and approval of any new post.
- 8.17. Departments shall use the following standardised designation for post/rank, unless otherwise determined by other legislative requirements or collective agreements (OSD):
 - (a) Head of Department: As indicated in Schedules 1,2 and 3 of the PSA, 1994.
 - (b) Branch: Deputy Director-General (PL 15)
 - (c) Chief Directorate: Chief Director (PL 14)
 - (d) Directorate: Director (PL 13)
 - (e) Sub-directorate: Deputy Director (PL 11 and 12)
 - (f) Unit: Assistant Director (AD) (PL 9 and 10 or equivalent specialist/line function nomenclature.

Table: 1. Post Levels, unless otherwise determined by other legislative requirements such as the OSD.

Post Levels	Definitions
Head of Department (HOD)	A Head of Department means the incumbent of a post mentioned in Column 2 of Schedule 1, 2 or 3 of the PSA, 1994 and includes any employee acting in such post. A post of Superintendent-General or a post with a different designation than a DG, but on the same grading, who is the head of a department which has been set up in terms of the PSA, 1994. The Heads of Government Components have the same powers as the HODs.
Deputy Director-General (DDG)	A DDG post that is usually aligned to the head of a programme on salary level 15.
Chief Director (CD)	A post of CD (level 14) or a post with a different designation on the same grading as that of a CD.
Director	A post of Director (level 13) or a post with a different designation on the same grading as that of a Director.
Deputy Director (DD)	A post of DD (level 11/12) or a post with a different designation on the same grading as that of DD.
Assistant Director (ASD)	A post of ASD (level 09/10) or a post with a different designation on the same grading as that of ASD.

- 8.18. The span of control needs to ensure that the number of employees who report directly to a specific supervisor or manager need to be balanced and appropriate for effective control, support and oversight, whilst ensuring maximum productivity, initiative and innovation by employees. The number varies with the type of work considering factors such as geographical location of workplaces, capability and skills of workers and similarity of tasks. Although the span of control need not be the same for each supervisor, a balanced workload must be maintained by ensuring the minimum numbers of employees are supervised and a cost benefit analysis needs to be applied to ratios within the maximum posts allowed per unit level. The span of control ratios need to consider accountability, information dissemination, knowledge acquisition, learning and growth.
- 8.19. Sector specific departments should determine post provisioning norms to ensure that there is a balanced workload according to work complexity and the right number of people at each functional unit. The allocation of posts to specific functional units should be aligned to the sector specific post provisioning norms, where applicable.

9. CONSULTATION REQUIREMENTS ON THE APPROVAL OF THE ORGANISATIONAL STRUCTURE OF THE DEPARTMENT

- 9.1. Regulation 25 (2) (a) of the PSR, 2016, provides that: "*Directives issued in terms of section 3(3)(e) [PSA 3(2) as amended] of the Public Service Act, 1994, shall specify determinations on the organisational structure of the Department subject to consultation with the MPSA and for purposes of such consultation, the information to be provided shall be set out in such Directive.*"
- 9.2. In line with the above provision, the EAs **shall** consult with the MPSA on all changes to the organisational structure affecting all units or posts from salary level 9 to level 16 (PSA posts and equivalent grades in OSD posts) with regard to creation of units and posts and functional reorganisation within the key programmes.
- 9.3. Before creating a post for any newly defined job, or filling any vacancy, an EA shall confirm the need for the post to meet the department's objectives, and ensure that sufficient budgeted funds, including funds for the remaining period of the MTEF, are available for filling the post. In case of a newly defined job, the EA shall evaluate the job in terms of the job evaluate system, in line with the requirements of the PSR.
- 9.4. A composite summary of job evaluation outcomes and the recommendations of the job evaluation panel should be attached to the consultation documents.
- 9.5. The HoD shall forward a copy of the letter signed by the CFO to the National or Provincial Treasury for verification of the MTEF budget allocations on employee compensation, before the consultation request is forwarded to the EA for support and subsequently to the MPSA.
- 9.6. All EAs shall submit the following information when consulting with the MPSA in terms of regulation 25 (2)(a) of the PSR, 2016:

Table 2: Consultation Requirements on the organisational structure of the Department (PSA, PSR, PFMA and the Directive)

CONSULTATION REQUIREMENTS	EVIDENCE REQUIRED
9.6.1. The consultation request signed by the EA.	Covering letter from EA to MPSA.
<p>9.6.2. The business case attached to provide an understanding of the changes that informed the proposed organisational structure. The analysis focuses on:</p> <ul style="list-style-type: none"> - Understanding triggers for change. - Envisage impact based on the proposed changes. - Outcomes of the organisational diagnosis that informed the business case. - Outcomes of the organisational functionality assessment to diagnose whether all the necessary service delivery enablers are in place to support delivery processes. <p>The organisational functionality assessment and OD guide containing organisational diagnostic tools can be accessed from the DPSA website (www.dpsa.gov.za).</p>	Management Service Report and submission adhering to the consultation requirements.
9.6.3. Strategic plan attached to provide an understanding of the alignment of the organisational structure to the strategic objectives of the department.	A copy of the strategic plan.
<p>9.6.4. Service delivery model illustrating how the model has informed the organisational design.</p> <ul style="list-style-type: none"> - Describing the service delivery model developed by the department. - Indicating to what extent alternative service delivery mechanisms have been considered in functional configuration and provision of the required capacity. <p>A copy of the service delivery model to be used to illustrate alignment to the proposed organisational structure can be accessed from the DPSA website (www.dpsa.gov.za).</p>	A copy of the service delivery model illustrating alignment to the proposed organisational.
<p>9.6.5. HoD's assurance letter, supported by the National or Provincial Treasury to assess if the proposed organisational structure is in line with MTEF budget projections.</p> <ul style="list-style-type: none"> - Providing a summary of the implementation plan on how posts will be funded within the available budget over the MTEF, based on the proposed levels. - Illustrating the percentage in cost of employee compensation based on the overall budget of the department. - Illustrating the percentage in cost of administration (programme 1) posts as compared to the line function posts. - Illustrating the percentage in cost of senior management posts as compared to operational posts. - Illustrating the percentage in cost of new posts, and its implication of the increasing staff establishment. <p>N.B.: Before creating a post for any newly defined job, or filling any vacancy, an EA shall confirm the need for the post to meet the department's objectives, and ensure that sufficient budgeted funds, including funds for the remaining period of the MTEF, are available for filling the post. In case of a newly defined job, the EA shall evaluate the job in terms of the job evaluate system, in line with the requirements of the PSR.</p>	Assurance letter signed by the CFO and the HOD, as supported by the National or Provincial Treasury.

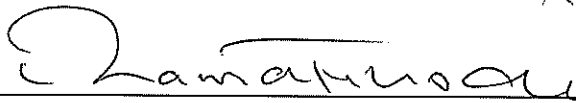
CONSULTATION REQUIREMENTS	EVIDENCE REQUIRED
<p>9.6.6. The confirmation and signatures of the Senior Managers responsible for the Organisational Design function, Chief Financial Officer, Head of the Department/Director-General and the Executive Authority (EA) that the documents submitted to the relevant EA and the Minister (MPSA) complies with the requirements of the PSA, PSR and the Directive on matters pertaining to the changes to the organizational structure by departments.</p>	<p>Signatures by the Senior Managers responsible for the Organisational Design function, Chief Financial Officer, Head of the Department/Director-General and the Executive Authority. (Template is attached as Annexure D)</p>
<p>9.6.7. The approved (current) organisational structure to track the changes. The OD register should accompany the consultation request reflecting the changes made to the current organisational structure during the implementation period.</p>	<p>The approved (current) organisational structure. The OD register (template is contained as Annexure C)</p>
<p>9.6.8. The proposed organisational structure clearly:</p> <ul style="list-style-type: none"> - Identifying purposes and functions. - Illustrating logical flow between purposes and functions. - Identifying functional workflow, based on effective and streamlined work processes and procedures necessary to carry out the objectives of the units. - Illustrating reasonable functional decomposition to inform the division of work and how fragmentation have been avoided. This is to ensure that an organisation is not split into many smaller components or jobs functionally decomposed into many over-specialised areas, especially in repetitive, routine and highly regulated activity-based functions like corporate resources and administrative support related functions. - Elimination of duplications and overlaps to ensure clear allocations of responsibility and accountability. - Ensuring alignment of purposes and functions to the sector generic functional structure, where applicable. - Indication that reporting lines and accompanying delegations of authority have been taken into account. - Reasonable span of control, considering the nature of the work i.e. complexity, routine and repetitive tasks, the degree of risk and coordination, degree of specialization, qualifications, required work experience and geographical dispersement. - Illustrating how units have been established considering the size and scope of each unit to ensure reasonable managerial and supervisory workload. 	<p>Proposed organisational structure (example contained Annexure A).</p>
<p>9.6.9. Proposed organisational structure incorporating the post establishment information clearly identifying existing funded (in green) and newly created posts (in red).</p> <ul style="list-style-type: none"> - Illustrating how the skill gaps identified in the human resource plan are taken into consideration in identifying capacity requirements in proposed organisational structure i.e. linking identified skills gaps to the proposed posts. - Analysis of work measurement outcomes that informed the creation of additional posts. Indicate whether the scope and size of each unit was established on scientifically based processes and how this has been done thus indicating if the work has been measured to ensure that each unit represents a reasonable managerial work load and whether production norms and the nature, extent and degree of difficulty of the work has been determined as well as whether the work is proportionately redistributed amongst existing posts. - Illustrating the distribution of posts across the units and programmes i.e. Line vs. Corporate. - Illustrating clear relationships between positions i.e. no staff supervising others at the same level and how existing posts facilitate career progression. 	<p>Proposed organisational structure. Section within the Management Service Report must indicate the work measurement investigation.</p>

CONSULTATION REQUIREMENTS	EVIDENCE REQUIRED
9.6.10. Providing the rationale for creation of posts additional to the establishment. <ul style="list-style-type: none"> - Illustrating that capacity in the EA Offices is in line with the Ministerial Handbook. - Providing job evaluation outcomes, as a minimum requirement, based on the recommendation of the panel to assess the justification of grading levels of the redesigned and new posts. - Assess if the designation of the posts and units are in line with the functions of the units, and if the name of the department in line with the PSA schedule in this regard. 	Summary of the job evaluation outcomes and the recommendation of the panel on the newly created and redesigned posts.
9.6.11. An indication that the department considered implications for staffing and related to factors such as: <ul style="list-style-type: none"> - Relocation of posts with incumbents. - The handling of excess, if there are any. - Illustration of how these factors will impact on the implementation of the proposed organisational structure. 	Section within the Management Service Report must indicate staff establishment implications as a result of the changes.
<p><i>A checklist to assist departments in ensuring adherence to the above requirements can be accessed from the DPSA website.</i></p> <p><i>The standard procedures, protocol and approval process flow applicable to the organisational design function in the public service is contained in Annexure B.</i></p>	

- 9.7. The consultation with the MPSA shall be regarded as concluded based on the following:
- (a) EA receipt of a signed letter from the MPSA containing recommendations, comments or advice on the organisational structure for approval.
 - (b) EA considered the content of the MPSA letter and approved the organisational structure for implementation in good faith by signing all the pages (including the date) to avoid unauthorized changes.
 - (c) MPSA receipt of the approved and signed organisational structure from the EA, after consideration of the comments of the MPSA, to update the database that shall inform future consultation requests. In case the organisational review and redesign process does not result in changes to the organisational structure affecting all posts from salary level 09 to level 16 (PSA posts, including OSD posts) with regard to creation of units and posts, the department is still required to submit the approved and signed organisational structure to the DPSA to update the database that shall inform future consultation requests.
 - (d) In the event that, after the organisational review and redesign process the macro-structure of the department is not affected (i.e. changes to the organisational structure affecting all posts from salary level 09 to level 16 (PSA posts, including OSD posts) with regard to creation of units and posts), the department is still required to submit the approved and signed organisational structure to the DPSA to update the database that shall inform future consultation requests.
 - (e) In the event that the relevant EA does not implement the advice of the MPSA, the relevant EA must inform the MPSA of such reasons thereof in writing.

10. COMPLIANCE MONITORING AND REPORTING

- 10.1. Compliance, monitoring and reporting on the changes to organisational structures and implementation of the approved organisational structures by departments, after consultation with the MPSA, shall be conducted in line with section 16A of the PSA and section 38 of the Public Finance Management Act, 1999.
- 10.2. The monitoring of compliance on the implementation of organisational structures by departments, after consultation with the MPSA must contribute to ensuring that departments are configured in such a way that they respond to their legislative mandate and achieve set strategic objectives of departments. If compliance is ignored, the consequences of non-compliance with legislative requirements can be very costly and can have a detrimental effect on the department.
- 10.3. Departments are required to keep an updated OD register that captures the changes to the approved organisational structures, after consultation with the MPSA. The template is contained as **Annexure C**.



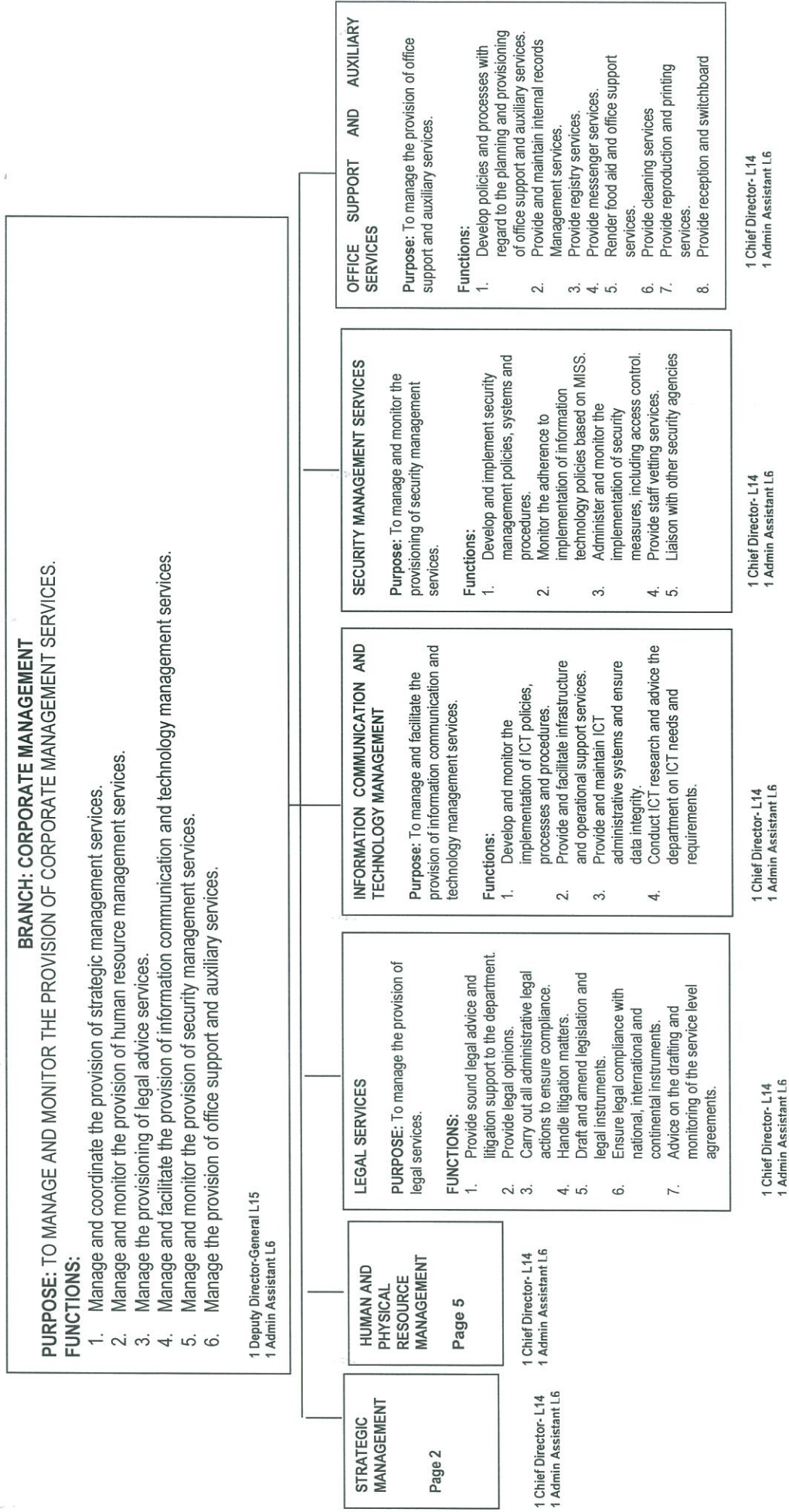
ADV. NGOAKO. A. RAMATLHODI, (DR), (MP)

MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

DATE: 12/09/2016

ANNEXURE A: AN EXAMPLE OF THE REQUIRED FORMAT OF THE ORGANISATIONAL STRUCTURE (FUNCTIONAL STRUCTURE AND POST ESTABLISHMENT)

Figure 1.



ANNEXURE B: STANDARD PROCEDURES, PROTOCOL AND PROCESS ON ORGANISATIONAL STRUCTURING

The document provides the fundamental principles, procedures and protocol that apply to the organisational design processes in the public service. Adherence to the set principles, conditions and legislative framework is a requirement and of utmost importance. All tasked with the responsibilities of organisational structuring in the public service should understand the legislative provisions as set out in the Public Service Act, 1994, Public Service Regulations, 2016 and this Directive.

PRINCIPLES/PROCEDURES	REFERENCE
<p>1. The Minister for Public Service and Administration (Minister) is responsible for the development of norms and standards regarding organisational matters and the Minister give effect to the norms and standards by issuing regulations, directives and determinations.</p>	<p>Section 3 of the <i>Public Service Act, (PSA)</i>, 1994</p>
<p>2. The competency of EAs regarding the internal organisation of departments is exercised within the norms and standards determined by the MPSA regarding the organisational structures and establishments of departments and other organisational and governance arrangements in the Public Service.</p>	<p>Section 3 of the <i>Public Service Act, (PSA)</i>, 1994</p>
<p>3. In line with the PSR, based on the strategic plan of the department, an executive authority shall-</p> <ul style="list-style-type: none"> a) determine the department's organisational structure in terms of its core mandated and support functions— <ul style="list-style-type: none"> (vii) in the case of a national department or national government component, after consultation with the Minister and National Treasury; and (viii) in the case of a provincial department or provincial government component, after consultation with the relevant Premier, the Minister and the relevant Provincial Treasury. b) define and create the posts necessary to perform the relevant functions of the department while remaining within— <ul style="list-style-type: none"> (vii) the current budget; (viii) the Medium-Term Expenditure Framework of the department; and (ix) the norms and standards determined by the Minister for post provisioning for occupations or categories of employees; and the posts so defined and created shall constitute the department's approved establishment; c) grade proposed new jobs according to the job evaluation and job grading systems referred to in regulation 41(1), except where the grade of a job has been determined in terms of an OSD or directed by the Minister in terms of regulation 41(2)(d); and (d) engage in human resource planning in accordance with regulation 26 to meet the resulting human resource needs. 	<p>PSR 25 (2)</p>

PRINCIPLES/PROCEDURES	REFERENCE
<p>4. Based on the strategic plan of the department, an executive authority shall determine the department's organizational structure in terms of its core and support functions and define the posts necessary to perform the relevant functions while remaining within the current budget and medium-term expenditure framework of her or his department, and the posts so defined shall constitute the department's approved establishment.</p>	<p>PSR 25 (2)(a) and (b)</p>
<p>5. An EA shall determine the organisational structure of a department after consultation with the MPSA.</p>	<p>PSR 25 (2)(a)</p>
<p>6. Cabinet approved the MPSA directive for EAs to consult Minister for changes to organisational structures affecting the 3 top tiers (DDG, CD and Director levels) in July 2006.</p>	<p>MPSA Organisational Design Directive, 2015</p>
<p>7. The review of 2015 Directive on organisational structuring.</p>	<p>Delivery Agreement, Outcome 12</p>
<p>8. Cabinet noted the following - (a) the organizational development and design principles that are applicable to departments in the Public Service; (b) the DPSA would further present organisational development and design principles to Provincial Executive Councils; (c) urged uniformity between Government Departments on these norms and standards; and (d) approved that proposals be presented by the DPSA on the above matters.</p>	<p>Cabinet decision of 8/12/2010</p>
<p>9. The MPSA, since December 2010 has been engaging Provincial Executive Councils directly on the organisational design principles and processes and recorded all inputs and recommendations which may impact on the adjustment of the legislative provisions.</p>	<p>Cabinet decision of 08/12/2010</p>
<p>10. The development of generic functional structures for sector Departments.</p>	<p>Delivery Agreement, Outcome 12</p>
<p>11. Cabinet approved the repositioning of HR Functions and the proposed structures to be applied to all line departments.</p>	<p>Cabinet decision 11/06/2008</p>
<p>12. The approved departmental human resource plan must inform the human resource capacity requirements, and assist the department in anticipating and manage surpluses and shortages of staff.</p>	<p>Strategic Human Resource Planning Guidelines and Framework for the Public Service.</p>
<p>13. The review of the delegations must be considered to ensure to the new organisational structure.</p>	<p>Directive on Public Administration and Management Delegations, 2014.</p>

STAKEHOLDERS WITH A CRITICAL ROLE TO PLAY DURING THE CONSULTATION PROCESS	
Decision Makers and Stakeholders	Purpose of Consultation
1. Departmental Task Team	<p>Conduct organisational review process in line with the DPSA Guide on Organisational Structuring and work-study principles and practices.</p> <p>In case there is Provincial Organisational Review and Structuring protocol in place, representatives from the Office of the Premier should provide advice during the review and redesign process to ensure adherence to provincial requirements before the decision makers supports the proposal at departmental level.</p> <p>The DPSA approach is to finalize and resolve all identified organizational design issues at departmental level, in collaboration with the relevant departments and the Offices of the Premier before the request is submitted to the MPSA for consultation. Hence, it is advisable for departments, in collaboration with the Offices of the Premier to seek the DPSA advice in a form of a working session (not a formal consultation) on the draft proposal, at this stage.</p> <p>If necessary, the National Sector Departments will be consulted to provide advice on sectoral strategic alignment.</p>
2. Senior Managers responsible for the Organisational Design	<p>The confirmation and signatures of the Senior Managers responsible for the Organisational Design function that the documents submitted to the relevant EA and the Minister (MPSA) complies with the requirements of the PSA, PSR and the Directive on matters pertaining to the changes to the organizational structure by departments.</p>
3. Chief Financial Officer and Budget Committee	<p>Based on the budget information from the National/Provincial Treasury, provide advice on financial implications, before the decision-making authority approves the proposed changes.</p>
4. Manco/Executive Structure	<p>Ensure alignment of the organisational structure to the functional strategies.</p> <p>Support that the proposal be submitted to the Director-General/Head for recommendation to the Executive Authority.</p>
5. Director-General/Head of the Department	<p>Champion the organizational review and change management process.</p> <p>Ensure that all, and in particular affected staff are consulted on the rationale, processes, timelines and envisaged outcomes of the organisational review and redesign process.</p> <p>Ensure consultation with the trade unions in the Departmental Bargaining Chamber for buy-in and support. Staff need to understand who will be affected and how. The consultation need to be conducted in line with the relevant workplace agreements, which require management to undertake certain consultation processes.</p> <p>Recommend the proposed changes to the Executive Authority support.</p>
6. Executive Authority	<p>Support the proposed changes and submit the consultation request in the case of a national department or national government component, after consultation with the Minister and National Treasury; and in the case of a provincial department or provincial government component, after consultation with the relevant Premier, the Minister and the relevant Provincial Treasury for advice and concurrence.</p>
7. MPSA	<p>Concur with the proposed organisational structure or provide advice in cases where concurrence could not be granted.</p>
8. Executive Authority	<p>Approve the final organisational structure, after consultation with the MPSA, by signing all the pages of the new structure to avoid unauthorized changes.</p>

STAKEHOLDERS WITH A CRITICAL ROLE TO PLAY DURING THE CONSULTATION PROCESS	
Decision Makers and Stakeholders	Purpose of Consultation
9. Executive Authority	Submit the approved organisational structure to the DPSA to serve as baseline information and to inform future consultation requests.

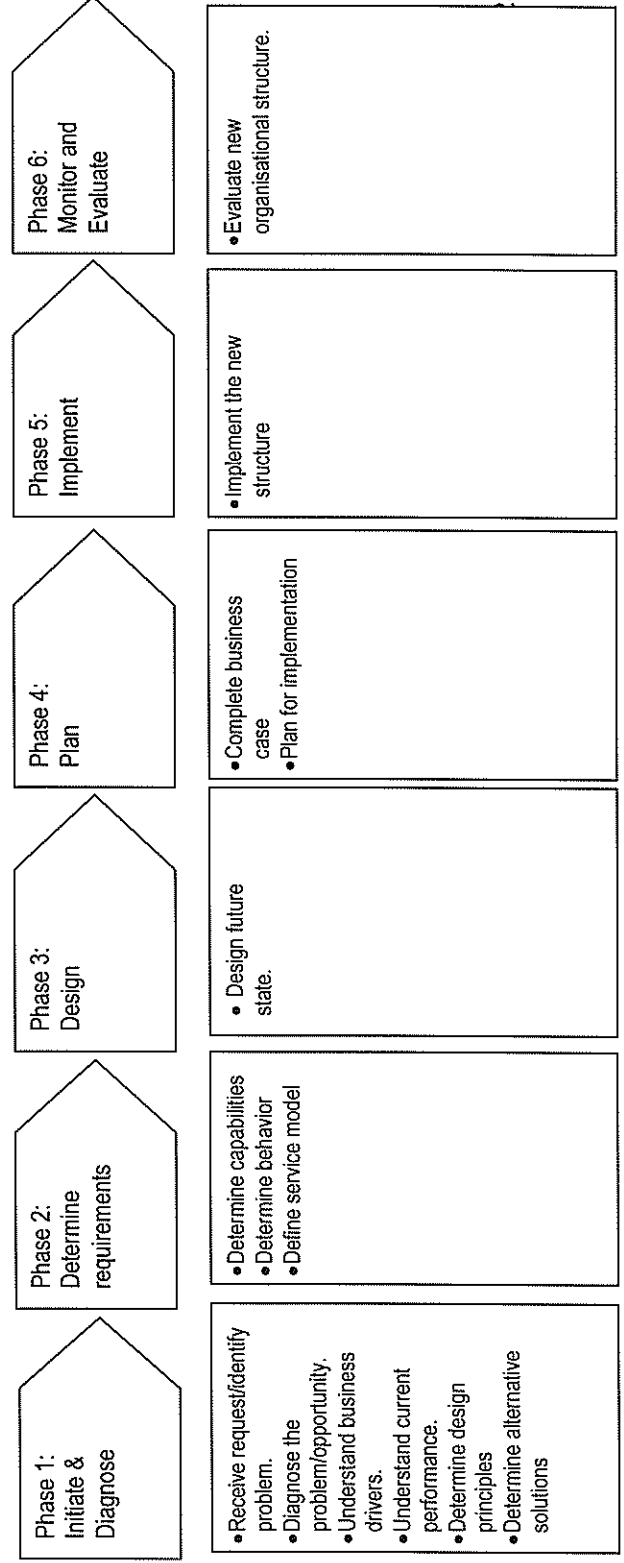
ORGANISATIONAL REVIEW AND REDESIGN PROCESS

The nature and scale of the exercise shall inform the organisational review and redesign processes to be followed by departments, in line with the requirements of the PSA and PSR. The process to be followed must be guided by the following seven phases, consisting of different steps, as well as decision making and review points, in line with DPSA Guide and toolkit on Organisational Structuring available on the DPSA website:

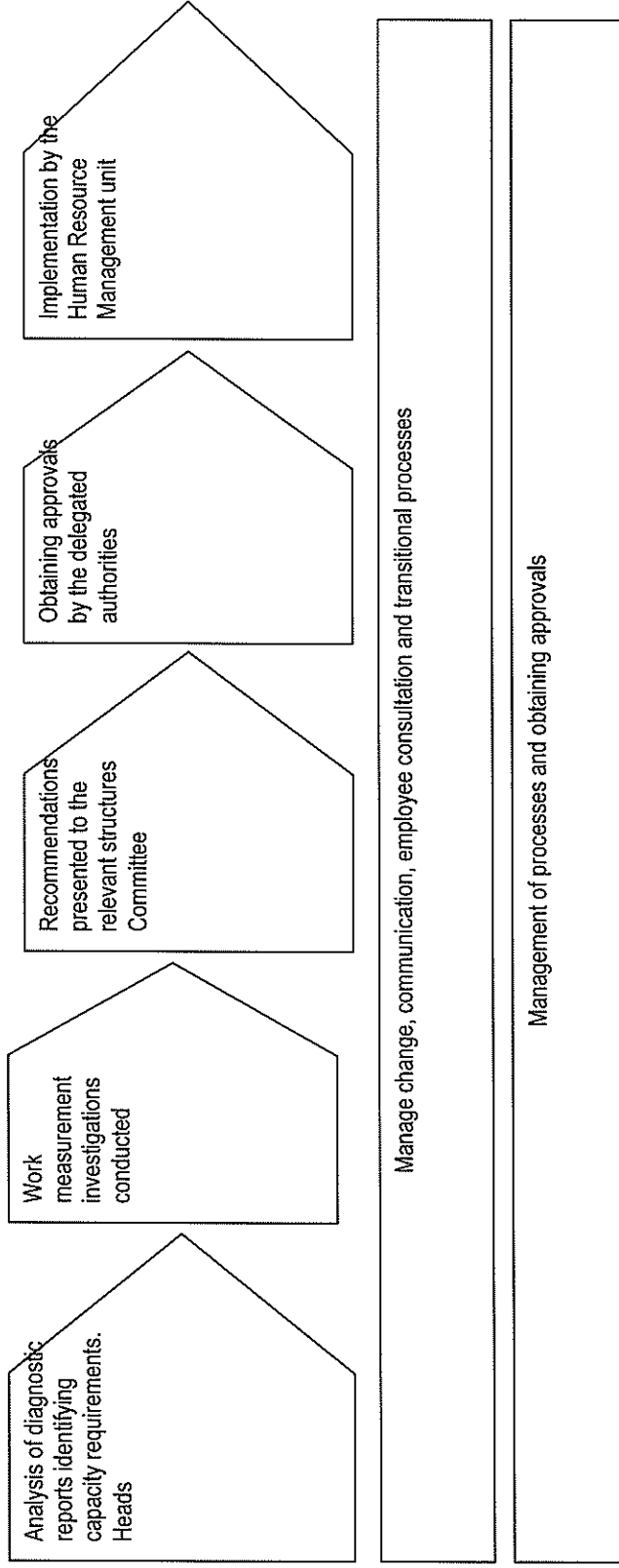
- Phase 1: Diagnostic.
- Phase 2: Determine organisational requirements.
- Phase 3: Design a functional structure.
- Phase 4: Determine staff establishment requirements and the costing thereof.
- Phase 5: Completion of the full business case for consideration by the relevant EA and MPSA.
- Phase 6: Implementation phase.
- Phase 7: Monitoring and evaluating the success of the adjusted or new organisational structure.

The organisational review and redesign processes must be managed as a project. The organisational structuring process is a change process that must be facilitated from top management level and should be consultative in nature, as the change may affect staff, systems and processes to a greater or lesser degree. Managers should be in a position to anticipate such changes and be ready to lead and deal with the change.

OVERVIEW OF THE ORGANISATIONAL REVIEW AND DESIGN PROCESS



OVERVIEW OF THE PROCESS ON THE CREATION OF POSTS



Amongst others, the following legislative framework must guide the implementation of the organisational review and re-design process:

- (a) Public Service Act, 1994, (Proclamation 103 of 1994).
- (b) Public Finance Management Act, 1999 (Act 1 of 1999))
- (c) Labour Relations Act, 1995 (Act 65 of 1995).
- (d) Public Service Regulations, 2016.
- (e) National Treasury Regulations.
- (f) Minister for Public Service and Administration Directive on Organisational Structuring.
- (g) Minister for Public Service and Administration Directive on Job Evaluation.
- (h) National Development Plan, 2001 as amended.
- (i) Public Service Collective Agreements.
- (j) Respective Departmental policies and legislative mandate.
- (k) White Paper on the Transformation of the Public Service (1995).
- (l) White Paper on the Transformation of Service Delivery: Batho Pele (1997).
- (m) Guides and Directives issued by the DPSA in areas of human resources and service delivery.
- (n) Guide on the organisational Structuring in the Public Service.
- (o) Guide on Transformation and Restructuring: Human Resources (June 2006)
- (p) Guidelines on Integrated Human Resource Planning in the Public Service.
- (q) Guidelines on the Ministerial Handbook.

ANNEXURE D: TEMPLATE FOR SIGNATORIES TO BE COMPLETED AND SUBMITTED AS PART OF THE CONSULTATION REQUEST

a) Senior Manager responsible for the Organisational Design Function

I (Fill in the name), hereby confirm that the necessary processes were followed and that the proposed changes to the organisational structure, as well as the attached supporting documents adhere to the requirements of the 2015 Directive on changes to the organisational structures by departments and complies with the relevant provisions in terms of the Public Service Act (PSA), 1994 (as amended), Public Service Regulations (PSR), 2016 and Public Financial Management Act (PFMA), 1999 and other relevant prescripts pertaining to the organisational review and redesign matters.

Title: _____
Date: _____
Signature: _____

b) The Chief Financial Officer

I (Fill in the name), hereby confirm that the department will be able to fund the proposed changes to the organisational structure within the available funding in terms of the Public Finance Management Act (PFMA), 1999 and other relevant legislative prescripts, as well as the Medium Term Expenditure Framework budget allocations, and that the attached summary of the financial implications is in line with the requirements of the 2015 Directive on changes to the organisational structures by departments, and the content thereof has been verified with the relevant Budget Analyst from the National/Provincial Treasury.

Title: _____
Date: _____
Signature: _____

c) The Head of the Department/Director-General

I (Fill in the name), hereby confirm that the necessary control mechanisms were put in place to ensure that all the necessary processes were followed and that the proposed changes to the organisational structure, as well as the attached supporting documents adheres to the requirements of the 2015 Directive on changes to the organisational structures by departments and complies with the relevant provisions in terms of the Public Service Act, Public Service Regulations and the Public Finance Management Act.

Title: _____
Date: _____
Signature: _____

In instances where the Head of the Department/Director-General is not certain that the necessary control mechanisms were put in place to ensure that all the necessary processes and that all the requirements have been met, she/he may request the Head of Internal Audit to conduct an investigation/verification process with a view to provide assurance that the necessary control mechanisms are in place and that the correct process were followed, in terms of the requirements of the 2015 Directive on changes to the organisational structures by departments, Public Service Act, the Public Service Regulations, Public Finance Management Act and other relevant legislative prescripts.

d) Signature of the Executive Authority on both the submission and the covering letter to support the proposed changes and the submission of the proposal to the MPSA for consultation request.