



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

ENVIRONMENT & CULTURE SECTOR EPWP INCENTIVE MANUAL

FOR THE IMPLEMENTATION OF
THE EPWP INCENTIVE
FOR NATIONAL E&C SECTOR DEPARTMENTS

Version 3
APRIL 2012

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
GLOSSARY OF TERMS.....	4
ABBREVIATIONS.....	6
INTRODUCTION.....	7
CHAPTER 1: PRINCIPLES OF THE ENVIRONMENT & CULTURE SECTOR EPWP INCENTIVE (APPLICABLE FOR ALL USERS).....	9
1.1 ELIGIBILITY	9
1.2 INCENTIVISING EPWP DELIVERY	9
1.3 REWARDING EPWP PERFORMANCE	9
1.4 HAVING A FLEXIBLE INCENTIVE THAT ALLOWS FOR INCREASED SERVICE DELIVERY WHERE IT IS REQUIRED IS KEY	10
1.5 FOCUS ON EPWP WORK AND TARGET GROUP	10
1.6 EFFECTIVE, TRANSPARENT AND ACCOUNTABLE USE OF FUNDS	10
CHAPTER 2: INTRODUCING THE ENVIRONMENT & CULTURE SECTOR EPWP INCENTIVE AND HOW IT WORKS (APPLICABLE FOR ALL USERS).....	12
2.1 STEP 1: NDPW DETERMINES THE HIGH LEVEL JOB CREATION TARGETS FOR THE SECTOR	12
<i>Table 1: High Level Sphere and Sector Job Creation Targets for EPWP Phase II.....</i>	<i>13</i>
2.2 STEP 2: NDPW DETERMINES THE PROGRAMMES ELIGIBLE FOR THE INCENTIVE	14
<i>Table 2: Performance Criteria for Incentive Eligibility.....</i>	<i>14</i>
2.3 STEP 3: NDPW DETERMINES THE INCENTIVE ALLOCATION PER PROGRAMME	15
<i>Table 3: E&Cs EPWP Incentive Allocations for EPWP Phase II.....</i>	<i>15</i>
2.4 STEP 4: EXPANSION PLANNING	15
2.5 STEP 5: AGREEMENT CONCLUDED BETWEEN NDPW AND ELIGIBLE SECTOR DEPARTMENTS	16
2.6 STEP 6: PROGRESS REPORTING BY SECTOR DEPARTMENTS AND INCENTIVE DRAW DOWNS	16
<i>Table 4: Example of Quarterly Incentive Amounts earned against Performance.....</i>	<i>17</i>
2.7 STEP 7: MIDYEAR PERFORMANCE ASSESSMENT AND ADJUSTMENTS TO INCENTIVE ALLOCATIONS	18
CHAPTER 3: CONDITIONS APPLIED TO THE E&CS EPWP INCENTIVE (APPLICABLE FOR SECTOR DEPARTMENTS).....	20
3.1 SUMMARY OF KEY CONDITIONS AND REQUIREMENTS	20
<i>Table 5: Eligibility Requirements/ Conditions</i>	<i>21</i>
<i>Table 6: Participation Requirements/ Conditions</i>	<i>21</i>
<i>Table 7: Reporting Requirements</i>	<i>22</i>
<i>Table 8: Incentive draw down Requirements.....</i>	<i>22</i>
<i>Table 9: Incentive Use Conditions.....</i>	<i>23</i>
3.2 OTHER REQUIREMENTS IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999	23

CHAPTER 4:	SECTOR PLANNING (APPLICABLE FOR SECTOR DEPARTMENTS)	24
4.1	PLANNING FOR EXPANSION	24
	<i>Table 10: Agreed Basis For Programme Expansion</i>	24
	<i>Table 11: Template for Expansion Plan</i>	25
	<i>Table 12: Planning Timelines</i>	25
4.2	ESTABLISHING THE BASIS OF TECHNICAL SUPPORT	25
CHAPTER 5:	REPORTING & DISBURSEMENT PROCEDURES FOR SECTOR DEPARTMENTS (APPLICABLE FOR SECTOR DEPARTMENTS)	26
5.1	REPORTING	26
	<i>Figure 1: Monthly project data collection and validation progress</i>	27
	<i>Figure 2: Quarterly EPWP Reporting Process</i>	29
	<i>Table 13: Process for quarterly reporting and disbursement (summarised per quarter)</i>	30
	<i>Table 14: Overview of Reporting Timeframes and Responsibilities</i>	31
5.2	RECEIPT OF THE INCENTIVE	32
	<i>Table 15: How the Incentive will be Allocated and accessed/ drawn down</i>	33
5.3	ACCOUNTABILITY FOR THE USE OF THE INCENTIVE	33
CHAPTER 6:	AUDIT REQUIREMENTS AND COMPLIANCE (APPLICABLE FOR SECTOR DEPARTMENTS)...	34
6.1	KEY PRINCIPLES	34
6.2	INTERNAL AUDIT PURPOSE AND OBJECTIVE	34
6.3	ROLES AND RESPONSIBILITIES OF RELEVANT PARTIES IN AUDIT	35
6.4	AUDIT ACCOUNTABILITY ARRANGEMENTS	36
	<i>Figure 3: Audit Accountability Arrangements</i>	36
6.5	SCOPE OF WORK (FOR THE SECTOR DEPARTMENT & NDPW'S INTERNAL AUDIT)	37
6.6	DETAILED AUDIT PROCEDURES	37
	<i>Table 16: Controls and Audit Procedures for the Sector department in collecting key project data</i>	38
	<i>Table 17: Template for quarterly and/or annual audit reports by Sector Departments</i>	40
6.7	DETAILED AUDIT PROCEDURES – NATIONAL DEPARTMENT OF PUBLIC WORKS	40
CHAPTER 7:	ENVIRONMENT AND CULTURE SECTOR EPWP GOVERNANCE ARRANGEMENTS (APPLICABLE FOR ALL USERS)	42
7.1	ENVIRONMENT & CULTURE SECTOR GOVERNANCE ARRANGEMENTS	42
	<i>Figure 4: E&Cs Governance Structure</i>	42
7.2	ROLES AND RESPONSIBILITIES OF THE PARTIES IN IMPLEMENTING THE E&Cs EPWP INCENTIVE	43
	<i>Figure 5: Accountability Arrangements for the Incentive</i>	43
	<i>Table 18: Governance Responsibilities</i>	45
ANNEXURE:	ANNUAL E&C SCHEDULE	48

Glossary of Terms

The following terms are used throughout this document:

Term	Definition
Appropriation Act	To appropriate money from the National Revenue Fund for the requirements of the state for the 2012/13 financial year; and to provide for subordinate matters incidental thereto.
Audit Sampling	This involves the application of audit procedures to less than 100% of the items within a class of transactions to enable the auditor to obtain and evaluate audit evidence about some characteristics of the items selected, in order to form or assist in forming a conclusion concerning the population. Audit sampling can use either a statistical or non-statistical approach.
Baseline Budget	This is the normal MTEF budget allocation appropriated by Parliament to a department to implement a particular programme to achieve specific objectives in line with its constitutional mandate.
Baseline FTE target	"Baseline FTE target" means the targeted number of Full Time Equivalent Jobs that the programme is required to create using its baseline budget within the period 1 April 2012 to 31 March 2013
Code of Good Practice for Expanded Public Works Programmes	The Minister of Labour Gazetted a Code of Good Practice for Employment and Conditions of Work for Expanded Public Works Programmes. The code provides good practice guidelines to all stakeholders involved in EPWP in respect of working conditions, payments and rates of pay, disciplinary and grievance procedures. It also promotes a common set of good practices and minimum standards in employment practices among the different EPWP sub-programmes within South Africa. Refer to Gazette No 34032, of 18 February 2011. The code supersedes Gazette No. 23045, of 25 January 2002.
Compliance	Compliance means adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.
Condition (al)	Stipulation or requirement that must be met or should be present.
Control	Control means any action taken by management and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.
Cost per FTE	<i>Cost per FTE is calculated by:</i> dividing the total budget for an EPWP project by the number of full time equivalent jobs (FTEs) planned to be created.
Criteria	A set of decisive factors or elements often used to reach a decision.
Draw down	A draw down, in this context, is a request by a national Environment and Culture sector department to the National Treasury for the release of funds.
Drawings Schedule	A drawings schedule, for the purposes of the incentive, refers to a schedule which sets out the planned amount that each sector department should be able to access on a quarterly basis on each draw down date in the 2012/13 financial year based on the planned number of FTEs to be created for that quarter.
Eligible Sector Department	Refers to any department within the Environment and Culture sector that complies with the incentive eligibility criteria as agreed in the Environment and Culture Sector Programme Management Team.
Environment & Culture Sector (E&Cs) EPWP Incentive Allocation	The E&Cs EPWP Incentive Allocation is a specifically and exclusively appropriated budgetary allocation to eligible sector departments to expand job creation for the EPWP target group by implementing EPWP programmes/projects to achieve a targeted number of full time equivalent jobs (FTEs). The incentive is earned per quantum of employment created and is measured in full time equivalent jobs (FTEs) created against the set target.
EPWP Target group	Unemployed, local, low skilled South Africans willing to work on EPWP projects and programmes for a minimum wage rate of R63.18 per person day of work.
EPWP worker	A person employed to work in an EPWP project under the Code of Good Practice for Special Public Works Programmes or the Learnership Determination for unemployed learners.



Term	Definition
Expansion Plan	An expansion plan (whether developed for a particular programme or consolidated for the sector as a whole) is a document that explicitly articulates the strategy and measures that the programme/sector will implement to enable it to expand and meet its job creation targets. It would include detail on the expansion strategies employed; the focus areas; how programme scope will be expanded; new projects to be embarked upon; how EPWP will be mainstreamed; and how efficiencies will be created.
Full time equivalent Job (FTE)	FTE refers to one person-year of employment. One person year is equivalent to 230 person days of work. Person-years of employment = total number of person days of employment created for targeted labour during the year divided by 230. For task-rated workers, tasks completed should be used as a proxy for 8 hours of work per day.
Implementing Agents	An individual or firm contracted and authorised to act on behalf of the sector department, by implementing departmental projects and executing related transactions on their behalf. An implementing agent does not assume any financial risk in the transaction, and is expected to implement a project under the rules and conditions provided by the sector department.
Incentive amount earned	The Incentive amount earned is calculated as follows = Number of FTEs reported [by the end of a quarter] X Incentive subsidy per FTE
Incentive FTE target	"Incentive FTE target" means the targeted number of Full Time Equivalent Jobs that the programme is required to create using its incentive allocation within the period 1 April 2012 to March 2013.
Independence	Is the freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional, and organisational levels.
Internal Audit	Means an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control.
Job Creation Targets	The number of full time equivalent jobs and work opportunities that a sector department must create.
Key Performance Indicators (KPIs)	Indicators are qualitative and/or quantitative markers that define how performance toward the achievement of the programme, project or activity objective will be measured. There are different levels of indicators including – input, output, outcome and impact. The KPIs selected will be what performance is measured against.
Labour Intensity	Labour intensity refers to the size of the labour component of a project and is calculated as the percentage of wages against the project cost.
Ministerial Determination	The Minister of Labour issued a Ministerial Determination , which provides Conditions of Employment for Expanded Public Works Programmes, Refer to Gazette No 33665 , of 22 October 2010.
Monitoring	Monitoring is a process that involves measuring and tracking progress according to the planned situation including; inputs, resources, completion of activities, costs, timeframes, etc.
Performance	Performance is the achievement, accomplishment, success towards realizing an objective/goal.
Programme	A programme is a coordinated approach to explore a specific area related to an organisation's mission. It usually includes a plan of action or events which identifies staff and related activities or projects leading towards defined and funded goals.
Programmatic outputs	These are the service delivery outputs to be achieved by a programme.
Project	Specific component of a larger programme designed to achieve a specific objective within a given budget and within a specific period of time. A project usually includes a detailed plan of actions to be undertaken.
Reporting	Reporting is a process that best communicates the required information collected during monitoring and/or evaluation for optimum use by different stakeholders.
Reporting requirements	Reporting requirements are the information needs of key stakeholders.



Term	Definition
Risk	Risk is the possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.
Risk management	Risk management is the process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.
Work opportunity	Paid work created for an individual on an EPWP project for any period of time. The same person can be employed on different projects and each period of employment will be counted as a job opportunity.

Abbreviations

The following abbreviations are used throughout this document:

DAC	Department of Arts and Culture
DAFF	Department of Agriculture, Forestry and Fisheries
DEA	Department of Environmental Affairs
DG	Director-General (of a national department)
E&Cs	Environment and Culture Sector
EPWP	Expanded Public Works Programme
FTEs	Full Time Equivalent Jobs
IAs	Implementing Agents
IIC	Investing in Culture
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NCC	National Coordinating Committee
NDT	National Department of Tourism
PFMA	Public Finance Management Act
NDPW	National Department of Public Works
SRI	Social Responsibility Implementation
SRPP	Social Responsibility Policy and Projects
WfW	Working for Water
WoF	Working on Fire
WfF	Working for Fisheries

Introduction

The Expanded Public Works Programme (EPWP) is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment. Phase I of the Expanded Public Works Programme commenced on 1 April 2004 and had the goal of creating 1 million work opportunities over its first five years. Phase II of the EPWP will be implemented over the 2009-2014 financial years with the aim of creating 2 million full time equivalent jobs (or 4.5 million work opportunities) by the end of the period.

While the second phase is a continuation of the first phase in many ways, phase II aims to significantly expand the creation of temporary work opportunities that provide income to the poor and unemployed. The focus is on increasing the duration of the work opportunities offered; hence the primary output of the programme has been defined now as the number of full time equivalent jobs (FTEs) created. Another change is the introduction of tailor made EPWP incentives for different spheres and sectors – the intention of the EPWP incentive is to incentivise increased job creation efforts by public bodies by providing them with a financial reward.

The Environment and Culture Sector (E&Cs) Expanded Public Works Programmes (EPWP) are delivered nationally by the National Departments of Environmental Affairs (DEA); Tourism (NDT); Agriculture, Forestry and Fisheries (DAFF), Mineral Resources, Energy and Arts and Culture (DAC). At a provincial level, the sector includes provincial departments of Agriculture; Environmental Affairs; Tourism; Sport, Recreation, Arts and Culture as well as Economic Affairs (although all in a variety of forms).

The focus areas for the E&Cs EPWP programmes have been:

- a- Integrating sustainable rural development and urban renewal
- b- Creating land-based livelihoods
- c- Promoting community-based natural resource management (sustainable management and efficient use of natural agricultural resources and production inputs)
- d- Developing our natural resources and cultural heritage
- e- Rehabilitating natural resources and protecting biodiversity
- f- Promoting tourism.

The EPWP Incentive for the E&C sector is designed to deploy additional resources to sector programmes that are performing well and have the potential to expand further. The incentive is structured to reward sector departments that create EPWP work by reimbursing them a portion of their wage costs. The more employment created, the higher the incentive that will be paid out.

The purpose of this manual is to:

- a- Explain in detail how the E&Cs EPWP incentive will function
- b- Provide information on how sector departments can access the incentive
- c- Detail the administrative requirements and processes that will be in place to manage and account for the incentive.

Definitions Reminder Box

A **work opportunity** is paid work created for an individual on an EPWP project for any period of time.

A **full time equivalent job** refers to one person-year of employment. One person year is equivalent to 230 person days of work.

The **E&Cs EPWP Incentive Allocation** is a specific and exclusive budgetary allocation appropriated to eligible sector departments to expand job creation for the EPWP target group by implementing EPWP projects or programmes to achieve a targeted number of full time equivalent jobs (FTEs). The incentive is earned per quantum of employment created and is measured in full time equivalent jobs (FTEs) created against the set target.

In each chapter of the manual, it will distinguish the users of such information. The following users have been identified:

- a- Sector departments (those that have an incentive allocation appropriated on their vote and those who do not)
- b- Implementing Agents who implement EPWP programmes/projects on behalf of sector departments
- c- Data capturers assisting sector departments to capture progress and performance information into departmental EPWP reporting system
- d- Finance teams: Chief Financial Officers and Internal Audit units (of sector departments)
- e- Oversight and regulatory bodies: National Treasury, Environment & Culture Sector Programme Management Team (PMT), relevant cluster and the Presidency.

Note regarding Version 3 (APRIL 2012)

This is the third version of the manual issued by the National Department of Public Works (NDPW) in April 2012. NDPW will issue annual amendments to this manual from time to time or an updated version every year. While NDPW will make all efforts to communicate changes or updates to the manual, all users are encouraged to ascertain with the EPWP Unit or on the EPWP website (www.epwp.gov.za) whether such updates have been issued.

Chapter 1: Principles of the Environment & Culture Sector EPWP Incentive (Applicable for all users)

There are key principles that underpin the EPWP Incentive for this sector. These are explained below:

1.1 Eligibility

Eligibility for the incentive is determined per EPWP programme. Programmes are not automatically eligible for the incentive. Specific criteria has been set and applied to determine whether the various sector programmes are eligible or not:

- a- Reporting is the basic criteria applied across the whole of EPWP for eligibility for the incentive. To be eligible for the E&Cs EPWP incentive in the next financial year, all programmes must have reported to NDPW on EPWP performance in a prior financial year.
- b- The second criterion is: programmes that have reported, must have achieved satisfactory performance in a prior financial year.

1.2 Incentivising EPWP delivery

It is intended that the availability of an incentive will:

- a- Motivate sector departments to design their EPWP programmes/projects more labour intensively
- b- Incentivise sector departments to develop new EPWP programmes/projects and not just expand existing ones
- c- Prioritise funding new projects that have a higher labour content
- d- Promote efficiency in operations i.e. reduce administration and material costs to dedicate more funding to wages
- e- Promote partnerships where possible to maximise and extend benefits: The incentive provides an opportunity for national sector departments to develop partnerships and cooperative arrangements with other spheres, organisations and implementing agents to co-fund and replicate successful programmes across the country in accordance with national norms and standards for desirable long terms environmental benefits.

This will facilitate increased job creation from baseline budgets allowing access to further funding.

1.3 Rewarding EPWP Performance

The incentive is entirely performance based.

The E&Cs EPWP incentive is designed to reward programmes that perform, i.e. that deliver their programmatic outputs and meet their job creation targets. Eligibility is determined based on performance. In addition, as sector departments implement their EPWP programmes/projects from their baseline budgets, jobs are created, and performance is reported and verified; sector departments will be authorised to draw down the portion of the incentive that is earned based on the number of FTEs created.

As such, the EPWP Incentive Allocation appropriated on the sector department's vote (as indicated in the 2012 Appropriation Act) is an indication of the amount available to be drawn down by the sector department should they meet their job creation targets.

Definitions Reminder Box

An **eligible sector department** refers to any department within the Refers to any department within the Environment and Culture sector that complies with the incentive eligibility criteria as agreed in the Environment and Culture Sector Programme Management Team.

Baseline Budget is the normal MTEF budget allocation appropriated by Parliament to a sector department to undertake a particular programme in line with its constitutional mandate.

The **Appropriation Bill/Act** appropriates money from the National Revenue Fund for the requirements of the State for the 2012/13 financial year; and to provide for subordinate matters incidental thereto.

A **Job creation target** is the number of full time equivalent jobs and work opportunities that a sector department must create.

1.4 Having a flexible Incentive that allows for increased service delivery where it is required is key

The E&C sector builds South Africa's natural resource and cultural heritage (generating useful outputs and positive outcomes in the areas of environment, heritage, biodiversity, and land care) and in doing so, dynamically uses this to create both medium and long term work and social benefits. The basket of programmes in this sector is diverse with programme management and delivery being undertaken through various implementing arrangements.

So the incentive for this sector must allow programmes that have the scope and ability to expand more rapidly than others, faster access to additional funds. It is recognised that the expansion of job creation may in fact in the short term favour programmes where scope exists for immediate expansion; where demand is greater than supply; where there are popular areas of work, etc. The incentive must be able to reward service delivery expansion where it is needed and the creation of jobs where they are needed.

1.5 Focus on EPWP work and target group

While many government programmes and projects create employment, not all of them are classified as EPWP programmes/projects. Given the wide variation of programmes/projects implemented by government, it is not always straightforward to distinguish which are EPWP programmes/projects.

The key characteristics of EPWP programmes/projects are listed below:

- a- EPWP programmes/projects employ large numbers of local, unskilled, unemployed persons who are willing to work, defined as the EPWP target group
- b- EPWP programmes/projects are highly labour intensive: a large percentage of the overall programme costs are paid out in wages to the EPWP target group
- c- EPWP programmes/projects provide a service to, or develop an asset for, the community.

For the purpose of distinguishing what work will qualify as EPWP work that will qualify for being rewarded through the EPWP incentive, it has been determined that:

- d- Work that complies with the Ministerial Determination and Code of Good Practice for Expanded Public Works Programmes will be categorised as EPWP work qualifying for the incentive.
- e- In addition to the above Code, it should be noted that:
 - Wage costs of government employees will not be eligible for being rewarded through the incentive
 - EPWP programmes/projects may not result in the displacement of existing workers or in the downgrading of existing workers' employment conditions
 - The EPWP target group may not be paid a daily wage rate lower than R63, 18c per person day of work.

1.6 Effective, transparent and accountable use of funds

It is important that the incentive is managed and used in a manner that is transparent and helps to improve accountability on the EPWP. The EPWP Incentive Allocation must be used for expanding EPWP programmes/projects and can only be used in the manner stipulated in the Sector Expansion Plan. The Sector Expansion Plan indicates anticipated areas of expansion where the incentive will be invested.

Definitions Reminder Box

An **expansion plan** (whether developed for a particular programme or consolidated for the sector as a whole) is a document that explicitly articulates the strategy and measures that the programme/sector will implement to enable it to expand and meet its job creation targets. It would include detail on the expansion strategies employed; the focus areas; how programme scope will be expanded; new projects to be embarked upon; how EPWP will be mainstreamed; and how efficiencies will be created.

- a- *In terms of planning:* Planning for job creation has been mainstreamed – sector departments develop expansion plans for each of their EPWP programmes/projects indicating their priority areas and how specifically how their programmes/projects support the country's job creation goals. The sector expansion plan will:
- Explicitly articulate the measures that each sector programme will implement to enable it to expand and meet its job creation targets
 - Indicate how each sector programme will create further efficiencies to enable it to meet its job creation targets at a lower cost
 - Indicate how implementation will be supported and progress monitored.
- b- *In terms of performance assessed and incentives earned:* It is important that the basis for each incentive draw down against performance is clearly and objectively determined. The Environment and Culture Sector Programme Management Team (E&Cs PMT) will endorse the methodology to be applied to determine the incentive amounts earned; and the performance data to be used as the basis of incentive calculations must be agreed with sector departments before drawn downs on the incentive is approved by National Treasury. NDPW will manage the process of reporting on job creation outputs.
- c- *In terms of reporting on spending:* National Treasury will ensure that spending against the incentive amount drawn down is clearly reported against in terms of section 40(4) (c) of the Public Finance Management Act (PFMA).

Chapter 2: Introducing the Environment & Culture Sector EPWP Incentive and how it works (Applicable for all users)

At the beginning of EPWP Phase II, the National Department of Public Works was mandated to set high level job creation targets for government to achieve over the 5 years.

The **Overall EPWP Phase II target is: 2 million FTEs will be achieved through the creation of approximately 4.5 million work opportunities with an average duration of 100 days each¹.**

2.1 Step 1: NDPW determines the High Level Job Creation Targets for the Sector

Setting **job creation targets** is a two-step process.

(1) Top-Down Estimation of High Level Job Creation Targets for the Sector

The first step in the process is determining high level sector and sphere job creation targets i.e. a top-down estimation of high level job creation targets for the sector. This is not an exercise particular to the Environment and Culture sector, as NDPW estimates the overall 5 year job creation targets for the country (in both FTEs and work opportunities); these are split across the five years of the second phase; and then distributed across the sectors of the EPWP. This target setting process is known as the sphere targeting exercise undertaken at the beginning of every new Phase of EPWP.

The overall job creation targets for sectors are based on:

- a- Maintaining a stable sector share contribution to EPWP
- b- The size, share and growth of the sector's appropriated budgets
- c- The past performance of the sector relative to other sectors.

Method of determining sector targets from the overall EPWP Phase II job creation targets

- a- In determining the job creation targets per sector at the beginning of phase II, the performance (share) of each sector in 2007/08 was used as a starting point to allocate each sector a share of the overall phase II target. For the outer four years of phase II, the respective shares of each sector were adjusted in line with the growth projections for each sector.
- b- The difference between the shares of the work opportunities versus the share of the FTEs represents the different characteristics of each sector and their tendency to create shorter or longer term work opportunities.

These respective shares can be adjusted annually as budget allocations shift and actual performance data of each of the sectors become available.

The Overall High Level Job Creation Targets set for the Environment and Culture Sector determined by the National Department of Public Works is detailed in the table below:

¹ It is recognised that some activities lend themselves better to longer term work and others to shorter term work. When the average of the entire EPWP is measured however, it is the objective for the second phase to increase the average from the approximately 70 days achieved in Phase I to 100 days in the Phase II. The phase II target decided after an extensive process of reviews, research and consultation across government. It was informed by the existing need for employment for the EPWP target group, but constrained by available budgets and an assessment of the capacity within government to grow the EPWP further.

Table 1: High Level Sphere and Sector Job Creation Targets for EPWP Phase II

WORK OPPORTUNITIES					
	Infrastructure	Environ&Culture	Social	Non-state	Total
2009-2010	300 000	150 000	80 000	20 000	550 000
2010-2011	342 000	156 000	96 000	48 000	642 000
2011-2012	440 000	200 000	132 000	96 000	868 000
2012-2013	572 000	275 000	187 000	176 000	1 210 000
2013-2014	720 000	375 000	255 000	300 000	1 650 000
TOTAL	2 374 000	1 156 000	750 000	640 000	4 920 000

FULL TIME EQUIVALENTS					
	Infrastructure	Environ&Culture	Social	Non-state	Total
2009-2010	108 696	32 609	60 870	8 696	210 870
2010-2011	130 435	41 739	67 826	20 870	260 870
2011-2012	170 435	59 130	90 435	41 739	361 739
2012-2013	220 000	81 304	124 348	76 522	502 174
2013-2014	273 913	110 870	169 565	130 435	684 783
TOTAL	903 478	325 652	513 043	278 261	2 020 435

	Environment & Culture : Work Opportunity Targets				Environment & Culture : FTE Targets			
	Total	Municipal	Provincial	National	Total	Municipal	Provincial	National
2009-2010	150 000	3 043	48 657	98 300	32 609	1 103	9 494	22 012
2010-2011	156 000	3 165	50 603	102 232	41 739	1 412	12 152	28 175
2011-2012	200 000	4 058	64 876	131 067	59 130	2 001	17 215	39 914
2012-2013	275 000	5 579	89 204	180 217	81 304	2 751	23 671	54 882
2013-2014	375 000	7 608	121 642	245 750	110 870	3 751	32 279	74 839
TOTAL	1 156 000	23 453	374 981	757 566	325 652	11 019	94 812	219 822

(2) Reconciling how sector programmes will contribute to the overall Sector Target

The second step in the process is a bottom-up reconciliation of programme plans with the high level job creation targets. All sector departments undertook their normal planning to estimate the number of full time equivalent jobs that could be created using baseline budgets.

The programme level job creation targets for sector departments were determined based on:

- The programme's budget and cost incurred to create each full time equivalent job
- The potential for each programme to expand to meet excess demand and its ability to deploy resources for increased job creation in those areas
- The pace at which enabling conditions could be mobilised for expansion
- Increasing labour intensity in comparison to the previous year through creating efficiencies in spending.

The gap between the high level job creation targets and the actual jobs funded through programme budgets and plans is the expansion growth that is required. **This has led to the development of the incentive** that can subsidise jobs created and funded through the baseline budget and at the same time avail additional money for expansion to meet the higher job creation targets.

The steps below describe the basis of the Environment and Culture Sector EPWP Incentive.

2.2 Step 2: NDPW determines the Programmes Eligible for the Incentive

NDPW determines who is eligible to receive the incentive and determine the basis for distributing the incentive.

How is eligibility for the EPWP incentive assessed?

Only E&Cs programmes that meet the following criteria are eligible for an incentive allocation:

a- **Reporting criteria**

- *To be eligible for an incentive allocation in 2012/13, programmes must have reported to the National Department of Public Works, either,*
 - i. *Their performance for 2010/11 by 22 April 2011; or*
 - ii. *The performance for 2011/12 by the end of the second quarter i.e. 22 October 2011.*
- *Programmes that have not reported are not eligible.*

- #### b- **Performance criteria:**
- All programmes that have reported must also have achieved satisfactory performance in a prior year. The reason for these criteria is that the incentive must be aimed at sector departments and programmes that actually have the potential to expand and grow the sector's EPWP contribution and have proven so through past performance.

What does this mean and how is this assessed? For each programme, performance in the following areas is assessed:

Table 2: Performance Criteria for Incentive Eligibility

Performance Area	Associated Measures	Standard	Weighting
Spending	<ul style="list-style-type: none"> % spending of the 2010/11 baseline budget % spending of the 2011/12 baseline budget by the end of Q2 of 2011/12 	<ul style="list-style-type: none"> 80% spending of the 2010/11 baseline budget 40% spending of the 2011/12 baseline budget by the end of Q2 of 2011/12 	<ul style="list-style-type: none"> 30% 10%
Labour Intensity	<ul style="list-style-type: none"> Labour intensity % achieved in 2010/11 and in 2011/12 (assessed at the end of Q2) 	<ul style="list-style-type: none"> 35% LI ratio in 2010/11 and 2011/12 achieved 	<ul style="list-style-type: none"> 20%
Job Creation Performance	<ul style="list-style-type: none"> Number of FTEs created against 2010/11 and by Q2 FTE job creation target, expressed as a % 	<ul style="list-style-type: none"> 60% of the 2010/11 FTE job creation target achieved 30% of the Q2 2011/12 FTE target achieved 	<ul style="list-style-type: none"> 20% 20%
TOTAL PERFORMANCE SCORE			100%
MINIMUM SCORE FOR ELIGIBILITY			60%

Programmes must achieve a weighted average performance score of 60% (once the score for each performance area is calculated, weighted and added up) to meet the performance criteria and be eligible for an incentive allocation.

The performance criteria, and eligibility in terms of performance, is reviewed and assessed annually.

Definitions Reminder Box

Labour intensity refers to the size of the labour component of a project and is calculated as the percentage of wages against the project cost.

All programmes that are then deemed eligible – in terms of the above criteria – will be allocated an incentive allocation.

2.3 Step 3: NDPW determines the Incentive Allocation per programme

The overall incentive allocation in 2012/13 is allocated by National Treasury based on the availability of funding. The incentive allocation over the period 2010/11 to 2013/14 is:

Table 3: E&Cs EPWP Incentive Allocations for EPWP Phase II

INCENTIVE ALLOCATION OVER THE MTEF (in rand thousands)				
	2010/11	2011/12	2012/13	2013/14
Total Incentive Allocation	R 200 000	R300 000	R 400 000	R 422 001

How the incentive is shared:

- a- For 2010/11, the overall incentive allocation was shared among eligible programmes in relation to their share of the overall sector budget. This methodology was used for simplicity.
- b- For 2011/12: The sharing formula is more robust, and takes into consideration:
 - The **budget share** of the eligible programme in relation to the overall sector budget: This element reflects the potential capacity of the programme to perform. Budget share accounts for 20%.
 - The **performance score** of the eligible programme in relation to the total performance of all eligible programmes: This element reflects how successful the programme has been in meeting the sector's EPWP targets. Performance score accounts for 50%.
 - The **contribution in terms of number of FTEs** of the eligible programme to total FTEs created by all eligible programmes. This element reflects how significant and how large the programme's contribution is to the sector in achieving job creation targets. Significance indicator accounts for 30%.
- c- **For 2012/13:** The following steps were used;
 - Baseline targets are allocated based on the baseline budget
 - From the baseline target, unsubsidized and subsidized targets were determined based on the overall incentive allocation
 - Subsidized targets X R70 X 230 = programme incentive allocation

2.4 Step 4: Expansion Planning

Once eligibility has been established and incentive allocations determined; the next step is for every eligible programme to detail their expansion plans and indicate how they will effectively and efficiently apply their budget to activities to meet their job creation targets and earn the incentive allocation; and once the incentive allocation is accessed, how the incentive will be utilised to expand service delivery and job creation to meet needs.

Every programme must develop an expansion plan that:

- a- Identifies the expansion strategies that will be implemented for programme growth
- b- Identifies the focus areas and explores where to expand programme scope and size
- c- Explicitly articulates the measures that the sector department will implement to enable it to expand
- d- Indicate how the programme will create further efficiencies and utilise the incentive to produce jobs at a lower cost
- e- Identify projects that have the potential to yield higher labour intensities.

The expansion planning process is explained in more detail in [Chapter 4](#).

2.5 Step 5: Agreement concluded between NDPW and eligible sector departments

All sector departments with programmes deemed eligible for the incentive will enter into an agreement with the National Department of Public Works in which they ***agree to access the incentive on the basis of the requirements and conditions in place.***

A standard incentive agreement will be provided to sector departments for signature by their accounting officer that will specify:

- a- Job creation targets
- b- Incentive allocation and the basis for its quarterly draw downs
- c- The key obligations of each party
- d- Requirements and processes in terms of planning, reporting, incentive draw downs and performance auditing, among other things
- e- Institutional arrangements and governance structures that will manage and oversee the incentive.

2.6 Step 6: Progress reporting by sector departments and incentive draw downs

In order for the incentive to be paid out based on actual performance; there is standard information required from sector departments to be submitted to the National Department of Public Works and there are standard procedures for securing participation in the incentive, reporting progress on EPWP programmes/projects, verifying data and receiving the incentive earned.

- a- *In terms of monitoring:* Sector departments are required to maintain their EPWP programme/project information through their existing management information systems (MIS) and update this at every monthly reporting cycle. The National Department of Public Works should be provided read access to the MIS' of other departments for tracking performance against the expansion plan. It is the responsibility of the sector departments to ensure that the necessary progress data on each project is maintained. Every project manager must ensure that the required data is collected, updated, filed and provided to the sector department on a monthly basis.
- b- Key data that must be collected every month for each project or site as per the EPWP requirements for reporting includes:
 - Beneficiary information
 - Summary performance information in terms of job creation and training outputs for FTE calculations
 - Basic financial information.
- c- *In terms of Reporting:*
 - To ensure that data is collected every month and that the incentive is drawn down every quarter, the sector department must, on a monthly basis, collect, verify and report all required information about its EPWP programmes/projects to the National Department of Public Works in the stipulated format on the stipulated dates – 22 July 2012, 22 October 2012, 22 January 2013 and 22 April 2013 – for quarters 1,2, 3 and 4 respectively. The report provided to NDPW must be "signed off" by the sector department (represented by a delegated official).
 - There will be a process of consolidation of sector performance data for the purposes of determining incentive amounts earned.
 - The National Department of Public Works will convene the E&Cs PMT before 40 calendar days after the end of the quarter, to, among other things, review and endorse the quarterly performance data and Quarterly Incentive Report (which will basically reflect the quarterly incentive amount earned by each sector department).
 - The National Department of Public Works will finalise and produce the Quarterly Incentive Report based on the performance of each sector department; and send such report to all eligible sector departments, on



the following dates – 8 August 2012 (for Q1), 09 November 2012 (for Q2), 08 February 2013 (for Q3) and 10 May 2013 (for Q4).

d- In terms of Incentive draw downs:

- Incentive draw downs will take place 45 days after the end of every quarter
- The first incentive draw down for 2012/13 will reward performance for Q4 of the previous financial year (2011/12) and can be drawn down on 18 June 2012. In-year drawdowns will occur as follows: 17 August 2011 (for Q1), 17 November 2011 (for Q2), 15 February 2013 (for Q3) and 17 May 2013 (for Q4). Sector departments will be allowed to draw down the incentive amount earned on the approval of revised drawings by National Treasury.

These processes will be explained in more detail in [Chapter 5](#).

Calculating the Incentive Amount to be Drawn Down

The example below provides an overview of how the incentive amount earned will be calculated.

DAFF- Fisheries							
	Cumulative baseline FTEs target	Cumulative Incentive FTEs target	Total Cumulative FTEs target	Cummulative performance "an example"	Net performance	Reward per - FTE	incentive earned per Quarter
Full year totals	842	249	1091				R8 651 189
Actual payout date	547	161.85	709.15				R8 651 189
Quarter 4 (2011/12)					0	R16 060	R0
Quarter 1 (2012/13)	126	24	151	150	150	R16 060	R2 409 000
Quarter 2 (2012/13)	337	65	402	450	300	R16 060	R4 818 000
Quarter 3 (2012/13)	547	105	653	670	370	R16 060	R5 942 200
Quarter 4 (2012/13)	842	249	1091			R16 060	

Calculations

Incentive Allocation per FTE: Incentive Allocation per FTE R16 100 (R70 x 230)

Incentive Allocation: R8, 651,189 which fund performance of 3 quarters of
current financial year.

Target divided: 15% (Q1), 45% (Q2), 65 % (Q3), 100 % (Q4)

Table 4: Example of Quarterly Incentive Amounts earned against Performance

The example shows the Working for fisheries Programme within the Department of Agriculture, Forestry and Fisheries with a hypothetical target to create 842 FTEs from its baseline budget of R71.805 million and 249 FTEs from its incentive allocation of R8.651 million over the 2012/13 financial year.

The 2012/13 total FTE targets of 1091 (baseline FTE target plus the incentive FTE target) are divided among the quarters in the following percentages – 15% of total target to be achieved in Q1, 40% cumulatively by the end of Q2, 65% cumulatively by the end of Q3 and 100% of target by the end of the financial year. Quarterly performance will be assessed cumulatively against these cumulative targets.

The calculation will work in the following way:

- The first draw down on 08 August 2012 will be based on the performance of the programme in Q1 of 2012/13. The target for Q1 of 2012/13 is 151 FTEs. For now, the example makes the assumption that the target is exactly achieved.
- Only 3 other draw downs can be accommodated within the financial year – rewards for Q1-Q3's performance. The target to be rewarded in these 3 draw downs is 653 FTEs by the end of Q3.
- As such, the total FTEs reward = 653 FTEs (for 3 quarters) for which R 8.654 million is available as an incentive.
- At the end of every quarter, the programme is expected to report progress against the FTE target stipulated in the Incentive Agreement. Performance to date will be verified and rewarded.
- At the end of Q1, in our example, WfF created 150 FTEs and so would qualify for a reward of R 2.409 million = R 16 100 X 150 FTEs for actual performance. This allows programmes who perform or expand more rapidly to be able to access the incentive more quickly.
- At the end of Q2, in our example, WfF recorded cumulative performance of 450 FTEs created; and would thus qualify for a reward of R 4.818 million = R 16 100 X (450-150) 300 FTEs which is the net additional performance created in Q2.

NB: The incentive will be drawn down up to the maximum amount available.

2.7 Step 7: Midyear Performance Assessment and Adjustments to Incentive Allocations

The National Department of Public Works will undertake a midyear performance assessment of each programme and, together with the sector, will make performance projections for the remainder of year in preparation for the Adjusted Estimates. This will be based on updated programme performance against job creation targets; the status and progress of projects planned; the potential for expansion; and the compliance status of eligible programmes.

The following Key Performance Indicators (KPIs) will be assessed to determine whether and how the incentive allocations may be adjusted:

- Performance by programmes against their FTE targets:** Programmes that partially meet their FTE targets will draw down the incentive on a pro-rata basis based on actual performance up to the full incentive amount allocated in the 2012 Appropriation Act. Programmes that exceed their FTE targets may draw down the incentive faster than expected up to the appropriated incentive amount. Should performance against target be faster than planned, the programme may request further incentive funding in excess of their appropriated incentive amount, subject to the availability of funds.
- Over and above the job creation targets – i.e. the number of work opportunities and the number of FTEs – other EPWP related KPIs were agreed in the sector to be the basis of a more comprehensive performance evaluation of each programme's performance.

Definitions Reminder Box

The **Incentive amount earned** is calculated as follows = Number of FTEs reported [by the end of a quarter] X Incentive subsidy per FTE

Key Performance Indicators are qualitative and/or quantitative markers that define how performance toward the achievement of the programme, project or activity objective will be measured. The KPIs selected will be what performance is measured against.



- *Labour intensity will be assessed.* The labour intensity target set in consultation with the sector is: (i) a minimum of 35% of the project's baseline budgets should be spent on wages; and a minimum of 55% of the project's incentive allocation should be spent on wages.

The cost per full time equivalent job created will also be assessed. The targeted cost per FTE created with the incentive allocation should be R34 709

c- *Performance against programmatic outputs planned* as articulated in the programme expansion plan

d- *Projected performance will be based on:*

- *Actual performance to date*
- *Progress against the expansion plan outputs, including progress in putting in place the necessary enabling conditions for expansion*
- *Projects ready for implementation and funding.*

On this basis, the National Department of Public Works together with the sector will prepare a joint motivation for adjusting (increasing or re-allocating) the incentive allocation across programmes. This motivation will be submitted through the formal Treasury Adjusted Estimates process to be considered by the Treasury Committee (when additional funds are requested) or by Treasury (for adjustments between sector departments) for a decision within the usual fiscal context.

Chapter 3: Conditions Applied to the E&Cs EPWP Incentive (Applicable for Sector Departments)

The E&Cs EPWP Incentive has been appropriated on each eligible sector department's vote as a specific and exclusive budgetary allocation for EPWP programmes/projects implemented by the eligible sector departments to expand job creation for the EPWP target group and achieve a targeted number of full time equivalent jobs (FTEs), with specific appropriation conditions.

The E&Cs EPWP Incentive is subject to **Clause 3 of the 2012 Appropriation Act** which attaches specific appropriation conditions to the incentive allocation; and stipulates that:

3. *An appropriation to a vote or main division within a vote that is listed as specifically and exclusively appropriated in Schedule 2 may only be utilised for the purpose indicated, unless an Act of Parliament amends or changes the purpose for which it was allocated.*

Conditional expenditure [Clause 4 of the 2012 Appropriation Act]

4(1) The Minister may—

- (a) impose conditions in respect of an appropriation listed as specifically and exclusively appropriated in Schedule 2 or in respect of transfers and subsidies, in order to promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions in terms of section 6(1)(g) of the Public Finance Management Act; and
 - (b) Stop any allocation in terms of such appropriation until any condition imposed by the Minister is met.
- (2) An amount stopped in terms of subsection (1)(b) must be included in the next report of the National Treasury published in terms of section 32(1) of the Public Finance Management Act.

This chapter assists sector departments to specifically identify what these conditions are; how and when these conditions should be fulfilled; and what implications are attached to non-compliance.

3.1 Summary of Key Conditions and Requirements

Below is a summary view of what these are:

- a- **Eligibility** (*Set out in detail in [Chapter 2 Section 2.2 of this manual](#)*): Programmes must meet the eligibility criteria in order to be appropriated an incentive allocation.

Definitions Reminder Box

A **condition** is a stipulation or requirements that must be met or should be present.

Compliance means adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

Table 5: Eligibility Requirements/ Conditions

Step	Requirements/ Conditions	Timeframe in which Condition must be Met	Ramifications for Non-Compliance
1. Eligibility	<ul style="list-style-type: none"> Programmes must report EPWP performance in a prior financial year 	<ul style="list-style-type: none"> Report 2010/11 performance by 22 April 2011 <u>or</u> Report Q2 2011/12 performance by 22 October 2011 to be eligible for 2012/13 	<ul style="list-style-type: none"> Not eligible for incentive

Step	Requirements/ Conditions	Timeframe in which Condition must be Met	Ramifications for Non-Compliance
2. Eligibility	<ul style="list-style-type: none"> Programmes must achieve a weighted average performance score of at least 60% 	<ul style="list-style-type: none"> 2011/12 based on performance in 2010/11 must be at 60% Q2 2011/12 performance must be at 30% 	<ul style="list-style-type: none"> Not eligible for incentive

- b- **Securing Participation (Set out in detail in [Chapter 2 Section 2.4-2.5 of this manual](#)):** Programmes must secure participation by agreeing to the incentive rules and planning for its implementation.

Table 6: Participation Requirements/ Conditions

Step	Requirements/ Conditions	Timeframe in which Condition must be Met	Ramifications for Non-Compliance
3. Expansion plan	<ul style="list-style-type: none"> Every programme must develop an expansion plan compliant with the template provided by NDPW The programme's expansion plan must be approved by the E&Cs PMT 	<ul style="list-style-type: none"> Submitted to NDPW by end of Mar 2012 	<ul style="list-style-type: none"> Cannot draw down incentive until expansion plan is submitted
4. Agreement	<ul style="list-style-type: none"> Signed incentive agreement by the sector departments' accounting officer consenting to comply with the rules and conditions in place 	<ul style="list-style-type: none"> Signed by end of Mar 2012 	<ul style="list-style-type: none"> Cannot draw down incentive until agreement is signed

- c- **Reporting (Set out in detail in [Chapter 5 of this manual](#)):** All programmes must report quarterly progress on all EPWP programmes/projects for which they will be claiming the incentive on NDPW' EPWP reporting system.

Table 7: Reporting Requirements

Step	Requirements/ Conditions	Timeframe in which Condition must be Met	Ramifications for Non-Compliance
5. Reporting	<ul style="list-style-type: none"> Programmes must report EPWP performance each quarter; key data that must be reported includes: <ul style="list-style-type: none"> Beneficiary information Summary performance information in terms of job creation outputs Basic financial information. 	<ul style="list-style-type: none"> 22 July 2012 (Q1) 22 Oct 2012 (Q2) 22 Jan 2013 (Q3) 23 April 2013 (Q4) 	<ul style="list-style-type: none"> Will not be able to draw down incentive for that quarter
	<ul style="list-style-type: none"> Each sector department should include in its fourth quarter performance report or annual report, information on the overall performance of the incentive for the relevant financial year. 	<ul style="list-style-type: none"> 22 April 2013 (Q4 report) <u>or</u> June 2013 (Annual Report) 	<ul style="list-style-type: none"> n/a

d- Incentive Draw downs (Set out in detail in Chapter 5 of this manual): National Treasury can only allow draw downs on the incentive on the basis of the quarterly performance assessment done by National NDPW, and endorsed by the E&Cs PMT.

Table 8: Incentive draw down Requirements

Step	Requirements/ Conditions	Timeframe in which Condition must be Met	Ramifications for Non-Compliance
6. Incentive draw downs in 2012/13	<ul style="list-style-type: none"> NDPW will assess performance and indicate to National Treasury the incentive amounts earned on the basis of that performance 	<ul style="list-style-type: none"> 17 August 2012 (Q1) 16 November 2012 (Q2) 15 February 2013 (Q3) 17 MAY 2013 (Q4) 	<ul style="list-style-type: none"> Late incentive draw downs

Step	Requirements/ Conditions	Timeframe in which Condition must be Met	Ramifications for Non-Compliance
7. Incentive draw downs in 2012/13	<ul style="list-style-type: none"> Sector departments request revised drawings approval from National Treasury 	<ul style="list-style-type: none"> 24 Aug 2012 (Q1) 23 Nov 2012 (Q2) 22Feb 2013 (Q3) 24 May 2013 (Q4) 	<ul style="list-style-type: none"> Late incentive draw downs
	<ul style="list-style-type: none"> National Treasury approves revised drawings schedule; the sector department will access the incentive amounts strictly based on the draw downs approved 	<ul style="list-style-type: none"> 31 Aug 2012 (Q1) 30 Nov 2012 (Q2) 28 Feb 2013 (Q3) 31 May 2013 (Q4) 	<ul style="list-style-type: none"> Late incentive draw downs

e- Use of the Incentive: Sector departments must use the incentive as planned in their approved programme expansion plans and in the manner agreed in the Incentive Agreement.

Table 9: Incentive Use Conditions

Step	Requirements/ Conditions	Timeframe in which Condition must be Met	Ramifications for Non-Compliance
Incentive Use	<ul style="list-style-type: none"> The EPWP target group may not be paid below the minimum wage rate of R63.18 per person day of work 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> Those jobs may be excluded from the performance count
	<ul style="list-style-type: none"> The incentive must not be used for non-EPWP purposes and can only be used in the manner agreed in the expansion plan 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> Audit qualification
	<ul style="list-style-type: none"> Performance must be on track to ensure sector departments retain the incentive allocation 	<ul style="list-style-type: none"> Sept/Oct – Midyear performance assessment 	<ul style="list-style-type: none"> Incentive allocation adjusted
	<ul style="list-style-type: none"> Unspent incentive funds must be returned to the National Revenue Fund at the end of the financial year 	<ul style="list-style-type: none"> May 2013 	<ul style="list-style-type: none"> n/a
Audit	<ul style="list-style-type: none"> Sector departments must ensure that project records for all its EPWP programmes/projects are available for auditing by NDPW 	<ul style="list-style-type: none"> On request 	<ul style="list-style-type: none"> Audit qualification

3.2 Other Requirements in terms of the Public Finance Management Act, 1999

Accounting Officer's reporting responsibilities [Section 40(4) (c) of the PFMA]

40(4)(c) The accounting officer of a department must within 15 days of the end of each month submit to the relevant treasury and the executive authority responsible for that department—

- (i) the information for that month
- (ii) a projection of expected expenditure and revenue collection for the remainder of the current financial year; and
- (iii) when necessary, an explanation of any material variances and a summary of the steps that are taken to ensure that the projected expenditure and revenue remain within budget.

The above stipulations as well as the actual conditions expressed in 3.1 above clearly indicate that:

- a- The E&Cs EPWP Incentive cannot be used for any other purpose than the purpose for which it has been appropriated; unless an Act of Parliament indicates otherwise
- b- Should the incentive amount drawn down not be utilised within the financial year in which it is appropriated, the unutilised amount will be returned to the fiscus.
- c- Normal PFMA (monthly and annual) reporting requirements must be adhered to in addition to the EPWP performance reporting requirements.

Chapter 4: Sector Planning (Applicable for Sector Departments)

4.1 Planning for Expansion

As indicated in previous chapters, once a sector department has been deemed eligible and has been appropriated an incentive allocation, the Incentive Agreement and the Programme Expansion Plan form the basis of participation and agreement on the E&Cs EPWP Incentive and provides stakeholders with an outline of what is expected to be delivered from each programme.

- a- The Incentive Agreement will be the legal confirmation from each sector department of their willingness to participate in the incentive as well as their undertaking to put in place the necessary measures to abide by the requirements of the reporting, audit and disbursement procedures.
- b- The programme expansion plan will be the explicit setting out of each programme's plans to meet their job creation targets.

While it is clear that the sector has huge potential to expand, the incentive aims to incentivise expansion but focus this expansion on areas where maximum impact can be made and where jobs can be created at lower costs. The sector as a whole must agree the basis for planning programme expansion or develop key strategies for implementation.

Table 10: Agreed Basis For Programme Expansion

The sector has developed and agreed on the basic strategies that will guide expansion as well as the drive for more efficient job creation. These strategies are detailed below.

a- Expansion Strategy 1: Creating additional work through the immediate expansion of existing projects:

- *Providing existing workers with the opportunity of additional work days*, eliminating the need for some of the related work costs, particularly in terms of training, or uniforms, safety equipment, etc. This allows sector programmes to reduce the cost per full time equivalent job significantly.
- *Bringing in new beneficiaries/ workers onto existing projects*, where it is possible to increase the project/team size without affecting overall costs such as transport and management costs will also increase the person days of work created. However, there will be beneficiary related costs, particularly where training on a project is necessary.
- *This strategy should be applied to:*
 - i. Projects performing well with capable implementing agents that are ready to pick up excess demand and expand projects
 - ii. Projects that have the potential to yield higher labour intensities – such as coastal clean-ups and rehabilitation, street cleaning and beautification, youth and the environment, etc
 - iii. Projects that can easily absorb additional funding.

b- Expansion Strategy 2: Shifting existing project funding strategies:

A further approach to expansion to reach additional FTE targets with the incentive funding is to shift project funding strategies from mainly funding projects and beneficiaries to allowing beneficiaries to graduate and replicate successful projects with seed and beneficiary funding from the mother programme. This type of expansion strategy will be applied differently by each programme.

c- Expansion Strategy 3: Initiate new projects

- New projects will be initiated, owing to the extreme demand on programmes to address various priorities and needs. In these instances however, all costs, including all of the costs additional to wages (transport, management, materials and equipment) will apply to such work. Part of these costs will be offset by general efficiencies that will be sought across programmes.
- ***Greater general efficiency will be sought in the sector programmes.*** This includes using the incentive to incentivise implementers or regional projects to secure lower costs per person day, increase the wage component of projects and source additional funding. *Parallel to this is identifying long-term projects that will allow for high numbers of beneficiaries with limited capital and related administrative costs.*

d- Expansion Strategy 4: Partnering with other implementers and spheres

- One of the imperatives in the sector is to ensure that environmental protection and positive outcomes are for the benefit of the whole of the country. Part of this is ensuring that consistent norms and standards are applied in initiatives across the country. With the incentive, this is an ideal opportunity for national to partner with other agents/ spheres of government to co-fund and deliver environmental programmes in line with national norms and standards through implementing agreements and for expansion via joint initiatives.

e- Expansion Strategy 5: Redesign other departmental programmes to contribute to EPWP.

Each sector department must adopt and adapt the expansion strategies to best fit their programmes goals and structure and from this develop a plan for the expansion of each programme.

NDPW will develop the expansion plan template and consolidate the sector's expansion plans to ensure that the sector is able to meet its job creation target and that key enabling conditions are put in place to facilitate expansion in the selected focus areas. The following table is an extract of the expansion plan templates.

Table 11: Template for Expansion Plan

PERFORMANCE AREA			
Objective	Activity	Output	Means of Verification & Timeframe
Strategy for Expansion	Enabling Conditions	Readiness (in terms of institutional capacity, ability to spend, contracting, etc.)	

The following timelines apply to the planning process:

Table 12: Planning Timelines

Planning activities	Timeframe	Responsibility
• Agreeing on the Expansion Strategies to be employed	• Dec every year	• E&Cs PMT
• Sector departments develop programme expansion plans	• Mid Feb 2012	• Sector EPWP Programme Managers
• NDPW consolidates a Sector Expansion Plan	• End Feb 2012	• NDPW
• E&Cs Programme Management Team endorses the consolidated Sector Expansion Plan	• End Feb 2012	• NDPW (present to PMT) • PMT endorse plan
• NDPW submits the endorsed Sector Expansion Plan to National Treasury	• End March 2012	• NDPW
• Signed Incentive Agreements	• End March 2012	• Sector EPWP Programme Managers

4.2 Establishing the basis of Technical Support

Each sector department should ensure that they have the requisite capacity and systems to implement their expansion plan; maintain the necessary controls and checks; and provide the required information timeously for performance monitoring. In doing so, the National Department of Public Works and the sector department should be able to determine whether there are specific areas in the design, monitoring or management of the programme which requires technical support. These indications, particularly in terms of reporting support, should be initiated at this point.

The EPWP unit, in cooperation with the E&Cs PMT is responsible for directly engaging on a limited and prioritised basis with sector departments to mobilise technical support to those sector departments that require it.

Areas in which technical support may be provided are:

- Assisting sector departments to identify suitable (new) EPWP programmes/projects
- Assisting sector departments in the design of programmes/projects (including advising on contract documentation details and the alignment of procurement processes to facilitate EPWP implementation)
- Providing data capturing support, assistance in ensuring that reporting is done on time for EPWP projects implemented.

Chapter 5: Reporting & Disbursement Procedures for Sector Departments (Applicable for Sector Departments)

5.1 Reporting

There are specific agreed reporting processes and timelines; as well as specific information required in order to record progress. The section below outlines this.

5.1.1 Key data that must be maintained by the implementing agent at the project site level includes:

- a- Site information: The following information should be maintained by implementing agents on a monthly basis. This generally seeks to provide the basis of the calculation of *person days of work per project*.
 - Daily site attendance register – register showing all the beneficiaries that were registered at work every day. Attendance registers are completed on site on a daily basis. These should be signed off by the project manager on a weekly basis.
 - Summary of monthly attendance – The implementing agent should compile a monthly summary of the person days of work for the month for the project and provide this to the sector department.
- b- Payment information: The following information should be maintained by implementing agents on a monthly basis. This generally seeks to confirm what was paid, for how much work and to whom. There are various ways this can be collected and maintained (two options are indicated below). Payment records should always be signed off by the relevant project manager. This must correspond with the funds being claimed by the implementing agent from the sector department.
 - Payment register – which is a list of workers paid, showing wages paid per beneficiary, signed off by each beneficiary as proof of payment received. This register should include: the name of the worker, either an identity (or other unique identifier) number, the number of days that the pay period covers, the wage rate and total wages paid. **Or**
 - Bank records showing the transfers to each worker account signed by IA as proof of payment – which must specifically show the name of the worker, the identity (or other unique identifier) number.
- c- Beneficiary/ worker information:
 - A beneficiary list must be developed for every project. This list will contain information on the profile of beneficiaries. A beneficiary form (template) will be provided to sector departments. This form should be filled in by the relevant project manager/ implementing agent and provided per project to the sector department. This form requires the following information which must be kept and maintained for audit purposes:
 - i. Identity – name, surname, date of birth and a identity number or other unique identifier (for those without an ID document)
 - ii. Gender, age and disability status
 - iii. Education and literacy level
 - iv. Daily wage received
 - v. Training attended
 - This list should be updated monthly.

This data enables proper project reporting. Sector departments should ensure that the implementing agents delivering and managing their projects need to be aware of the information that they are required to collect, manage and maintain; and sector departments should where necessary, obtain the relevant templates developed by the National Department of Public Works which will assist in the collection of this data.

5.1.2 Project Information that must be reported on a monthly basis by the sector department to the National Department of Public Works

a- Summary Performance information:

- This information should be captured in the progress report template provided by the National Department of Public Works and should draw information on:
 - i. Person days of work created
 - ii. Number of work opportunities created
 - iii. Number of FTE jobs created
 - iv. Number of training days created
 - v. All of this information must reflect the months being reported.
- This information must be updated monthly.

b- Basic financial information:

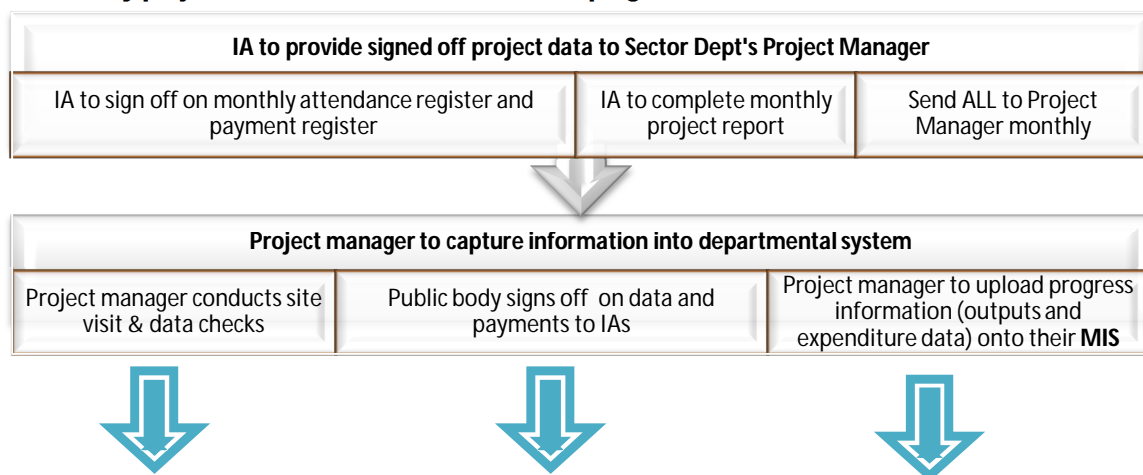
- This information should be captured in the progress report template and should draw information on:
 - i. Daily wage rate and wages paid
 - ii. Project Budget (updates/ revisions) and expenditure to date.
- This information must be updated monthly.

5.1.3 Monthly Reporting Process

- a- *Every month*, the above required data (in 5.1.1) must be collected by each implementing agent and provided to the sector department's project manager in the manner and form stipulated in their contractual agreement. The sector department must undertake its own internal checks and load a monthly progress report (signed off by the delegated official) in its own system.
- b- *In terms of Section 40(4) of the PFMA*, sector departments will report their programme data to National Treasury on a monthly basis on the spending of their budget, including spending on their EPWP programme/projects and the incentive.
- c- Sector departments must also submit the progress report template on a monthly basis to NDPW for their EPWP projects. This EPWP information provided to NDPW must correspond with the PFMA report provided to National Treasury.
- d- ***This monthly report from the sector department will be used as the basis to calculate the incentive amounts earned at the end of the quarter.***

Below is an illustration of the advised monthly data collection process.

Figure 1: Monthly project data collection and validation progress



Preliminary Project Diagnosis	Monthly PFMA Report to NT	Monthly Progress Report ready for DPW
Every month with signed off report	15 days after month end	22 days after month end
Project manager to identify any preliminary key challenges/ blockages per project, the necessary interventions by prog and/or technical support required by DPW for referral to PMT	Sector depts report to NT on the spending of all of their programmes, and specifically on earmarked programmes such as EPWP	Programmes generate final progress/ KPI report (outputs and expenditure data) for export to the EPWP WBS or capture

5.1.4 EPWP Quarterly data validation process on the EPWP reporting system

To ensure that data is reported and that the incentive is drawn down every quarter, there are specific due dates for submission:

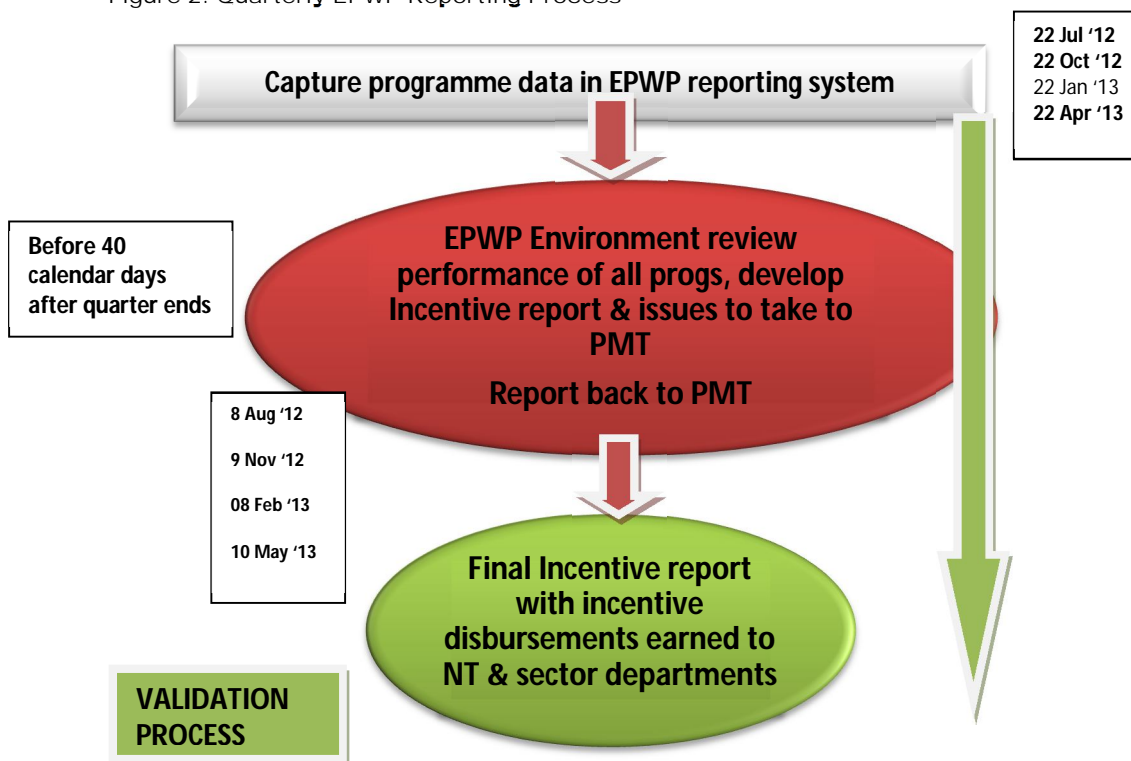
- All information about the sector department's EPWP programmes/projects from the monthly progress report template must be loaded onto the EPWP reporting system by these stipulated dates – *22 July 2012, 22 October 2012 and 23 January 2013*– for quarters 1,2 and 3 respectively; and must be "signed off" by the sector department (as represented by a delegated official).
- NDPW must ensure that sector departments are able to load and check their data on the system i.e. have access to the data for checking, amending, etc. NDPW must ensure that regulatory bodies (such as National Treasury and the Presidency) are able, for monitoring purposes, to obtain read access to the EPWP reporting system data.**
- There will be various verification procedures undertaken to verify that the reports meet the requirements.
 - NDPW will check that all relevant sector department's progress reports are loaded onto the EPWP reporting system by *25 calendar days after the end of the quarter*. There will be a process of data validation with the sector department thereafter, wherein data discrepancies, exclusions and data issues must be referred back to the sector department to be resolved. **NDPW must ensure that data ownership by the sector is maintained – i.e. that exclusion reports are provided by NDPW and that data exclusions go through a formal referral process with tight timeframes (to be adhered to by both parties) to ensure that performance information is sorted and included at the very next reporting date.** Monthly progress reporting by sector departments will at least allow for the incentive pay out; while exclusion reports and data issues are being resolved quarterly.
 - In addition, compliance with the incentive conditions will be checked. And if any issues have been discovered through the audit process, these will be noted for action.
 - The performance verified and audit checks will be used to adjust any incentive amounts earned in the subsequent quarter.*
- NDPW will convene the E&Cs PMT *before 40 calendar days after the end of the quarter*, to, among other things, review and endorse the draft quarterly performance data and Quarterly Incentive Report (which will basically reflect the quarterly incentive amount earned by each sector department).
- NDPW will finalise and produce the Quarterly Incentive Report based on the performance of each sector department as reported into the EPWP WBS; and send such report all eligible sector departments, on the following dates – *17 August 2012 (for Q1), 16 November 2012 (for Q2), 15 February 2013 (for Q3) and 17 May 2013 (for Q4)*. The Quarterly Incentive Report will report per sector department, actual performance against the FTE targets in the Incentive Agreement.
- The Quarterly Incentive Report, an indicative drawings schedule, and the EPWP Quarterly Report (for all sectors and spheres) must be sent to the National Treasury on the same dates.

- g- Sector departments must utilise the Quarterly Incentive Report sent by NDPW to submit a revised drawings request to National Treasury, to include the stipulated incentive amount earned in the drawings on the following dates – 24 August 2012, 23 November 2012, 22 February 2013 and 24 May 2013.
- h- It is the responsibility of the National Treasury to approve the revised drawings schedule in time for sector departments to access the incentive by the following dates – 31 August 2012, 30 November 2012, 28 February 2013 and 31 May 2013.
 - It should be clearly noted that the incentive allocation can only be accessed/drawn down based on the revised drawings schedule approved by National Treasury which indicates the incentive amount earned based on the quarterly performance assessment undertaken by NDPW. It is the responsibility of sector department's CFOs and EPWP programme managers to ensure that the incentive is drawn down and utilised in the manner contemplated in the Incentive Agreement.

Definitions Reminder Box

A **drawings schedule**, for the purposes of the incentive, refers to a schedule which sets out the planned amount that each sector department should be able to access on a quarterly basis on each draw down date in the 2011/12 financial year based on the planned number of FTEs to be created for that quarter.

Figure 2: Quarterly EPWP Reporting Process



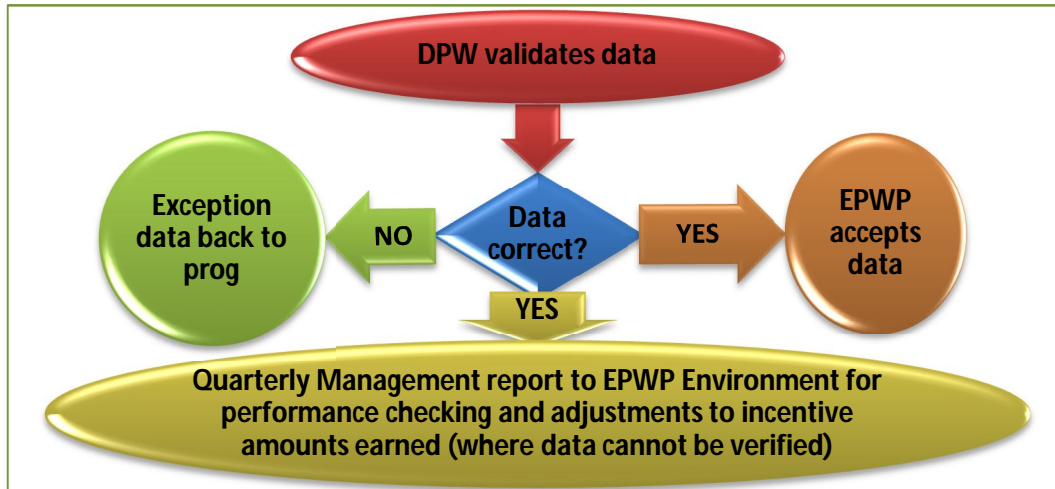


Table 13: Process for quarterly reporting and disbursement (summarised per quarter)

Step	Description of reporting activity	Timeframe for activity to be completed (<i>specified in number of calendar days after end of the quarter as well as the date</i>)				
		Days	Q1 Date	Q2 Date	Q3 Date	Q4 Date
1	Programme Performance Report for quarter submitted by sector dept.	22	22 July	22 Oct	22 Jan	22 April
2	<i>Draft</i> Quarterly Incentive Report presented to E&Cs PMT	<40	8 Aug	9 Nov	8 Feb	10 May
3	<i>Final Endorsed</i> Quarterly Incentive report submitted to sector departments & National Treasury (NT requires the EPWP Quarterly Report as well)	45	17 Aug	16 Nov	15 Feb	17 May
4	NT & NDPW engage on Quarterly Incentive Report	30-38	1-8 Aug	1-8 Nov	1-8 Feb	1-7 May
5	Sector depts. submit revised drawings schedule to NT	45	24 Aug	23 Nov	22 Feb	24 May
6	Treasury approves revised drawings	50	31 Aug	30 Nov	28 Feb	31 May

5.1.5 Other EPWP Compliance Reporting

- a- NDPW will also produce a consolidated EPWP Quarterly Report *at the end of every quarter* on the performance of the programme for all sectors (infrastructure, social, environment and culture, non-state, community works programme) and spheres (national, provincial and local government) in terms of various indicators (including: project lists; project data; beneficiary data; job creation data; wage data; and training data). ***This report will be made available to the EPWP coordinating department in each province and national sector lead departments to inform discussions on performance or actions to enhance delivery and resolve implementation blockages.*** It is important that the institutional structures set up to coordinate and monitor EPWP implementation engage with the reported information through its structures and that there is accountability for sector performance.
- b- *Programme auditing*: The Internal Audit units of sector departments must undertake to keep the relevant documentation required by the National Department of Public Works. NDPW will undertake an annual audit on the performance of the programme; but will also on a sample basis undertake data quality assessment tests during the year on performance information validity, control effectiveness and compliance which will inform the results of the annual audit. ***It is expected that these results will be presented to the E&Cs PMT before application of any decision resulting from the audit.***
- c- *Programme evaluation*: Various studies will be undertaken through the EPWP unit detailing:

- How the programme has impacted on the communities and beneficiaries (income improvements/transfers, standard of living, skills development, exit opportunities, local economic development, assets created)
- Programme effectiveness (relevance and quality of training; role of IA (targeting, training etc); community perceptions of the benefit of the project; efficacy of design and implementation, etc)
- Best practices to feed into programme design
- Impact of the incentive.
- ***It is expected that the results will be made available to the E&Cs PMT.***

Table 14: Overview of Reporting Timeframes and Responsibilities

Reporting milestones	Deadline	Responsibility
IAs submit signed monthly project data to sector departments	Monthly	Sector department programme/project managers
PFMA Section 40(4)(c) Report	15 calendar days after the end of every month	Sector departments' Finance units
Sector depts submit signed quarterly report for loading onto EPWP's reporting system ↓	<ul style="list-style-type: none"> • 22 July 2012 (Q1) • 22 Oct 2012 (Q2) • 22 Jan 2013 (Q3) • 22 April 2013 (Q4) 	Sector department assisted by NDPW's data capturer
EPWP E&Cs programme managers ensure sector depts performance data reflected on the EPWP reporting system	25 calendar days after end of the quarter	NDPW's E&Cs programme managers assisted by the data capturers assigned to sector departments
E&Cs Programme Management Team Quarterly Meetings on the Quarterly Incentive Report	<ul style="list-style-type: none"> • 8 Aug 2012 (Q1) • 9 Nov 2012 (Q2) • 8 Feb 2013 (Q3) • 10 May 2013 (Q4) 	Led by National NDPW, represented by sector and oversight body representatives
Quarterly Incentive Report to National Treasury with an indication of revised drawings	<ul style="list-style-type: none"> • 17 August 2012 (Q1) • 16 November 2012 (Q2) • 15 February 2013 (Q3) • 17 May 2013 (Q4) 	NDPW's E &Cs programme managers
Quarterly EPWP Report	40calendar days after the end of every quarter	NDPW's M&E unit
Sector departments submit a revised drawings request to National Treasury	<ul style="list-style-type: none"> • 24 Aug 2012 (Q1) • 23 Nov 2012 (Q2) • 22 Feb 2013 (Q3) • 24 May 2013 (Q4) 	Sector Departments' Finance unit
National Treasury approves revised drawings	<ul style="list-style-type: none"> • 31 Aug 2012 (Q1) • 30 Nov 2012 (Q2) • 28 Feb 2013(Q3) • 31 May 2013(Q4)) 	National Treasury Public Finance unit
Programme evaluation	4 calendar months after the end of financial year end	NDPW in coordination with implementing & coordinating bodies
Programme audit	4 calendar months after the end of financial year end	Sector Departments

5.2 Receipt of the incentive

For 2012/13 sector departments will be able to draw down on the incentive allocation in 4 instalments falling into the 2012/13 financial year. The table below indicates:

- a- The date upon which the sector department will draw down the approved incentive amount earned (column 1)
- b- The period for which performance will be assessed (column 2)
- c- The basis of the incentive amount drawn down (column 3)
- d- Out of which incentive allocation the drawn down will be funded (column 4).

Table 15: How the Incentive will be Allocated and accessed/ drawn down

Sector Dept Incentive draw down	Performance period	Basis & Conditions of Incentive Draw Down	Incentive Allocation funded out of
18 June 2012	January – March 2012	a- 18 June draw down, based on: <ul style="list-style-type: none"> Performance reported by 22 April Incentive payment = No of FTEs reported in Q4 2011/12 x Incentive subsidy per FTE (for that sector department) NT will allow the incentive draw down (through the approval of a revised drawings schedule, to be submitted by the sector depts. by midday on 30 June 2012). 	2012/13 Incentive Appropriated in 2012 Appropriation Act
17 Aug 2012	April – June 2012	b- 17 August - Q1 draw down, based on: <ul style="list-style-type: none"> Performance reported by 22 July Incentive payment = No of FTEs reported in Q1 2011/12 x Incentive reward per FTE (for that sector department) NT will allow the incentive draw down (through the approval of a revised drawings schedule, to be submitted by the sector depts. by midday on 24 Aug 2012). The 15 August draw down can only be accessed if: <ul style="list-style-type: none"> NDPW has approved the depts' programme expansion plans Incentive Agreement with NDPW is signed. 	
15 Nov 2011	July – September 2011	c- 15 November – Q2 draw down, based on: <ul style="list-style-type: none"> Performance reported by 22 October Incentive payment = No of additional FTEs for Q2 2011/12 x Incentive reward per FTE (for that sector department) NT will allow the incentive draw down (through the approval of a revised drawings schedule, to be submitted by the sector depts by midday on 8 Nov 2011). 	
15 Feb 2012	October – December 2011	d- 15 February – Q3 draw down, based on: <ul style="list-style-type: none"> Performance reported by 21 January Incentive payment = No of additional FTEs for Q3 2011/12 x Incentive reward per FTE (for that sector department) NT will allow the incentive draw down (through the approval of a revised drawings schedule, to be submitted by the sector depts by midday on 8 Feb 2012). 	
16 May 2012	January – March 2012	e- 15 May draw down, based on: <ul style="list-style-type: none"> Performance reported by 22 April Incentive payment = No of FTEs reported in Q4 2011/12 x Incentive reward per FTE (for that sector department) NT will allow the incentive draw down (through the approval of a revised drawings schedule, to be submitted by the sector depts by midday on 6 May 2012). 	2012/13 Incentive as indicated in 2011 MTEF Allocation Letters issues by National Treasury

5.3 Accountability for the Use of the incentive

- The incentive must be used in accordance with the rules and conditions that govern the E&Cs EPWP Incentive; as detailed in [Chapter 3](#) of this manual.
- NDPW will report on the performance of the sector department as it relates to the utilisation of the EPWP incentive in the EPWP's annual evaluation report and audit report.
- The sector department must ensure that the use and performance of the incentive against the objectives, outputs and targets as set out in their programme expansion plan is reported in the following reports:
 - The annual report and annual financial statements of the department
 - The department's final quarterly report to NDPW on its EPWP performance.

Chapter 6: Audit Requirements and Compliance (Applicable for Sector Departments)

This chapter provides the regulatory framework for maintaining an effective internal audit function which is a condition of the E&Cs EPWP Incentive. The Audit Requirements apply to the internal auditors of eligible sector departments. It is expected that sector departments will compare their current practices and approaches to the management of project information with these requirement and take the necessary action to comply with the stated requirements. These Audit Requirements have been formulated as a set of principles for all sector departments to assist their understanding in meeting these requirements.

6.1 Key Principles

a- Independence and objectivity

- **Organisational independence:** The Internal Audit function must be free to perform work and communicate results. The Internal Audit function must remain independent of all line and functional management and will be answerable solely to the sector department's Management and Audit Committee.
- **Individual objectivity:** Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.

b- Proficiency and Due Professional Care: Internal auditors must possess the knowledge, skills, and other competencies needed to perform their responsibilities in terms of these *Audit Requirements*. Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor.

c- Quality Assurance: Internal Auditors shall at all time conduct the work assigned to them in accordance with the Audit Methodology and the Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors (refer to www.theiia.org). Internal Audit shall further comply with the Code of Ethics of Internal Auditors, as published by the Institute of Internal Auditors.

d- Capacity: The Internal Audit function must establish sufficient capacity to support the scope of audit work required to receive the Incentive. If an eligible sector departments does not have an established internal audit function, the sector departments is advised to make the necessary arrangements to outsource or co-source the function to ensure compliance with the *Audit Requirements*.

6.2 Internal Audit purpose and objective

a- Purpose

- The purpose of the Internal Audit (IA) function at sector departments for the EPWP Incentive is to maintain an independent objective assurance activity designed to improve the sector department's operations.
- It will assist the sector department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- Internal Audit should provide the management of the sector department and the Audit Committee with analysis, appraisals, recommendations and information concerning the project activities and information reviewed.

Definitions Reminder Box

Compliance

means adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

Risk

management is the process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.

Control

means any action taken by management and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.

Internal audit

means an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control.

b- Objective

- The objective of the Internal Audit function at sector departments for the EPWP Incentive is to identify and evaluate significant exposures to risk and contribute to the improvement of risk management, control and governance systems. This should include:
 - i. Overseeing the risk management framework and monitoring risk
 - ii. Reviewing the established systems to ensure compliance with those procedures, laws and regulations that could have a significant impact on operations and report and determine whether the sector department is in compliance
 - iii. Ensuring that an effective system of internal controls exist and is operating as required
 - iv. Evaluating the reliability and integrity of financial, project management and other operational information.

6.3 Roles and Responsibilities of relevant parties in Audit

The Internal Audit unit of Sector Departments

- a- The role of the Internal Audit (IA) unit is to assist the sector department to meet their objectives by providing an independent appraisal of the adequacy and effectiveness of the controls set up by the sector department to manage infrastructure project implementation, with particular interest to those projects claiming the incentive.
- b- The IA unit of each sector department is responsible to render the internal audit services required in terms of these *Audit Requirements*, the Incentive Agreement, the PFMA, Treasury Regulations and any other relevant documentation issued by the National Department of Public Works in terms of the E&Cs EPWP Incentive.
- c- **The responsibilities of the Internal Audit unit include:**
 - Developing and implementing an annual audit plan using an appropriate risk based methodology, including any risk or control concerns identified by the sector department's Management and submit that plan to the Audit Committee for review and approval
 - Maintaining a professional audit staff with sufficient knowledge, skills, experience and professional certification
 - Issuing periodic reports to the Audit Committee and the sector department's Management summarising the results of the audit activities
 - Providing a list of significant results to the sector department's Management and Audit Committee.

The Sector Department

- a- Although the role of IA unit is to review internal controls, system procedures, risks etc., **ultimately the sector department retains full responsibility for ensuring that they actually implement and maintain an appropriate framework of controls.**
- b- The sector department also has the responsibility and accountability for addressing non-compliance, weaknesses and inefficiencies that have been identified by both External Audit and Internal Audits (conducted by the National Department of Public Works and the sector department's IA respectively), and for taking the necessary corrective action.
- c- **The sector department is further responsible for:**
 - Providing input on the areas of investigation by Internal Audit
 - Ensuring support for the Internal Audit function, including ensuring that the Internal Audit unit has unrestricted access to all relevant functions, records and personnel pertaining to any project whose activities are under review
 - Maintaining internal control, including proper accounting records and other management information required for proper and compliant project governance

- Compelling project managers to respond to internal audit queries submitted
- Informing the Internal Auditors of any significant internal control problems
- Liaise with National Department of Public Works' Internal Audit where there are significant risk exposures found when sample audits are conducted on projects used to claim the incentive
- Providing a list of significant results referred to in (vi) above to the National Department of Public Works
- Reviewing IA reports and implementing recommendations as considered appropriate or as required by the National Department of Public Works.

The Audit Committee

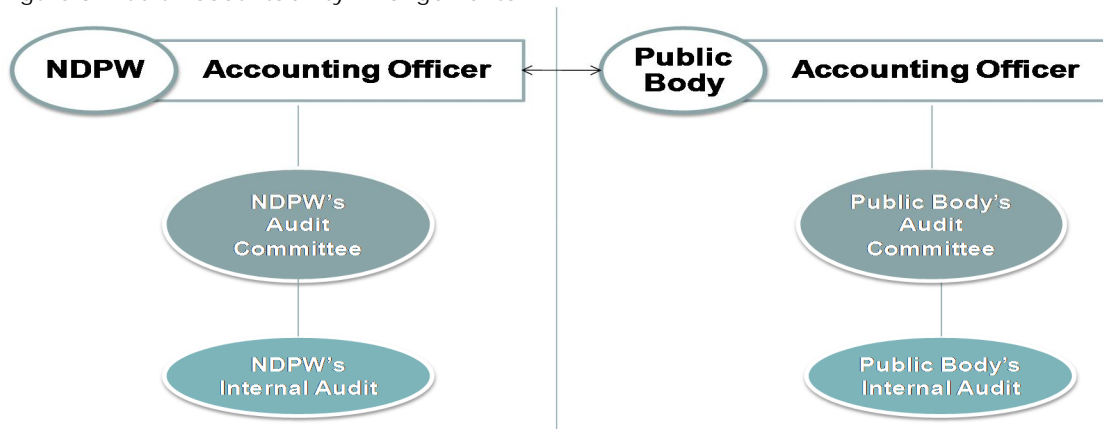
- The Audit Committee in conjunction with the Accounting Officer is responsible for reviewing the scope of Internal Audit work and the action to be taken on the outcome or finding from their work.
- The Audit Committee will:
 - Ratify the approval of the internal audit charter or annual audit plan
 - Ensure that the internal auditors effectively perform their responsibilities and duties
 - Ensure that the internal audit unit complies with the relevant audit rules and regulations
 - Ensure that the internal audit unit maintains its independence
 - Review the results of any audit work performed
 - Review the internal audit reports to the sector department's management and their response thereto
 - Monitor implementation of internal audit recommendations by sector department's management.

6.4 Audit Accountability Arrangements

The Internal Audit unit of each sector department (through the accounting officer) shall be responsible to liaise/ cooperate with the National Department of Public Works' IA on:

- Compliance with the conditions of the incentive
- Risk management and risks
- The controls in place to collect and verification/ audit of performance information upon which the incentive is disbursed; and other information required as part of the Audit Requirements.

Figure 3: Audit Accountability Arrangements



6.5 Scope of Work (for the sector department & NDPW's Internal Audit)

a- Planning

Internal Audit must adequately plan for the performance of audit procedures to ensure the objectives of the audit is achieved. It is important that the internal audit planning include:

- Obtaining comprehensive understanding of the Incentive requirements
- Defining internal audit objectives
- Obtaining a comprehensive understanding of the MIS, project operations and management
- Identifying, evaluating and ranking risks to which the sector department is exposed
- Taking into account the weaknesses of the sector departments' controls and management concerns
- Identifying audit areas and determining the type of audit and audit procedures.

b- Risk Management

- Sector departments' IA Audit must evaluate risk exposures regarding the reliability and integrity of information and compliance with the requirements in the Incentive Agreement, the Incentive Manual and any other relevant documentation issued by the National Department of Public Works in terms of the Incentive and contribute to the improvement of risk management. As part of the evaluation, consideration will be given to, inter alia, significant risks identified and assessed and potential for the occurrence of fraud and how fraud risk is managed.
- The National Department of Public Works' IA must evaluate the effectiveness of the risk management process of the incentive at sector departments. As part of the evaluation, consideration will be given to, inter alia, the appropriateness and sufficiency of resources with the necessary competencies in the Sector departments' IA function to perform the audit procedures.

c- Control

- The sector department's IA must evaluate the adequacy and effectiveness of controls regarding the reliability and integrity of their EPWP project information and compliance with the requirements in the Incentive Agreement, the Incentive Manual and any other relevant documentation issued by the National Department of Public Works in terms of the incentive.
- The sector department must ensure that adequate controls are in place; and must consider the findings and recommendations of their Internal Audit unit, their Audit Committee and NDPW to improve such controls.
- For the National Department of Public Works' IA, the key focus to give assurance that controls are functioning as intended and that NDPW fulfils its responsibilities. To this end, NDPW's IA must:
 - i. Review EPWP's controls over data reported by sector departments
 - ii. Review EPWP's monitoring of sector departments
 - iii. Ensure that the internal controls within the EPWP WBS are adequate. In evaluating these controls, NDPW's IA should:
 - understand the system parameters and control objectives
 - assess whether the controls put in place meet control objectives for the projects under review
 - test the operation of the controls in practice for the projects under review
 - provide an opinion based on audit objectives as to whether the system provides an adequate basis for effective control and whether it is properly operated in practice.

6.6 Detailed Audit Procedures

a- Documentation and information: Sector departments must ensure on a monthly basis that specific documentation and information is collected and retained – this is detailed in Chapter 5 Section 5.2. Access to project records and required information must be controlled. Retention requirements for project records must be complied with. In this regard, a sector department's IA must have unrestricted access to information, records and personnel that is key to their audits.

b- Internal audit representations: As part of the audit procedures, it is required of the management of sector departments to make an annual representation to the National Department of Public Works that it has put in place the required controls to abide by the conditions of the Incentive. This representation must be informed by the work of the sector department's Internal Audit. This representation can be made in any form, but should be made within the financial year for which the incentive agreement is valid.

c- Controls and verification of information

- Sector departments' Internal Auditors must identify, analyse, evaluate and document sufficient information to achieve the internal audit objectives.
- Sector departments' internal audit procedures must include but not be limited to:
 - i. Testing the control of the sign-off of the attendance register, beneficiary information and proof of payment
 - ii. Conducting surprise visits to verify actual attendance in accordance with attendance registers
 - iii. Conducting surprise visits to verify the validity of recorded beneficiary information
 - iv. Comparing worker details on the attendance register with supporting copies of identifying documents
 - v. Conducting tests to verify that the information on the EPWP MIS agrees with supporting documents
 - vi. Conducting tests to verify that the information on the proof of payment agrees with the attendance register
 - vii. Testing the proof of payment to verify that each contract worker signed that payment was received or that similar proof exists
 - viii. Conducting tests to verify that the rate of pay falls within the specified parameters
 - ix. Ensuring that disbursements reach the intended sector department (testing the accuracy of the provincial treasury's approved departmental drawings).

The following table reflects the minimum required internal controls and procedures that must be put in place by the sector department to ensure that the performance information provided upon which the incentive disbursement is made, is credible as far as possible.

Table 16: Controls and Audit Procedures for the Sector department in collecting key project data

Activity	Responsibility	Risk	Time-lapse	Internal controls	Audit procedures	Sample method	Time frame for audit procedures
Implementing Agent (IA) to provide information to Departmental Project Manager							
IA to sign off daily on attendance register and provide to Project Manager	IA to complete and sign off IA to provide to Project Manager	Incorrect information compiled Invalid information compiled	Monthly, at a minimum	Sign-off by IA	(in this step, it is more verification than audit procedures) Project managers: 1) test control of sign-off of attendance register 2) conduct site visits to ensure actual attendance in accordance with register 3) compare worker details on attendance register with supporting copies of identifying documents	As determined by the sector depts' finance procedures	Monthly



Activity	Responsibility	Risk	Time-lapse	Internal controls	Audit procedures	Sample method	Time frame for audit procedures
IA to generate signed payment register or bank records and provide to Project Manager	IA to provide to Project Manager	Incorrect information compiled Invalid information compiled Payment to fictitious workers	Monthly, at a minimum	Sign-off by IA	(In this step, it is more verification than audit procedures) Project managers: 1) test control of sign-off of payment register 2) conduct tests to ensure information on payment register or bank records agree with attendance register 3) test payment register or bank records to ensure proof of payment and receipt 4) conduct tests to ensure rate of pay falls within the specified parameters	As determined by the sector depts' finance procedures	Monthly
Departmental Project Manager to check data and authorise payment to IA							
Project Manager to generate payment certificate at month end	Project Manager	Incorrect, invalid or incomplete information loaded	Monthly/quarterly	Sign off by Project Manager Sign off by Finance	Sector depts internal auditors: 1) to test the validity of performance information 2) include results in quarterly or bi-annual audit report	Material sample %	Within 15 days after month end In the annual sector depts' audit
Sector Department captures/ submits performance information to NDPW							
Sector Dept to load progress into performance on EPWP reporting system	Sector Dept	Incorrect, invalid or incomplete information loaded	Quarterly	Sign off by Sector depts	Sector depts internal auditors: 1) to test the validity of performance information 2) review reasons for difference in information submitted and EPWP Quarterly Report Annexures	Material sample %	Within 22 days after end of quarter

d- Compliance

- Sector departments' Internal Audit must verify compliance with the requirements in the Incentive Agreement, the Incentive Manual and any other relevant documentation issued by the National Department of Public Works in terms of the Incentive.
- Any non-compliance with the *Audit Requirements* in fact or appearance must immediately be reported, including the details of non-compliance to the National Department of Public Works. It should be noted that non-compliance found will be dealt with as specified in Chapter 5 Section 5.6 (5) of this manual.

e- Communicating results

Communication must be accurate, objective, clear, concise, constructive, complete and timely. Should the sector department require a template, it may be requested from the National Department of Public Works' Internal Audit unit. The Internal Audit unit of sector departments should coordinate and share their audit reports on the Incentive with National Public Works Internal Audit, on, inter alia, specifically on the following:

- Objectives and scope of the audit work completed for the quarter
- Based on audit procedures completed, the audit findings/results including any weaknesses in controls, procedures, information collated and reported or problematic outcomes for the quarter
- Repeat findings with reference to findings reported in previous months or quarters by Internal Audit and management actions were required but not yet implemented

- Significant risk exposures
- Conclusion based on appropriate analysis and evaluations
- Recommendations and action plans.

f- Follow-up procedures

During the audit process, the Internal Auditors of the sector department must complete follow-up procedures to monitor and ensure actions have been effectively implemented or that senior management accepted the risk of not taking action. Follow-up procedures will form part of the audit procedures performed every quarter and has to be included as part of the repeat findings of the annual sector department internal audit reports.

Table 17: Template for quarterly and/or annual audit reports by Sector Departments

Headings to be covered	Example
Title	"Sector department Name" Internal Audit Report on the EPWP Incentive for the period ending 30 June 2009
Addressee	The report should be addressed to the Accounting Officer of the Sector department and other key Heads of Sections (i.e. CFO, Project Manager and their Audit Committee), with copies to NDPW
Accountability statement	Indicating what the accountability of the varies parties are including Management and the Sector department Internal Audit
Scope	The audit procedures performed should be described
Audit findings	Any non-compliance, weaknesses in controls, inaccurate and incomplete information reported with an indication of the effect/impact, recommendations and management comments.
Extrapolation of errors	Based on errors find in information reported the error extrapolated over the population if relevant
Repeat findings	
Significant risks identified	
Other matters for attention	
Conclusion	
Sign-off report	Report to be signed off by Chief Internal Auditor indicating the date of sign-off

6.7 Detailed Audit Procedures – National Department of Public Works

There are two types of audits that NDPW will undertake in terms of the incentive: (a) Compliance audits and (b) Performance audits. These are explained below.

- Compliance Audits** generally seek to establish firstly, whether the sector department has the necessary controls and systems to manage the incentive in compliance with the conditions set; and secondly, it seeks to establish whether these conditions are being adhered to at some point during the year.
- Performance Audits:** In addition to ensuring compliance with conditions, NDPW will undertake data quality assessment tests on projects to assess the controls in place to manage project data provided by implementing agents; as well as undertake sample audits of the performance information provided by sector departments by going through the supporting documentation for a project to ensure that the information upon which the incentive draw downs are calculated is credible.

The audit work to be undertaken could unearth areas or instances of non-compliance or inaccurate performance data reported.

- In terms of non-compliance:** Should it be found that there is non-compliance with the incentive conditions (as stipulated in the Incentive Agreement) or that there is non-compliance with the *Audit Requirements*, such as a lack of documentation upon which to base incentive claims, then

- *The National Department of Public Works will be responsible for informing the E&Cs PMT of their findings, presenting recommendations for endorsement and recommending a course of corrective action to National Treasury. This corrective action may include: Withholding an incentive draw down in the relevant quarter and notifying the sector department of the issue and the action that must be taken before the next reporting date.*
- b- ***In terms of inaccurate performance data:*** Should it be found that inaccurate performance information has been provided to EPWP, or non-EPWP projects have been reported, or the incentive has been utilised outside of the scope of its use, then
 - *The National Department of Public Works will be responsible for informing the E&Cs PMT of their findings, presenting recommendations for endorsement and recommending a course of corrective action to National Treasury. In this regard, the corrective action may include: recommending withholding an incentive draw down until the necessary data can be verified and/or recommending adjustments (if and where necessary) based on the audit results of verified performance data where such adjustments would be applied to the following quarter's incentive draw down.*

At each reporting date, the National Department of Public Works may feed into the performance assessment and incentive draw down process, the result of any recent compliance and/or performance audit results.

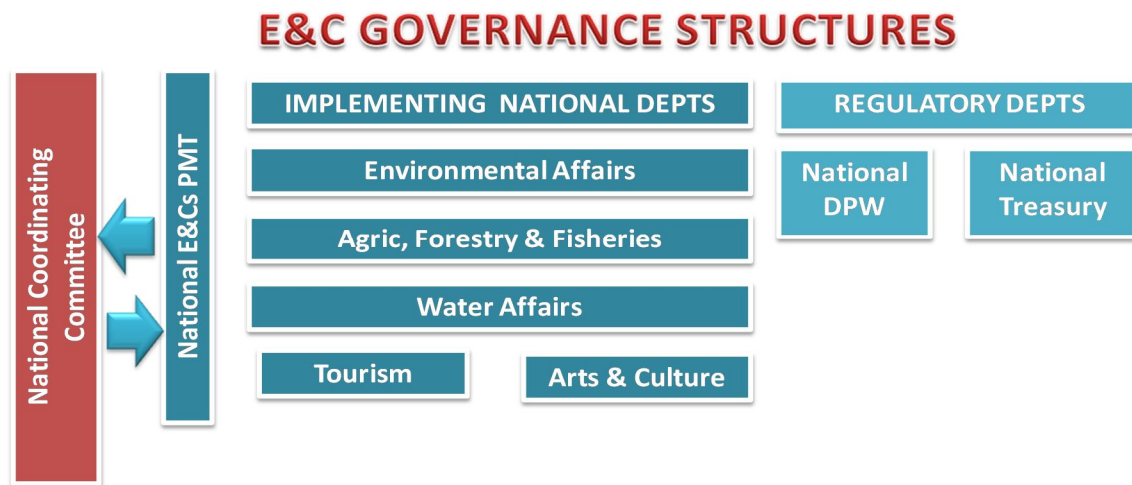
If there is confirmation that compliance has been satisfied and there is no significant audit issues raised, the National Department of Public Works will recommend incentive draw downs for the respective sector departments to National Treasury. However, it is within the National Department of Public Works' responsibility in terms of the incentive to indicate material non-compliance or audited performance results to the relevant oversight bodies (the E&Cs PMT and National Treasury) for further attention and action.

Chapter 7: Environment and Culture Sector EPWP Governance Arrangements (Applicable for all users)

7.1 Environment & Culture Sector Governance Arrangements

National Public Works will coordinate the structure below to ensure the effective implementation of the Expanded Public Works Programme for the sector as a whole.

Figure 4: E&Cs Governance Structure



- a- An **Environment & Culture Sector Programme Management Team (E&Cs PMT)** has been established to oversee the sector's expansion and the implementation of the incentive. The following Terms of Reference guide the functioning of the E&Cs PMT:
- The E&Cs PMT is regarded as a technical advisory committee, specifically commissioned to oversee the expansion of job creation in the sector and monitor the introduction and effective application of the incentive. The PMT shall oversee the planning process, programme implementation, the use of the incentive allocation and reporting to NDPW.
 - The functions of the PMT includes (but is not limited to):
 - i. Providing oversight on the Environment & Culture sector i.e. reviewing and advising on performance targets and incentive allocations;
 - ii. Overseeing the Environment & Culture sector EPWP planning process;
 - iii. Assessing expansion plans from sector departments;
 - iv. Reviewing performance and providing technical advice to unblock obstacles to implementation;
 - v. Reviewing the incentive model for the sector.
 - Membership:
 - i. The national E&Cs PMT consists of the following stakeholders: national Department of Public Works (lead); National Treasury; Department of Tourism; Department of Agriculture, Forestry and Fisheries; Department of Water Affairs and the Department of Environmental Affairs; the Department of Arts and Culture; and any other EPWP support. The PMT may also consist of other stakeholders as may be necessary.
 - Secretariat: The Department of Public Works acts as the Secretariat. The necessary capacity shall be deployed for this purpose.
 - Funding of the PMT: The activities of the PMT will be funded by NDPW.

- b- A **national EPWP coordinating committee (NCC)**, although initially intended to be a sector wide committee for DGs; it has become a committee of key implementing departments and NDPW for the purpose of discussing key developments and implementation issues in terms of EPWP. The following provides an understanding of its current form:
- The NCC is a technical working committee led by the EPWP unit that focuses on EPWP coordination across sectors and spheres, particularly engaging around strategies for implementation, expansion and funding as well as programme challenges and interventions.
 - The membership of the NCC consists of: The EPWP unit; permanent nominated representatives of all sector coordinating national departments; the 9 provincial coordinators and permanent nominated representatives from key implementing national and provincial departments crucial in guiding the EPWP programme design and implementation.
 - Secretariat: The Department of Public Works acts as the Secretariat. The necessary capacity shall be deployed for this purpose.
 - Funding of the NCC: The activities of the NCC will be funded by NDPW.

7.2 Roles and Responsibilities of the Parties in implementing the E&Cs EPWP Incentive

In terms of the accountability arrangements for the E&Cs EPWP Incentive, the Director-General of the eligible sector department will sign an Incentive Agreement with the Director-General of Public Works.

Figure 5: Accountability Arrangements for the Incentive



The key obligations of the eligible sector department and National Public Works required for the implementation of the E&Cs EPWP Incentive are detailed in the incentive agreement. Below is a sense of what this captures:

Role of the eligible sector department

- Planning, developing and implementing its EPWP programmes/projects towards its FTE targets and evaluating the impact of these programmes
- Advising and reporting to their Minister on all aspects of its EPWP programmes/projects
- Reporting to Public Works on the progress of its EPWP programmes/projects
- Identifying other departmental programmes that can apply EPWP principles.

Obligations of the eligible sector department

- Developing and submitting a programme expansion plan (by the end of February 2012) to Public Works that details the strategies and measures that will be implemented in order to meet its FTE targets
- Signing an Incentive Agreement with Public Works (by the end of March 2012) agreeing to comply with the conditions and requirements of the incentive
- Applying the EPWP incentive efficiently to expand job creation, in accordance with the agreed programme expansion plan; and in compliance with the conditions and requirements of the incentive
- Ensuring that all project and beneficiary information for its EPWP programme/projects is maintained and available for auditing by Public Works
- Reporting to Public Works and the National Treasury on all aspects of its EPWP programmes/projects, including implementation progress and issues

- f- Utilising the Incentive Report to draw down the incentive by means of a revised drawings schedule within the timeframes stipulated.

Role of the National Department of Public Works

- a- Coordinating and supporting the implementation of the EPWP
- b- Providing technical support, specifically in terms of designing programmes for labour intensity and reporting, to sector departments implementing EPWP
- c- Developing the incentive frameworks and conditions to facilitate the implementation and expansion of EPWP, in consultation with National Treasury
- d- Coordinating the collation of an EPWP Sector Expansion Plan in conjunction with the sector lead department
- e- Advising and reporting to the Minister of Public Works on all aspects of the EPWP
- f- Concluding agreements with eligible sector departments regarding the terms and conditions governing the allocation, disbursement and use of the incentive
- g- Monitoring the implementation of the EPWP towards the targets and evaluating the impact of the programme; and reporting on such matters to the National Treasury on a quarterly basis
- h- Designing and implementing a national communication strategy for the EPWP
- i- Documenting and publicising best practices in the EPWP.

Obligations of the National Department of Public Works

- a- Assisting the sector department in planning for expansion
- b- Providing the sector department with technical support and assistance as agreed to by the parties in order to promote the achievement of the sector department's FTE targets
- c- Presenting the draft incentive agreement to the national E&Cs PMT for endorsement
- d- Submitting to the National Treasury (by the end of March 2012), the final consolidated (national) sector expansion plan recommended by the E&Cs PMT and approved by DDG:EPWP
- e- On a quarterly basis, on the agreed dates, reporting to the National Treasury, progress of its E&Cs EPWP programme/projects against the FTE targets set for each programme
- f- Monitoring the use of the incentive
- g- Undertaking, at the time of the Adjusted Estimates, a midyear performance assessment for the E&C sector reviewing actual performance of each sector department's EPWP programme against the set FTE targets and expansion plan; as well as assess compliance with the terms of the Incentive Agreement. At the time of the Adjusted Estimates, Public Works will recommend, on the basis of the midyear performance assessment, any midyear adjustments to the E&Cs Incentive Allocation that the sector department is eligible to receive based on the sector department's actual performance by the time of the midyear assessment and plans for the remainder of the financial year. Such recommendation will be presented to the E&Cs PMT before submission to the National Treasury.
- h- Audit and verify the performance of the sector department
- i- Convene the Environment & Culture Sector PMT.

The following table indicates the roles of different parties (the regulatory bodies, the implementing sector departments, the programme coordinators) in managing the E&Cs EPWP Incentive.

Table 18: Governance Responsibilities

Governance Area	Responsibility	What would govern this?
1. Determining EPWP Policy and the determining the Incentive Management Framework, including: <ul style="list-style-type: none"> Determining the eligibility criteria for the incentive Determining the principles that govern the incentive Determining the conditions of the incentive: determining the minimum wage rate, the EPWP target group Determining how the incentive can be used - which programmes are eligible for the incentive; and how much can be used for provinces, new programmes, redesigning existing Set up the governance arrangements – agreements, committee structures, rules, reporting system, etc Annually reviewing the incentive model, management framework and incentive agreement, conditions and requirements of the E&Cs Incentive to address challenges and for the inclusion of new programmes Commissioning the necessary research assignments to inform the design of the programme, outcomes, implementation frameworks, etc. Ensuring buy-in from sector departments Ministers and DGs. 	<ul style="list-style-type: none"> National E&Cs PMT led by Public Works National Public Works only National Public Works & Sector depts. 	<p>2012 E&Cs EPWP Incentive Manual Incentive Agreement</p> <p>National MoA between Ministers; Incentive Agreement btw DGs</p>
2. Planning <ul style="list-style-type: none"> Leading and guiding the process of planning for expansion, including: <ul style="list-style-type: none"> Providing a framework for the sector plan Facilitating the planning process Supporting planning for expansion Setting sector job creation targets Engaging with sector depts. on their expansion plans over the MTEF, likely targets, ways to achieve these plans and support required Assisting sector managers in planning for programme design changes and implications Developing the programme expansion plan Oversight and assessment of sector plan, including: <ul style="list-style-type: none"> Determining a criteria to assess plans Assessment, review and endorsement of plans. Facilitating MTEF Planning, including: <ul style="list-style-type: none"> Facilitating discussions on the programme, expansion opportunities and new initiatives Engaging with the relevant oversight and partnership bodies on the proposal, managing consultation/ responses Finalising proposals and its implications for submission to Treasury and Cabinet. 	<ul style="list-style-type: none"> National Public Works Individual sector depts. E&Cs PMT National Public Works, with the oversight of the E&Cs PMT 	<p>Framework of sector plan developed by NDPW E&Cs PMT Terms of Reference</p> <p>Guided by National Treasury's MTEF Budget Guidelines</p>
3. Contracting Arrangements with Project Implementing Agents (IAs) <ul style="list-style-type: none"> Incorporating the rules of the incentive – particularly, new targets and key performance indicators, reporting times and requirements and audit requirements – into project agreements. Ensuring IAs have the necessary administrative and financial systems to maintain the information/ records required for the incentive. 	<ul style="list-style-type: none"> Individual sector depts 	<p>Guided by Incentive requirements</p>

Governance Area	Responsibility	What would govern this?
4. Project Implementation <ul style="list-style-type: none"> Ensuring that every project manager compiles and maintains the necessary information - project detail, beneficiary information captured, institute daily labour register and fortnightly payment register, training information tracking Collecting project data from site, validate performance information and sign off before loading on/ exporting to the EPWP web based system Conducting site visits/ meetings to ensure compliance with information requirements as stipulated in the incentive agreement and to verify reported performance. 	<ul style="list-style-type: none"> Individual sector depts' Project Managers 	<p>Contracts with Implementing Agents</p>
5. Reporting and Audit requirements <ul style="list-style-type: none"> Determining EPWP information to be reported, in terms of: <ul style="list-style-type: none"> Beneficiary information Site information Payment information Performance information Determining the reporting requirements in line with the conditions, requirements and information needs for oversight Reporting on performance Receiving reports, running data validations, verifying performance and referring data problems to sector departments Sector departments resolve data issues Developing a Quarterly Incentive Report indicating performance against FTE targets and the related incentive amounts earned Authorising revised drawings Collating the quarterly EPWP performance report for government all sectors and all spheres on the achievement of targets Determining audit requirements and auditing compliance and performance NDPW Internal Audit must undertake sample audits during the year on performance information validity, control effectiveness and compliance. 	<ul style="list-style-type: none"> National Public Works National Public Works in consultation with the sector & NT Sector depts National Public Works Sector depts National Public Works National Treasury National Public Works 	<p>EPWP Web based Reporting system EPWP requirements Site/ project forms</p> <p>Methodology agreed by the E&Cs PMT Approved Drawings Schedule</p> <p>EPWP's Audit Regulations</p>
6. Administration of the Incentive amount <ul style="list-style-type: none"> Midyear performance assessment and advising on the re-allocation of incentive funds that will not be used Determining quarterly performance and the draw down of the incentive for which each programme is eligible and informing Treasury of this quarterly amount Reviewing the incentive amount qualified for by each sector depts and approving drawings for the incentive amount Monitoring implementation and ensuring incentive is used for intended purpose (and reporting on this midyear) 	<ul style="list-style-type: none"> National Public Works, endorsed by E&Cs PMT 	<p>Incentive Agreement Validated performance reports from EPWP</p>



Governance Area	Responsibility	What would govern this?
7. Performance Evaluation <ul style="list-style-type: none"> There are various parties involved in undertaking an overall evaluation of the programme at the end of every year: <ul style="list-style-type: none"> The EPWP unit must monitor and evaluate the use and impact of the incentive NDPW will undertake annual audit on the performance of the programme The M&E unit will review annual performance and develop an annual evaluation report. The EPWP unit will coordinate together with the sector and regulatory bodies various evaluation assignments. Various studies could be undertaken through the coordination of the EPWP unit on: <ul style="list-style-type: none"> How the programme has impacted communities and beneficiaries (income improvements/ transfers, standard of living, skills development, exit opportunities, local economic development, assets created) Programme effectiveness (relevance & quality of training; role of IAs (targeting, training etc.); community perceptions of the benefit of the project; efficacy of design & implementation). The EPWP unit in conjunction with the sector will document best practices and feed into programme design. 	<ul style="list-style-type: none"> National Public Works National Public Works, E&Cs PMT & Sector Depts 	Programme Evaluation Framework developed by NDPW, approved by E&Cs PMT
8. Communication <ul style="list-style-type: none"> The EPWP unit is responsible for ensuring all key stakeholders understand the incentive, its rules and conditions, including: <ul style="list-style-type: none"> Providing standard communication material to key stakeholders to explain the E&Cs incentive Developing a scheduled programme of interaction for the year: forums and steering committees, communication road shows, workshop sessions, training, PMT meetings, etc. Managing the EPWP website with updated programme information, progress and contact details for the sector Providing an E&Cs EPWP Incentive Manual. 	<ul style="list-style-type: none"> National Public Works 	
9. Technical Support <ul style="list-style-type: none"> Determining the support interventions required in response to sector departments' needs, identifying scope and resources needed, assigning project owners and mobilising, implementing and monitoring support interventions. 	<ul style="list-style-type: none"> National Public Works, on the request of and in agreement with sector depts 	



ANNEXURE: ANNUAL E&C SCHEDULE

Date	Event	Main Responsibility
30-Mar-12	Consolidated 2012 Sector Plan submitted to NT	Public Works
30-Mar-12	Signed 2012 Incentive Agreements	Sector Departments
4-May-12	Q4 2011/12 Reporting Due Date - EPWP	Sector Departments
7-Jun-12	Programme Management Meeting - Q4 Reporting	Public Works
18-Jun-12	Q4 2011/12 Incentive Reports to NT & Sector Depts	Public Works
25-Jun-12	Q4 2011/12 Revised Drawings request to NT	Sector Departments
30-Jun-12	Q4 2011/12 Incentive Draw down approved	National Treasury
22-Jul-12	Q1 Reporting Due Date - EPWP	Sector Departments
8-Aug-12	Programme Management Meeting - Q1 Reporting	Public Works
27-Jul-12	MTEF Budget Bids submitted	Public Works
17-Aug-12	Q1 Incentive Reports to NT & Sector Depts	Public Works
24-Aug-12	Q1 Revised Drawings request to NT	Sector Departments
31-Aug-12	Q1 Incentive Draw down approved	National Treasury
3-Sep-12	Programme Management Meeting - AENE	Public Works
7-Sep-12	Additional Funds Request submitted	Public Works
8-Oct-12	Adjusted Estimates Submission	Public Works
22-Oct-12	Q2 Reporting Due Date - EPWP	Sector Departments
9-Nov-12	Programme Management Meeting - Q2 Reporting	Public Works
16-Nov-12	Q2 Incentive Reports to NT & Sector Depts	Public Works
23-Nov-12	Q2 Revised Drawings request to NT	Sector Departments
15-Nov-12	MTEF Allocation Letters received	National Treasury
30-Nov-12	Q2 Incentive Draw down approved	National Treasury
3-Dec-12	Draft Programme Expansion plans due	Sector Departments
22-Jan-13	Q3 Reporting Due Date - EPWP	Sector Departments
8-Feb-13	Programme Management Meeting - Q3 Reporting	Public Works
15-Feb-13	Q3 Incentive Reports to NT & Sector Depts	Public Works
15-Feb-13	Final Programme expansion plans due	Sector Departments
22-Feb-13	Q3 Revised Drawings request to NT	Sector Departments
28-Feb-13	Q3 Incentive Draw down approved	National Treasury
29-Mar-13	Consolidated 2011 Sector Plan submitted to NT	Public Works
29-Mar-13	Signed 2011 Incentive Agreements	Sector Departments
22-Apr-13	Q4 Reporting Due Date - EPWP	Sector Departments
10-May-13	Programme Management Meeting - Q4 Reporting	Public Works
17-May-13	Q4 Incentive Reports to NT & Sector Depts	Public Works
24-May-13	Q4 Revised Drawings request to NT	Sector Departments
31-May-13	Q4 Incentive Draw down approved	National Treasury

2012-13 E&Cs EPWP INCENTIVE MANUAL For National E&C Sector Departments



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA



EXPANDED PUBLIC WORKS PROGRAMME

NB: This document can be accessed from the EPWP website: www.epwp.gov.za

Or

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