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Treasury Requirements

Since the district health plans are based primarily on Treasury requirements, it is important to show its vision of strategic and operational planning. (See Table 1.) This vision includes bridging the gap between policy and budgets, ensuring common purpose between executive authorities and accounting officers, setting priorities, and determining measurable objectives and targets and reporting against them.

Table 1. Treasury strategic planning requirements

Treasury strategic planning requirements

Chapter 2 of the *Guidelines for Accounting Officers* sketches the vision of the PFMA with regard to planning, budgeting, monitoring and reporting and how all these activities need to feed into ensuring accountability. Important points emerging from this discussion include:

- The aim of strategic planning is to bridge the gap between policy and budgets.
- Strategic planning must ensure common purpose between the executive authority and the accounting officer in the pursuit of government objectives and outcomes.
- Strategic plans must form the basis for identifying departmental programmes.
- The executive authority is responsible for developing a five-year vision which should guide the development of the department's strategic plan.
- The strategic plan covers a period of three years and the first year is known as the operational plan.
- Operational plans must specify measurable objectives that cover 'objectives', service delivery indicators, and targets.
- The operational plans must feed into the performance agreements between executive authorities and accounting officers.
- Strategic plans must form the basis for in-year monitoring and reporting, as well as end year reporting.

Treasury has also developed a chart showing its view of the linkages between plans, budgets, reporting etc. (See Figure 2.) Although the chart states that the plans are updated annually, they are actually rolling plans in that a new plan is done each year for a new three-year period. Also, the “Annual review” element in the chart is included with the strategic planning part of the district health plan process.

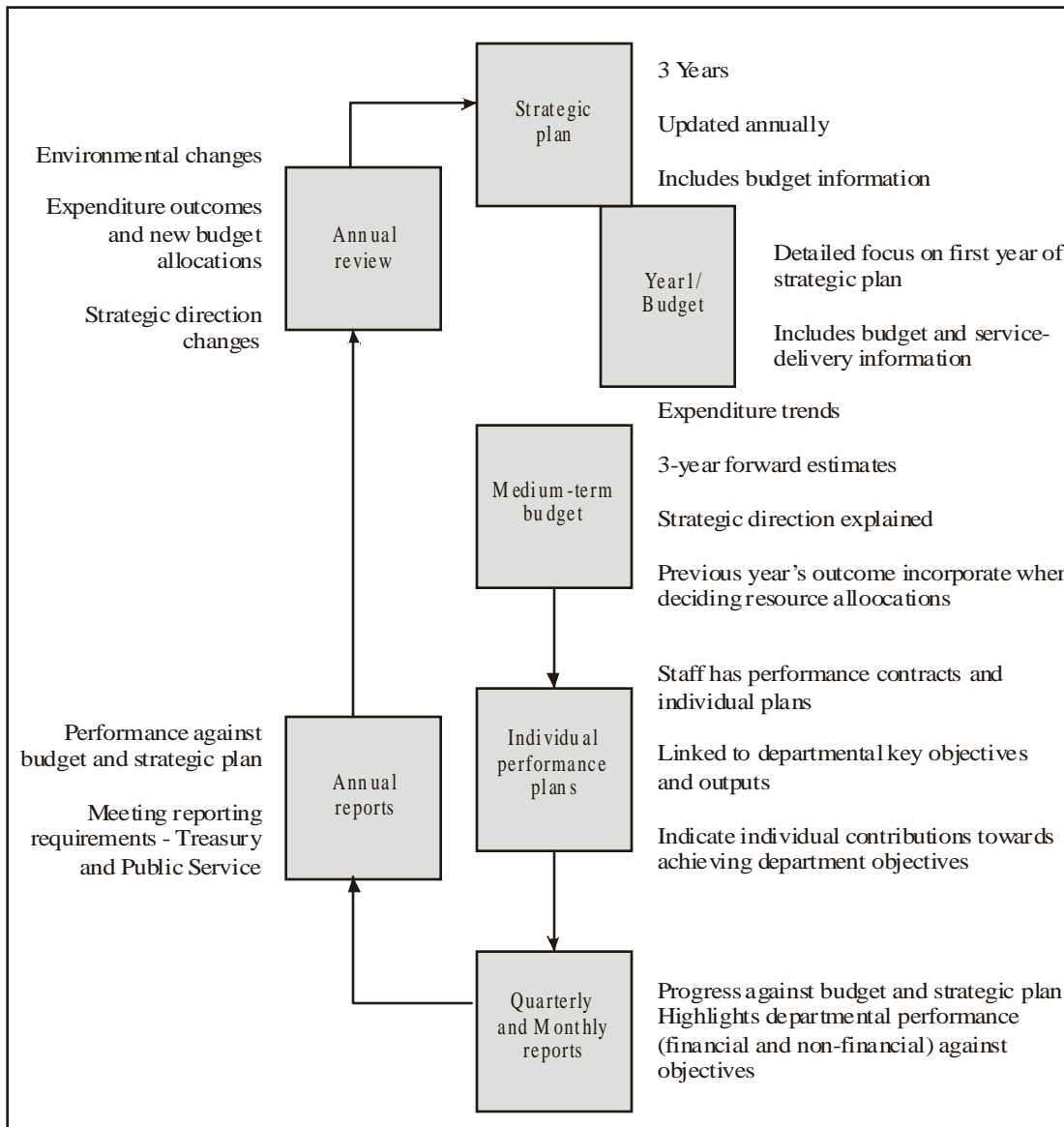


Figure 2. Linkages between strategic plans, budget, reporting etc.

Treasury also provides a list of criteria that should be used with regard to for information shown in annual reports. (See Table 2.)

Table 2. Criteria for good information

Information criteria	
1. Comparable	Information contained in annual reports must be: To be of value for purposes of evaluation, performance data should be compared to: (a) the department's predetermined objectives (intentions) and service standards, which are stated in measurable terms; (b) needs of target populations; (c) the performance of similar organisations; (d) performance during a previous period; or (e) other benchmarks.
2. Consistent	Performance measures should be consistent from one reporting period to the next, and the information should be prepared on the same basis in order to compare and assess performance adequately.
3. Explained	Each key performance measure should be explained and the methodology outlined, i.e. how the information was obtained, from what data sources, etc. The significance, limitations, reliability and relevance of the measures and indicators should be explained.
4. Analysed	It is important to show that any significant variances have been analysed. The reasons for variances should be examined, analysed and explained. Periodic programme evaluations are therefore important to assess the relationship between anticipated outputs and actual achievements.
5. Range of measures	The information should reflect the key attributes of performance. For example, focussing only on the cost of outputs is not sufficient to describe the quality of performance. If costs are decreasing, what about quality - is that also decreasing? If the quantity or volume of goods and services is staying constant, what about the population the programme is serving?
6. Verifiable	It must be possible for the report user to trace the sources and systems from which information is derived and, if necessary, information should be attested to by an independent third party to ensure its credibility.
7. Objective	Information should be provided in a balanced and objective way by keeping matters in perspective and presenting without bias the positive and negative aspects.
8. Relevant	The information should pertain directly to the interests, concerns and expectations of the members of legislatures and other stakeholders.
9. Comprehensive	The information provided should be a concise and complete overview of the activities of the department under review, including the identification of any areas deliberately left out.
10. Understandable	The readers for whom the report is intended should be able to clearly understand the contents of the report, which can be achieved by using terminology and reasoning that is comprehensible to any lay reader - especially when technical matters are discussed.

Extracted from Treasury's Guidelines for Annual Reporting