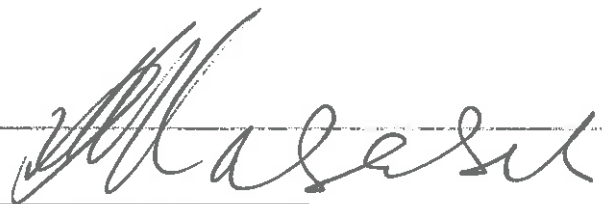




KWAZULU-NATAL PROVINCIAL TREASURY

POLICY ON ORGANISATIONAL DESIGN

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Date:	16/05/2017

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1. INTRODUCTION

In terms of the directive from the **Department of Public Service and Administration (DPSA) dated 13 September 2015 (regulation 25 section 2 (A)(ii) the 2016 Regulations)** it is imperative that all Executing Authorities (EAs) must consult with the Minister of Public Service and Administration (MPSA) prior to approval of functional organization and post establishment structures especially the first three tiers. In view of the aforementioned directive, a need was identified for a policy framework to be developed for the department.

2. PURPOSE

The purpose of this policy is to promote institutional efficiency and effectiveness through the optimal utilization of organizational design and management advisory services and to guide OD Practitioners on the underlying philosophy and principles of OD.

3. OBJECTIVES

The objectives of this policy framework are to address the following:

- a) The non-existence/inadequate capacity in terms of OD;
- b) Non utilization of existing capacity;
- c) Lack of co-ordination and control;
- d) OD training;
- e) Inconsistency in the span of control;
- f) Lack of norms and standards; and
- g) Heavy reliance on consultants.
- h) **Compliance**.

4. AUTHORISATION

Public Service Act, 1994, as amended.

Public Service Regulations, 2016.

DPSA directive to specify which changes to the organizational structures of a department be consulted prior to approval dated **01 October 2016.**

5. SCOPE OF APPLICABILITY

This policy is applicable to all KwaZulu Natal Provincial Treasury employees who are employed in terms of the Public Service Act, 1994, as amended.

6. DEFINITIONS

For the purpose of this policy framework, unless the context indicates otherwise, the following definitions are set out for the terms indicated:

- 6.1 **BPR** means an approach aiming at improvements by means of elevating efficiency and effectiveness of the business process that exist within and across organizations.
- 6.2 **Department** means KZN Provincial Treasury.
- 6.3 **DPSA** means Department of Public Service Administration.
- 6.4 **EA** means Executing Authority of the Department.
- 6.5 **HR** means Human Resources.
- 6.6 **MAS** means Management Advisory Services.
- 6.7 **MASF** means Management Advisory Services Forum that deals with all organization design issues and which is coordinated in the Office of the Premier.
- 6.8 **MPSA** means Minister of Public Service and Administration.
- 6.9 **OD** means Organisational Design.
- 6.10 **ODP** means Organisational Design Practitioner.
- 6.11 **OTP** means Office of the Premier in the KwaZulu Natal Province.
- 6.12 **PerSal** means the payroll software used by the state.
- 6.13 **Premier** means the Premier of KwaZulu Natal.
- 6.14 **Province** means the Province of KwaZulu Natal.
- 6.15 **PSCBC** means the Public Service Coordinating Bargaining Council.

6.16 **Public Service Act** means the Public Service Act, 1994 (Proclamation 103 of 1994) as amended

6.17 **PSR 2016** means the Public Service Regulations of 2016.

6.18 **PROES unit** means the Directorate: Provincial Organisational Efficiency Services

7. POLICY PROVISIONS

7.1 ORGANISATIONAL DESIGN UNIT

The departmental organizational design unit should provide professional advice in terms of the execution of the mandates. The role of the unit will, inter alia, be as follows:

7.1.1 Facilitation of/ participation in Strategic Planning

In terms of **PSR 2016, regulation 25**, 'the EA shall prepare a strategic plan for his or her department'. In order for the EA to prepare a strategic plan, the unit and or OD practitioner should participate in the strategic plan process in order to give guidance on organizational structure matters.

7.1.2 Determination of Organisational Structures

The unit is responsible for the design of the departmental structure taking the Strategic, Human Resource, Annual Performance Plans and the Medium Term Expenditure Framework into consideration. Cognisance must be taken of the DPSA organizational tool kit with restructuring and redesigning. The method of executing functions in the department will inform the kind of structure to be developed. The unit must advise the EA on the implication of the structure and recommend on the OD model to be used.

7.1.3 Development of norms and procedures

In order to ensure the efficient, economic and effective use of resources with a view to improving the functioning of the department as stated in **PSR 2016, regulation 25**, the unit will have to ascertain whether norms

and procedures are in place to promote the efficient utilization of resources.

7.1.4 Creation and abolition of posts

The unit must advise the EA on the creation and abolition of posts. As a rule, alteration to the organisational structures should only be effected after the strategic planning process. However, if there is an urgent need to create additional posts or newly designed jobs or posts, the following principles need to be observed:

- a) An indication as to the availability of funds should be provided and this should be confirmed with the Chief Financial Officer;
- b) Before the creation of additional posts, existing procedures for the execution of functions should be evaluated;
- c) As a rule all existing posts should be filled before additional ones are created;
- d) Requests for the creation and or abolition of posts must be followed by an OD report on recommendations on the creation and or abolition of posts and should be approved by the EA or any person with delegated authority before implementation;
- e) The unit will be responsible for facilitating the development of generic job descriptions and should be included in the report. It is further stated that the provisions of Job Evaluation and Job Description Policies must be complied with;
- f) The unit will inform the relevant component of the EA's decision regarding organizational structures and the implementation strategy will be done in conjunction with the departmental units; and
- g) Where additional funded posts have been created, the PERSAL system and organogram should be updated accordingly.

7.1.5 Transfer of Functions between Departments

The MPSA or Premier has, in terms of **PSR 2016, regulation 32**, been vested with the authority to determine the transfer of functions between departments. The transfer of functions between departments must comply with the following requirements:

The relinquishing department shall transfer all concomitant resources including personnel;

- a) The recipient department shall co-ordinate the transfer;
- b) The recipient department shall accept accountability for the function of the date of the transfer;
- c) The accounting officer of the relinquishing department shall retain accountability for matters originating prior to the date of transfer;
- d) The transfer of personnel shall take place with due regard to the requirements of the Labour Relations Act; and
- e) The transfer of funds shall take place in accordance with the requirements of the paragraph 6.5 of the Treasury Regulations.

8. Use of Consultants and/or other government bodies

Where the EA or delegated authority decides to use consultants or other government bodies for OD, the departmental unit should be incorporated as part of the organizational re-structuring or review process for quality assurance. Consultants or other government bodies need to be given clear terms of reference in line with DPSA directive.

9. Monitoring Compliance

- a) In terms of section 3(4) (c) of the Public Service Act, 1994 the Premier is authorized to review organizational structures.
- b) The Premier as the EA of the Province must be informed of the organizational structures. Restructuring reports must be submitted to the Office of the Premier for comment prior to them being submitted to DPSA, it is required that approved organizational structures must be submitted to the Office of the Premier.
- c) The PROES unit will continuously monitor the provincial organizational structures with a view to, inter alia, eliminate duplication of functions between departments.

10. Handling of Transversal Organisational Design

The PROES Unit will be responsible for all transversal organization and establishment functions. However, departmental units in the department will form part of the project team where they are affected by such projects e.g. HR functions.

11. Promotion of Objectivity and Capacity Building

In order to ensure that objectivity and professionalism is maintained in the field of organizational design, the PROES Unit will co-ordinate the MASF which will comprise one representative per department wherein:-

- a) The OD principles and philosophies will be discussed by all OD functionaries and other stake-holders in the province.
- b) The MAS shall, inter alia be responsible for the following:
 - Organizational design development;
 - BPR;
 - Change management;
 - Identify transversal OD training; and
 - Conduct research and liaise with DPSA and other stakeholders and disseminate relevant information.
- c) The PROES unit shall also assist internal structures in ensuring that objectivity is maintained in the departments by providing impartial advise and guidance on OD issues.

12. FINANCIAL IMPLICATIONS

The Head of Department must ensure that funds are available for restructuring, redesigning and implementation in terms of this policy framework.

13. COMMUNICATION

The **Directorate: Human Resources** is responsible for communicating this policy to all employees within the department.

14. MONITORING AND EVALUATION

The **Directorate: Human Resources** is responsible for the development and ongoing monitoring thereof. Any inputs and amendments to this policy must be directed to the Director: Human Resources.

