



THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF PLANNING, MONITORING AND EVALUATION

Preparation of Quarterly Performance Reports (National departments)

July 2014

FOREWORD

The guidelines on the Preparation of Quarterly Performance Reports provide instructions on how to complete quarterly performance reports; outlining requirements as per the Framework for Strategic Plans and Annual Performance Plans.

Performance information plays a significant role in planning for and measuring the priorities of government, budget allocations and the monitoring of service delivery and value for money. In terms of the Framework for Strategic Plans and Annual Performance Plans, institutions are required to develop strategic and annual performance plans that reflect their goals, objectives, indicators and targets. Strategic plans should include high level information on goals and objectives with five-year targets, and annual performance plans provide details of objectives and indicators with targets for the current year and the medium term period. Targets for the current year should be broken down into quarterly or bi-annual targets. Based on these quarterly targets, progress should be reported on a quarterly basis in a quarterly performance report.

Quarterly performance reports provide progress on the implementation of an institutions' Annual Performance Plan in the previous quarter, with particular reference to monitoring delivery against quarterly performance targets. As with the Strategic Plan and Annual Performance Plan, consistency and alignment in performance information (objectives, performance indicators and targets) should be ensured in the quarterly report. Institutions should therefore ensure that the actual achievements of targets set in the Annual Performance Plan are reported in the quarterly reports.

The legal requirements related to the production of quarterly performance reports are reflected in the Treasury Regulations. Section 5.3.1 states that 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. In addition, National Treasury Instruction Note 33 outlines that the mandatory requirements as set out in the Framework for Strategic and Annual Performance Plans should be fully complied with.

This guideline is applicable to all national departments.

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1. Introduction

Reporting on both financial and non-financial performance is important in measuring the performance of government institutions. While financial information (expenditure and revenue) is critical for determining the costs and efficiencies of programmes, non-financial information is equally important for assessing progress towards predetermined service delivery or performance targets. Performance information allows for a results-based management approach, where results or performance can be measured in order to recognise success and failure, and to adjust strategy accordingly. Measuring performance is important to ensure that, among others:

- Political oversight is enhanced and focus is on key priorities.
- Policy, planning, budgeting and reporting are aligned to get better service delivery
- Information is used strategically to improve public policy and funding choices, and to enable accountability
- Budgets relates to measurable results
- The public gets value for money

Quarterly performance reports function as an 'early warning system' by alerting departments to areas of weak performance, to potential problems and to where remedial action is required. This in-year monitoring reports also serve as an oversight tool to the Department of Planning, Monitoring and Evaluation and National Treasury and, as a management tool to departments. The Department of Planning, Monitoring and Evaluation will also utilise the quarterly performance reporting to seek alignment with reporting on governments Programme of Action. Quarterly Performance Reporting is one of the reporting mechanisms used as part of monitoring and evaluation, to inform the Executive Authority on what is achieved against predetermined objectives.

2. Quarterly Performance Reporting

Quarterly performance reports are based on the quarterly targets set in the Annual Performance Plans. The purpose of quarterly performance reports is to provide information on the overall progress made with the implementation of an institution's performance plan, on a quarterly, biannually and an annual basis. Institutions should ensure that the total for the four quarters is similar to the information that will be reported in the Annual Report for a particular financial year. Although changes to planned targets should not be made in the quarterly performance report, it is acknowledged that validations and revisions of reported numbers may be necessary in some cases where information management system difficulties may be experienced. Provisions have been made for reporting of both preliminary achievement and actual achievement for each quarter to allow for adequate verification of reported data.

It is important for institutions to appropriately describe the performance indicators that are reflected in the Annual Performance Plan and reported on in the quarterly performance report using the technical indicator description template (attached as **Annexure C**). This will enable them to identify individuals responsible for management of each indicator, method of collecting data, and calculating, analysing and interpreting data among other things.

2.1 Link to Strategic Plans and Annual Performance Plans

The goals and objectives in the Strategic Plan informs the Annual Performance Plan, where programme performance indicators and targets are aligned to strategic objectives. The five-year targets for objectives reflected in the Strategic Plans are represented as annual targets in the Annual Performance Plan, indicating how the long term target will be progressively realised. Plans, budgets and performance of an institution are linked in the Annual Performance Plan. An indication of whether the intended outputs and outcomes are being achieved should be reflected in the quarterly performance reports. Quarterly performance reports are ultimately consolidated into the performance information section of the Annual Report.

2.2 Performance information and targets as set out in the Annual Performance Plan

Strategic objective annual targets

Targets for the budgetary year and the medium term period for each strategic objective as specified in the Strategic Plan.

Strategic objective		Strategic Plan target	Audited/Actual performance			Estimated performance 20XX-1	Medium-term targets		
			20XX-4	20XX-3	20XX-2		20XX	20YY	20ZZ
1.1	Short name								
1.2	Short name								

Performance indicators and annual targets

Performance indicators and targets.

Performance indicator		Audited/Actual performance			Estimated performance 20XX-1	Medium-term targets		
		20XX-4	20XX-3	20XX-2		20XX	20YY	20ZZ
1.1	Short name							
1.2	Short name							

Quarterly targets

Quarterly targets for the performance indicators identified in the table above.

Performance indicator		Reporting period	Annual target 20XX	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Short name	Quarterly					
1.2	Short name	Biannual					
1.3	Short name	Annual					

Quarterly targets are based on strategic objectives and performance indicators reflected in the Annual Performance Plan.

2.3 Roles and responsibilities

2.3.1 Departments

- Departments should collate the quarterly performance information internally from line managers and different sources in line with the targets set in the Annual Performance Plans, verify the information and input into the quarterly reporting template.
- Departments should complete and submit quarterly performance reports to the Department of Planning, Monitoring and Evaluation and National Treasury using the template provided in **Annexure A**.

2.3.2 Department of Planning, Monitoring and Evaluation

- The Department of Planning, Monitoring and Evaluation will receive and analyse quarterly performance reports from departments for further communication with the departments.

Annexure A: Generic template for quarterly reporting

Name of department

Performance indicators	Target for 20XX as per Annual Performance Plan (APP)	1 st Quarter Target as per APP	1 st Quarter Preliminary output	1 st Quarter Actual output	2 nd Quarter Target as per APP	2 nd Quarter Preliminary output	2 nd Quarter Actual output	3 rd Quarter Target as per APP	3 rd Quarter Preliminary output	3 rd Quarter Actual output	4 th Quarter Target as per APP	4 th Quarter Preliminary output	4 th Quarter Actual	Pre-audited output
Programme X Sub-programme X-1														
Performance indicator														
Performance indicator														
Programme Y Sub-programme Y-1														
Performance indicator														
Performance indicator														
Programme Z Sub-programme Z-1														
Performance indicator														

- Briefly note variances between planned and preliminary/actual outputs as well as an explanation of the problems resulting in the variances. This should be done in point form for each performance indicator. An explanation of actions taken to resolve the identified problems relating to the achievement of set targets must also be provided.
- A department may also submit a narrative report which provides an account of any other service delivery information that is in addition to the information that is provided in the table above.

Annexure B: Reporting timelines

- All quarterly information must be signed off by the Accounting Officer of the institution and submitted in the format required, to the Executive Authority, the Department of Planning, Monitoring and Evaluation and to National Treasury. Preliminary information must be submitted within 30 days after the end of each quarter and actual information must be submitted within 60 days after the end of the quarter. The due dates for submission are as follows:

Quarter	Due date for submission
Q1: Quarter ending 30 June	28 August (Actual data)
Q2: Quarter ending 30 September	30 October (Preliminary data) 26 November (Actual data)
Q3: Quarter ending 31 December	29 January (Preliminary data) 25 February (Actual data)
Q4: Quarter ending 31 March	29 April (Preliminary data)

- The preliminary data for a particular quarter must be submitted within 30 days after the end of the quarter.
- The actual data for a particular quarter must be submitted within 60 days after the end of the quarter.
- There will be no submission of preliminary data for the first quarter. Actual data for Quarter 1 is due on the 28 August 2014.
- The fourth (Q4) quarter actual data must be submitted together with the pre-audited numbers for 2014/15 as per Annual Report at the end of May 2015.

Annexure C: Technical indicator description

Indicator title	Identifies the title of the strategic outcome oriented goal, objective or programme performance indicator
Short definition	Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator
Purpose/importance	Explains what the indicator is intended to show and why it is important
Source/collection of data	Describes where the information comes from and how it is collected
Method of calculation	Describes clearly and specifically how the indicator is calculated
Data limitations	Identifies any limitation with the indicator data, including factors that might be beyond the department's control
Type of indicator	Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity
Calculation type	Identifies whether the reported performance is cumulative, or non-cumulative
Reporting cycle	Identifies if an indicator is reported quarterly, annually or at longer time intervals
New indicator	Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year
Desired performance	Identifies whether actual performance that is higher or lower than targeted performance is desirable
Indicator responsibility	Identifies who is responsible for managing and reporting the indicator