



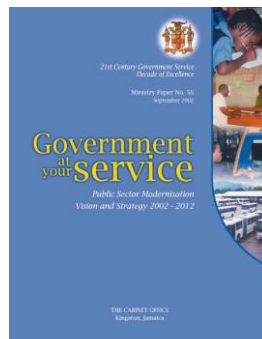
Government of Jamaica

Accountability Framework

for

Senior Executive Officers

(Permanent Secretaries, Chief Executive Officers of Executive Agencies and Public Bodies)



Cabinet Office
Public Sector Modernization Division
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EXECUTIVE SUMMARY

The Government of Jamaica (GoJ), like most western governments, is committed to strengthening its capacity to manage for results. As part of this process, the GoJ has articulated a 5-year agenda for modernizing government in the **Government at your Service: Public Sector Modernization Vision and Strategy Medium Term Action Plan** (MTAP). A major thrust of this agenda is the strengthening of accountability systems across government and in particular, strengthening the accountability framework and mechanisms for governments' senior executives. In keeping with its commitment to accountability, the government has undertaken a number of initiatives including a review of accountability in 2008 which resulted in the preparation of the *Strengthening the Accountability Framework for the Public Sector in Jamaica, A Comparative Analysis of Accountability Mechanisms (Jamaica and Canada)* and this framework document.

The Accountability Framework addresses two main distinct levels of accountability. The **first level** addresses the issue of **Government-Wide Accountability** and responds to the question of how and what instruments provide a basis for assuring that Government's policy prescriptions are clear, connected, subject to scrutiny, and translated into institutional actions. While this level is not the primordial focus of this framework, it is imperative to identify the potential instruments that form the accountability matrix at the policy level, to which that of senior executives would need to be aligned. The **Second level** addresses the issue of **Individual Accountability**, and proposes means to assure that the performance of senior public servants, are measured, rewarded and sanctioned where appropriate.

The objective of the Accountability Framework is to clarify responsibilities, expectations and reporting relationships for government's senior executive officers (Permanent Secretaries and Chief Executive Officers of Executive Agencies and Public Bodies). To this end, the framework addresses three main elements:

- The Government-wide Accountability Environment
- Government's Senior Executive Officers Accountability Arrangements
- Supportive and enabling Performance Management and Evaluation Systems
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These elements are analyzed based on international best practices, with particular emphasis on the Canadian model.

DECISIONS

The following are decisions of Cabinet that have been made to close some of the gaps identified and thereby strengthening the accountability framework. In this regard, Ministers, Senior Executive Officers and relevant entities of the Public Sector are mandated/ obligated to achieve the following commitments:

1. The Terms of Reference for the Public Administration and Appropriations Committee shall be reviewed to strengthen its oversight/scrutiny role and to enhance the capacity of Parliament. (ref. 2.1 on page 12)
2. A review to assess the capacity and needs of Parliament shall be undertaken. This could be accompanied by a study of the Parliamentary Budget Office to see if a similar structure could provide parliamentary committees with the requisite capacity to carry out their oversight function. (ref. 2.1 on page 12)
3. Ministries shall table their annual reports before Parliament as an incentive to enhance performance. (ref. 2.1 on page 13)
4. Mechanisms similar to the Management Resources and Results Structure (MRRS) and Program Activity Architecture (PAA) shall be adopted to provide stronger linkages between planning and performance reporting and strengthen overall accountability.(ref. 2.2 on page 14)
5. The Management and Accountability Framework, Results-based Management and Accountability Framework and the Integrated Risk Management Framework shall be examined to determine their appropriateness and adaptability to the Jamaican model as a means to improve management and accountability at the organizational level. (ref. 2.4.3 on page 16)
6. The principle of “let managers manage” is endorsed and its implementation shall be continued and supported as part of the Government’s modernization programme, and in keeping with best practices for modern public management. (ref. 2.5.2 on page 17)
7. Duplication of functions between the Corporate Management Branch of the Cabinet Office and the Public Sector Establishment Division of the Ministry of Finance and the Public Service for the classification of posts shall be removed. (ref. 2.5.2 on page 17)
8. The Office of the Services Commissions shall submit reports on Human Resource Audits, regularly, to the responsible Permanent Secretary, and the Cabinet Secretary as head of the Public Service. In instances of continuous or extreme breaches, the report shall be submitted to the Chairman of the Public Service Commission with recommendations for sanctions. The Human Resource reports shall serve also as input into CEOs and Permanent Secretaries performance evaluation. (ref. 2.5.3 on page 18)
9. An assessment of the Auditor General’s Department shall be conducted to ascertain the issues hindering the timely completion of audited financial statements for inclusion in the annual reports of Ministries, department and agencies. (ref. 2.5.3 on page 19)
10. All tools and guidance documents developed shall be placed online for accessibility. Performance reports shall also be made available online. (ref. 2.6.3 on page 19)
11. Permanent Secretaries shall be accorded the flexibility to manage their human and financial responsibilities to achieve results, and be held accountable for performance, consistent with the “let managers manage” thrust of the Government. (ref. 4.1 on page 24)
12. Permanent Secretaries shall be party in determining the performance agreement of CEOs of Executive Agencies. This relationship shall be formalized in the Performance Agreement, and the Permanent Secretary shall sign along with the portfolio Minister and CEO. This signing of the Performance Agreement by the Permanent Secretary is not a substitute for the Minister’s responsibility but is simply a technical aid to allow for adequate appraisal of performance. (ref. 4.3 on page 25)
13. The practice whereby Permanent Secretaries sit on Advisory Boards and/or Management Boards under their portfolio shall be disallowed and legislation to ensure consistency with this direction, shall be amended as relevant. However, a Permanent Secretary can name a

- Ministry representative to sit on such Boards, and is eligible to sit on other Boards that do not fall under his/her direct oversight. (ref. 4.3 on page 25/26)
14. CEOs of Executive Agencies shall be required to provide to their portfolio Permanent Secretary, all documentation (framework documents, corporate and business plans, annual reports) so that s/he can adequately fulfill his/her role in the evaluation process. (ref. 4.3 on page 25)
 15. CEOs and Chairmen of Boards of Public Bodies shall appear before the Public Accounts Committee, if deemed necessary by the Permanent Secretary. The “Letter of Appointment-Accounting Officer” should be amended to reflect this requirement. (ref. 4.3[ii] on page 26)
 16. An appropriate and enabling framework shall be established within portfolio Ministries to monitor Public Bodies, as a technical aid to Ministerial responsibility. The mechanics are to be further defined under the existing Governance Framework for Public Bodies that is being developed. (ref. 4.3[iii] on page 27)
 17. The Permanent Secretary as accounting officer, shall receive Board minutes, and corporate plans for Public Bodies shall be submitted for approval to the portfolio Minister through the responsible Permanent Secretary. This is to complement the powers conferred to the responsible Minister under the PBMA Act, to allow for more effective policy oversight. (ref. 4.3[iii] on page 27)
 18. The Permanent Secretary’s Performance Appraisal Process shall involve the Portfolio Minister, who would also be a signatory to the Permanent Secretary’s Performance Agreement. The performance evaluation will continue to rest with the Cabinet Secretary, but with input from the portfolio Minister. (ref. 4.4 on page 28)
 19. A more structured support arrangement for the Permanent Secretary group shall be established, similar to the Association of Professional Executives (APEX) in Canada. This arrangement would facilitate and promote networking, professional development and public service excellence. (ref. 4.6 on page 29)
 20. The management of the Permanent Secretary group shall be improved, regarding access to training, mentoring, coaching and continuous learning events for new and existing Permanent Secretaries. (ref. 4.7 on page 30)
 21. A process for identifying and grooming potential candidates for Permanent Secretary within the wider public service shall be developed and formalized. (ref. 4.7 on page 30)
 22. The Performance Management and Appraisal Systems for Permanent Secretaries, Chief Executive Officers in Executive Agencies and Public Bodies which are based on international best practices, shall be implemented on a phased basis and will include the following features:
 - Linking performance to pay and or other incentives and sanctions;
 - Identifying and documenting a process and timetable to be followed;
 - Developing performance agreements, assessing performance and providing feedback on an annual basis;
 - Deciding who should be party to the agreement;
 - Including multiple inputs into the assessment process;
 - Identifying the attributes to be considered in the assessment including individual performance, organizational performance, how results were achieved and leadership attributes displayed;
 - Developing a mechanism to strengthen the performance management process such as the mechanism employed by Treasury Board Secretariat (TBS); and
 - Developing documentation and making it readily available. (ref. 4.8,5.5,6.6 on page 32/36/43)

23. Executive Agencies' Advisory Boards shall be maintained to provide only "advisory" functions to the CEO. (ref. 5.1 on page 34)
24. Competency requirements for members of Advisory Boards shall be established to assure the provision of quality advice to the CEO. (ref. 5.1 on page 34)
25. All Corporate Plans of Executive Agencies shall be approved by the Portfolio Minister on the recommendation of the responsible Permanent Secretary. (ref. 5.5 on page 37)
26. The position of executive chairmen shall be discontinued and legislation that could conflict with this direction shall be amended accordingly. (ref. 6.1 on page 39)
27. Mechanisms for regular reporting to Parliament shall be established, for example, through a Select Committee, as part of Public Bodies' accountability oversight. (ref. 6.1 on page 39)
28. "Accounting Officer" status, shall be designated on a phased basis, to CEOs of Public Bodies meeting approved specified criteria for example, those suggested in section 6.5 on page 43)
29. Further legal analysis shall be undertaken by the Attorney General's Chambers to examine:
 - i. whether the existing legislative provisions would allow for self-financing Public Bodies to be designated "Accounting Officer" status; and
 - ii. whether the definition of "Accounting Officer" would need to be amended to allow for the extension of Permanent Secretary oversight over those self-financing entities in which designation would not be desirable. (ref. 6.5 on page 43)

Chapter One

INTRODUCTION

The Government of Jamaica (GoJ), like most western governments, is committed to strengthening its capacity to manage for results. As part of this process, the GoJ has articulated a 5-year agenda for modernizing government in the **Government at your Service: Public Sector Modernisation Vision and Strategy Medium Term Action Plan** (MTAP). The document was revised by the Cabinet Office in 2007. A major thrust of this agenda is the strengthening of governance and in particular, accountability systems across government.

Strengthening the accountability framework and mechanisms for the Government's senior executive management is part of the fundamental management reform initiative under way in Jamaica and is critical for managing for results. As a result of its commitment to accountability, the government has *inter alia*: introduced a Citizen's Charter Program in 1994; implemented a performance management appraisal system in 2006 that has since been implemented in 13 government entities; and undertaken a review of accountability in 2008. The latter resulted in the preparation of a draft report, *Strengthening the Accountability Framework for the Public Sector in Jamaica*.

The government is also in the process of strengthening its governance processes in public bodies through *inter alia*: (a) the development of a Corporate Governance Framework; and (b) the development of Regulations for the Public Bodies Management and Accountability Act (PBMA). Public Bodies, which comprise statutory bodies and authorities as well as government owned companies, collectively represent an important subset of the public sector and are integral to the development and implementation of a number of key policy objectives. The Corporate Governance Framework will establish for Board members, the procedures for appointments as a means of improving transparency and accountability. The provision of regulations will give further effect to the PBMA Act and allow for further compliance and accountability of Public Bodies to established procedures.

1.1 Analytical Framework

Accountability is a fundamental requirement for democratic government. Yet, too often, accountability is seen simply as a system of control, to minimize abuse and inefficiency. It represents more than this. Accountability is an opportunity, to improve behaviour, productivity, outputs, outcomes and impacts. It is an opportunity to link individual, institutional and public performance to the formulation of outcomes and impacts in the public interest. Modern public management is in constant search for improvements in the efficiency and effectiveness of the use of public resources in the pursuit of the public's interest. In the analysis and presentation of an

appropriate Accountability Framework (AF) and recommendations that follow, it is important to distinguish among forms and levels of accountability. **First**, it is relevant to distinguish among:¹

- **Answerability**, a minimalist definition that suggests that all an organization must do to satisfy its obligations is to answer for its actions. This obligation may be met simply by issuing an annual report, or making a statement to a legislative committee. If the statement is complete and truthful, then the obligation is discharged;
- **Accountability *per se*** takes answerability one step further and demands that the individuals or organizations in question not only render an account of action, but that they be judged by some independent body on that action (e.g., Parliament). Political officials in charge of the organization are scrutinized on their exercise of the public trust.
- **Responsibility**, while accountability is based upon a hierarchical and external relationship, responsibility involves a more inward source of control being exercised over the actions of public servants.
- **Responsiveness** to citizen/consumers/clients and stakeholders, and their demands.

Secondly, the Accountability Framework addresses two main distinct levels of accountability, and each of these different levels involves different manifestations of accountability. The **first level** addresses the issue of **Government-Wide Accountability** and responds to the question of how and what instruments provide a basis for assuring that Government's policy prescriptions are clear, connected, subject to scrutiny, and translated into institutional actions. While this level is not the primordial focus of this framework, it is imperative to identify the potential instruments that form the accountability matrix at the policy level. In addition, important distinctions between executive and legislative responsibilities and powers need to be explored. The **Second level** addresses the issue of **Individual Accountability**, and proposes means to assure that public servants, political formulators and executors of policy and action are measured, sanctioned and encouraged to perform more effectively.

A simple and concrete statement on accountability comes from a former Auditor General of Canada who sees "five key elements to accountability." Attempts were made to incorporate these elements in the framework.

- a. Clear roles and responsibilities;
- b. Clear objectives and expectations for performance;
- c. Performance expectations that are balanced with the capacities of each party, for example, the authorities, skills and resources;
- d. The reporting of credible and timely information on what was achieved, at what cost, and what was learned; and
- e. Enlightened and informed review and feedback on the performance achieved, where achievements are recognized, and necessary corrections are made.²

1.2 Objective

The objective of the Accountability Framework is to clarify responsibilities, expectations and reporting relationships for government's senior executive officers (Permanent Secretaries and

¹ This distinction draws directly from Peters, in Gomery Report (2006).

² Desautels (1997).

Chief Executive Officers of Executive Agencies and Public Bodies), and to establish a system whereby performance is consistently evaluated. An important aspect of this framework, therefore, is the strengthening of performance management systems for PSs, CEO of executive agencies and public bodies.

1.3 Scope

The Framework has three main elements:

- The Government-wide Accountability Environment
- Government's Senior Executive Officers Accountability Arrangements
- Supportive and Enabling Performance Management and Evaluation Systems

1.4 Methodology and Approach

The methodology employed in this study included meetings with representatives of the Jamaican government (Appendix 3), a comparative analysis of aspects of the Jamaican accountability system and its Canadian counterpart and a comparative analysis of the Permanent Secretary position to its Canadian counterpart. The Framework is guided by several reports that were undertaken with the support of the Inter-American Development Bank (IDB), including *Strengthening the Accountability Framework for the Public Sector in Jamaica*, 2008, *A Comparative Analysis of Accountability Mechanisms*, 2009, and numerous consultations with stakeholders. In the latter, a comparative analysis of the Jamaican Accountability System vis-à-vis the Canadian Model was undertaken. This outlined gaps and recommendations for strengthening governance and accountability. The top positions (Permanent Secretary (PS) and Chief Executive Officers in the public sector were also reviewed to see how these positions could be strengthened for greater efficiency and accountability. The framework therefore proposes recommendations for changes to be effected to strengthen Jamaica's accountability framework, based largely on the outcomes of the comparative analysis and consultations. It may be worth noting that the Canadian model was selected due to concurrence internationally of the comprehensiveness of the model and the various successes recorded.

PART ONE

THE JAMAICAN ACCOUNTABILITY ENVIRONMENT

CHAPTER TWO

THE ACCOUNTABILITY ENVIRONMENT

The existing Jamaican accountability environment, indicates a model that is evolving based on identified needs and the availability of resources. The model encapsulated many good practices but with varying strengths and weaknesses. Through the various modernization initiatives that are currently underway, further improvements are envisaged for the overall accountability model.

Jamaica's accountability model is presented in terms of the following internationally accepted variables: (a) Oversight of Parliament; (b) Government-wide approach to integrated planning and reporting; (c) Human resource management/ Performance management programme; (d) Management tools and guidelines; (e) Organizational oversight by central bodies of government; and (e) Oversight by officers of Parliament. These elements are presented below with recommendations for strengthening both the model as well as the accountability among Government's Senior Executives.

2.1 Oversight by Parliament

Capacity of Parliament

There is an imbalance between the capacity of the Executive branch and Parliament over effective oversight for decision making. While the capability of the Executive and its support systems (OPM, Cabinet, OSC, MoFPS, Ministries, Executive Agencies and Public Bodies) for the formulation of policy, budgets and corporate plans has been strengthened, the capacity of Parliament to offer the degree of oversight and scrutiny that is required in terms of detailed analysis, problem identification with the required corrective actions that are outcome/results oriented, has been lacking. For example, reports from both the Auditor General and the Contractor General are submitted, annually, to Parliament. Yet it is argued that the reports are not optimally reviewed towards addressing and correcting problems identified. With new and emerging policy requirements for increased performance and financial reporting to Parliament such as those embodied in this Framework, the need to strengthen the Parliament's capacity for technical and policy oversight becomes even more critical and urgent.

According to the *Strengthening Accountability Report*, in a number of legislative branches, of which the American example of the Congressional Budget Office stands out, substantive capacity exists with the availability of professional research staff to support the Legislative. In Jamaica, there is a substantial need to strengthen Parliament's capacity to provide enforceable public financial oversight, to follow through with sanctions, and to monitor financial behaviour of ministries and the various public sector entities. Specifically, legislative monitoring of the linkage between expenditure and policy planning continues to be weak. As practiced in Canada, the creation of a (Parliamentary Budget Officer) PBO that would provide independent analysis to Parliament on the state

of the nation's finances, the government's estimates and trends in the nation's economy could also assist this process.

The recent strengthening of the capacity of the Office of the Contractor General and the Auditor General is strategic. The Public Accounts Committee (PAC) can and does rely on the resources and support that the MoFPS, the Auditor General and the Contractor General provide. However, the increased capacity of the PAC itself to provide oversight and rules of enforcement through staff expansion and upgrading is critical.

Decisions:

- (a) The Terms of Reference for the Public Administration and Appropriations Committee shall be reviewed to strengthen its oversight/scrutiny role and to enhance the capacity of Parliament.
- (b) A review to assess the capacity and needs of Parliament shall be undertaken. This could be accompanied by a study of the Parliamentary Budget Office to see if a similar structure could provide parliamentary committees with the requisite capacity to carry out their oversight function.

Scrutiny Committees

Parliamentary oversight is carried out mainly through the establishment of Committees which offer varying degrees of scrutiny; namely; *The Public Accounts Committee* and the *Public Administration and Appropriations Committee*.

The Public Accounts Committee has the duty of examining the accounts showing appropriations to meet public expenditure or any other accounts that may be conferred and to examine the report of the Auditor General regarding these accounts. Currently, Permanent Secretaries and Chief Executive Officers of Executive Agencies who are designated Accounting Officers, appear before the PAC to answer financial questions and to respond to audit queries. Whilst it has been argued that the PAC has the authority to summon any public official, in practice, Ministers of Government do not appear before the PAC. While CEOs of Public Bodies can be asked by their Permanent Secretaries to appear before the PAC this is not mandatory. The PS as the accounting officer is the officer who is answerable to the PAC.

Real time oversight of the expenditures was to have been the responsibility of the Public Administration and Appropriations Committee in Parliament, yet this body that was previously inactive, is yet to fulfil its original intent. Other duties of the Public Administration and Appropriations Committee include:

- Examining the budgetary expenditure of Government agencies to ensure that expenditure is done in accordance with the required approvals
- Monitoring expenditure and keeping Parliament informed of how the budget is being implemented
- Enquiring into the administration of Government to determine hindrances to efficiency and to make recommendations to the Government for improvement of public administration.

Reporting Whole of Government Performance

There are requirements for organizational financial and non-financial performance reporting to Parliament. By law, all Public Bodies as well as Executive Agencies are required to table their annual reports in Parliament within four (4) months of the end of the fiscal year. This does not necessarily happen in a timely fashion, however, in the case of Executive Agencies, the Agency must show that they have met their performance commitments for staff to receive increments/gratuity.

There is no legal requirement for Ministries to table their annual reports in Parliament, however, a copy of their Appropriation Account, signed by the Accountant General is sent to Parliament within four (4) months of the end of the financial year. Again, this timeframe is not always met. Ministers in making their presentation to Parliament make reference to their Ministry's annual reports. However, when the budgetary allocation to ministries is reviewed, approximately 60% of the non-debt budget is allocated to the ministries of Education, Health and National Security, yet there is very little accountability in terms of the performance of programmes and activities to outcomes and results. Ministries should be required to table their performance report before Parliament as an incentive to good performance. There is also no requirement for corporate plans to be tabled before Parliament but budgets are tabled.

In the *Comparative Analysis Report 2009*, a main gap in Jamaica's accountability appears to be the tabling of plans and reports to Parliament on a regular basis. In Canada, improved reporting to Parliament was one of the drivers of modernization and is done on a strict timetable. For example, departmental and agency plans (which sets out plans and priorities) including budgets, are tabled before Parliament in Spring. Each fall departmental performance reports along with Canada's Performance Report, a whole-of-government report, which measures Canada's progress in achieving the GoC's outcomes against high level societal indicators. Adopting a similar system of reporting on performance to that of Canada could improve accountability and transparency.

Decision:

- (a) Ministries shall table their annual reports before Parliament as an incentive to enhance performance.

2.2 Government-Wide Approach to Integrated Planning & Reporting

It is argued that in order for a PS or CEO performance management system to be optimally useful, it must be intricately aligned to the government-wide performance system at the organizational, and by extension, national levels. There is no government-wide approach to integrated planning and reporting in Jamaica's current accountability framework to which a PS's accountability could be linked. However, the Government of Jamaica has a *Medium Term Action Plan* for Managing for Results which provides the way forward in implementing its 5 year agenda for modernizing government. There is also the long term development plan for Jamaica, *Vision 2030: Jamaica National Development Plan*. Linkages between budget and planning is weak and there exists no organizational logic models that show how resources are linked to activities and results. However, the planned *Medium Term Economic Framework* (MTEF) and the move toward

accrual accounting, all in various stages of development, are all necessary for forward and predictable planning and policy making.

The *Comparative Analysis Report* states that Canada has a more integrated approach to planning and reporting, in that, plans and reports are tabled in Parliament on a regular timetable. Additionally, support is provided to users with a variety of accountability tools and guidance documents that are readily available on the Government of Canada websites. According to the report, Canada has adopted a government-wide approach to data collection, management and reporting, whose driving force is three-fold:

(1) The development of a Management Resources & Results Structure (MRRS) policy, driven by the Treasury Board Secretariat. Under this policy each department and agency must identify clearly defined and measurable strategic outcomes, reflecting the organization's mandate and vision and linked to the priorities of the GoC.

(2) As part of the MRRS, organizations had to develop their Program Activity Architecture (PAA), a logic model that shows how resources are linked to programs and activities and how they contribute to strategic outcomes and to the GoC's own PAA identified in the Whole-of-Government Framework. The PAA is said to be the backbone for the GoC's accountability to citizens and Parliamentarians and forms the basis for all departmental planning and reporting. Furthermore, program-level logic models link to the departmental PAA and to the GoC's outcomes and executives link their performance agreements to their organization's strategic outcomes.

(3) The Expenditure Management Information System is an integrated and secure budget system that is being implemented to support the Treasury Board in its expenditure management role. When completed, this will provide data on priorities, budgets, results and expenditures linked to organizations' PAAs.

In the *Comparative Analysis Report*, it was suggested that the adoption of a tool similar to the MRRS, with the PAA component, would provide the Government of Jamaica (GoJ) with a way of standardizing its approach to planning and reporting and a powerful way to clearly link resources to results in planning and reporting. Current efforts to establish a Performance Management and Evaluation System that would involve the development of a Whole of Government Business Plan as well as the MTEF are being undertaken and would be a significant milestone in addressing this gap.

Decision:

(a) Mechanisms similar to the Management Resources and Results Structure (MRRS) and Program Activity Architecture (PAA) shall be adopted to provide stronger linkages between planning and performance reporting and strengthen overall accountability.

2.3 Human Resource Management-Performance Management Programme

There is a Performance Management Appraisal System (PMAS) for staff below the PS and CEO levels. This system seeks to link the individual work plan to unit and divisional work

plans for ministries, agencies and departments. There is some incentive awarded for performance but this is not implemented across the entire public sector and is dependent on availability of funds. The implementation of PMAS is ongoing especially in Ministries and their departments. Executive Agencies all have a PMAS in place and incentives are paid based on the achievement of performance targets. In the case of Public Bodies the use of PMAS varies and likewise their incentive programme.

In the case of the Permanent Secretaries and Chief Executive Officers within executive agencies and Public Bodies, the performance evaluation process is not well defined, documented, regularly done, or necessarily linked to pay. According to the *Comparative Analysis Report*, in Canada, there is a Performance Management Program for the executive and non-executive levels; commitments cascade down from the Deputy Minister (Permanent Secretary) to other levels; performance pay is a feature, and guidelines and templates are available online.

2.4 Management Tools & Guidelines

2.4.1 *Ethics and Conflict of Interest Guidelines*

These guidelines are being developed for the entire public sector based on international best practices. All ethics officers have been trained and there is an ongoing programme to have other categories of workers trained. Guidelines are also in place to address conflict of interest; e.g. Staff Orders. There is also an Ethics Committee of Parliament and an ethics sub-committee of the Permanent Secretaries Board.

2.4.3 *Management Accountability Framework (MAF)*

The MAF identifies 10 key elements (with results statements and performance indicators) that constitute good management. These elements are used by the Treasury Board (the equivalent to a Ministry of Finance) to assess how departments and agencies are progressing in implementing sound management practices; they also form the basis for one of the components for evaluating executive performance.

Currently there is no holistic management accountability framework in Jamaica however, elements of such a framework are in place, evidenced in: (a) the Citizen's Charter Programme, geared towards continuous service improvement; (b) the Customer Service Improvement Programme where citizen-service focus is being introduced in ministries and departments; and (c) the documentation of standards of service which are made available to citizens, on websites of agencies and departments. Agencies are also held accountable for their service standards.

There is also a project underway to clarify the Governance Framework for Public Bodies which will include the roles and responsibilities for the board and its directors and procedures for appointing board of directors. This project will strengthen the management accountability framework.

In the *Comparative Analysis Report*, a number of accountability tools, in addition to the, Management Accountability Framework (MAF), have been developed in Canada to assist departments and managers. These are the Integrated Risk Management Framework, the

Results-based Management and Accountability Framework (RMAF) and the Risk-based Audit Framework (RBAF). No similar tools were identified, as part of the Jamaican accountability regime. These accountability tools, constitute good practices and could be useful in the Jamaican context.

- The Integrated Risk Management Framework is a tool for managers to help them identify and manage risk in their organizations. It goes beyond project-based risk and moves toward a more strategic, comprehensive corporate focus. Risk management is one of the elements identified in the MAF.
- The RMAF is an evaluation tool to support managers and decision-makers in objectively assessing program and policy results. It requires Program Managers to develop a plan to monitor, evaluate and report on the results of a program, policy or initiative throughout its lifecycle. The RMAF comprises a logic model showing the links from program resources to activities to outputs and outcomes, and how the program contributes to achieving the organization's strategic outcomes. It also articulates a plan for monitoring and reporting performance on an ongoing basis and for conducting evaluations.
- The RBAF is a coherent and disciplined approach to detect, assess and respond to risk. It was designed to be used at the program level to help managers consider the procedures and controls in place to identify and assess risks, and to decide on an audit strategy. It employs a risk-based approach to identifying and mitigating risks

Decision:

(a) The Management and Accountability Framework, Results-based Management and Accountability Framework and Integrated Risk Management Framework shall be examined to determine their appropriateness and adaptability to the Jamaican model as a means to improve management and accountability at the organizational level.

2.5 Organizational Oversight Functions

2.5.1 Internal Audit Committee/External Audit Committees

There is a requirement for all Ministries, Departments and Agencies to establish Internal Audit Committees. Public Bodies are required by law (PBMA) to establish audit committees that report to their board of directors.

2.5.2 Oversight by Central Agencies

(a) The Ministry of Finance and the Public Service is the linchpin that connects financial controls, policy and planning, budget formulation and execution, and fiscal restraint. It provides predictability for planning and financial oversight. The role of the MoFPS has been described as “overextended” as the controls utilized often undermine the “let managers manage” thrust of Government for a modern public sector (see Section 4.1). One example concerns delegated authority for human resources, provided to Permanent Secretaries and CEOs of Executive Agencies as defined in the **Public Service Regulations**. While legally prescribed, it is argued that, real autonomy with respect to determining appropriate staff levels and functions required to achieve an organization's strategic objective, is not allowed in practice. The following requirements of the MoFPS

have been described by several interviewees (see Appendix 3) as constraints to the exercise of delegated authority:

- a) The operation of a post, even at the lowest levels, which can be funded from an organizational existing budget, and identified as necessary to its operation must obtain approval from the MoFPS.
- b) Proposals to re-title and/or reclassify a post must re-reviewed by MoFPS
- c) Effecting a decision to expunge a post deemed by a organization as obsolete, to create positions more in keeping with its mandate must be re-reviewed by MoFPS

These factors often result in: (a) the inefficient utilization of budgets, whereby a Ministry may have to retain and pay staff within positions for which they do not have the required competencies; and (b) under-optimal performance at the organizational and individual levels whereby structures are unable to adapt to emerging demands.

(b) The Cabinet Office plays a central HR role with regards to its authority for the creation and classification of posts as well as its support to the Cabinet Secretary as the head of the Public Service. In the case of the former, the human dimension has been argued as increasingly fragmented with the involvement of MOFPS (with responsibility for the public service), the Constitutional role of the OSC/PSC, and the desire to strengthen decentralized HR authority among PSs and departmental heads. The duplication of functions between the Cabinet Office Corporate Management Branch and the MoFPS Public Sector Establishment Division over post classification also needs to be addressed, whereby organization structures and jobs classification previously approved by the Cabinet Office are subjected to a second review. The Cabinet Office is also involved with the development of standards through its Public Sector Modernization Division. This role is considered in keeping with best practices.

Recommendations:

- (a) The principle of “let managers manage” is endorsed and its implementation shall be continued and supported as part of the government’s modernization programme, and in keeping with best practices for modern public management.
- (b) Duplication of functions between the Corporate Management Branch of the Cabinet Office and the Public Sector Establishment Division of the Ministry of Finance and the Public Service for the classification of posts shall be removed.

2.5.3 Office of the Services Commissions/Public Service Commission

The Public Service Commission is an independent body, enshrined in the Constitution, and assists the Governor General (GG) who has the authority to appoint, remove and to exercise disciplinary control over employees in the central civil service. It has the responsibility for:

- Human Resource Management
- Auditing and monitoring of ministries and executive agencies that have delegated HR functions
- Recourse and redress
- Research
- Training of designated ministry personnel in the management of these functions

- Development of job selection tools
- Implementation of the public service management and appraisal system
- Providing advice/consultancy to the GG in HR matters

With delegated authority extended to some ministries and executive agencies, the Office of the Services Commissions was to be released from certain operational HR functions in those entities, and was to assume primarily, a monitoring and oversight role. However, several concerns have been raised by interviewees concerning not only the capacity of the Office to adequately fulfill its monitoring role, which includes conducting HR audits, but its ability to ensure compliance. Based on client-feedback, very little, if any, action is taken when agencies are found to be in breach of HR procedures. There is no incentive for good performance, or sanctions for poor performance. If government is to further endorse and fast-track implementation of the “let managers manage” approach, which is the intent for delegation, then managers also, will have to be held accountable, and sanctioned when appropriate, for breaches. Within this context, if the OSC is to effectively execute its mandate, significant capacity building will be necessary³.

Decision:

(a) The Office of the Services Commissions shall submit reports on Human Resource Audits, regularly, to the responsible Permanent Secretary, and the Cabinet Secretary as head of the Public Service. In instances of continuous or extreme breaches, the report shall be submitted to the Chairman of the Public Service Commission with recommendations for sanctions. The Human Resource reports shall serve also as input into CEOs and Permanent Secretaries performance evaluation.

2.6 Oversight by Officers of Parliament

2.6.1 Auditor General

The Auditor General (AuG) acts on behalf of Parliament authorized by the Constitution and the FAA Act. The Auditor General (AuG) is charged with auditing all government bodies, including the eleven Executive Agencies and some two hundred public bodies. This task is monumental, and requires an approach that relies less on a census approach and more on sampling and prioritization. Internal Audit Units, and secondment of AuG personnel to specific units, play an important role in auditing, but the need for selective sampling based upon risk auditing and government-wide priorities needs to be encouraged. There has been some strengthening of the Audit Committees throughout government and through a recent directive these audit committees are being reviewed.

The institutional capacity of the Auditor General’s Department (AuG) seems to be stretched beyond its capacity. For example, the external auditing of public bodies relies upon the annual contracted external audit, and occasional AuG action. For those statutory bodies that rely on government funds (on-budget, Consolidated Fund) the AuG has a direct mandate, but the current AuG notes that the audit of other PBs occurs only “from time to time”. Executive Agencies have

³ Recently, the OSC was considered for implementation of the PMAS for Senior Executive Officers of government but this was not considered appropriate because of its diminished human resource management function and capacity which would be severely strained with this additional responsibility.

blamed the AuG for their lateness in submission of their annual reports which require for inclusion, an audited financial statement.

There has been some move toward performance and value-for money auditing by the AuG and there has been occasional reviews of targets as specified in corporate and business plans to improve the effectiveness of key performance indicators (KPIs). In some instances Executive Agencies have been reported for weaknesses in KPIs but this is not a regular occurrence and this activity is only done when the KPIs are obviously inadequate.

Decision:

(a) An assessment of the Auditor General's Department shall be conducted to ascertain the issues hindering the timely completion of audited financial statements for inclusion in the annual reports of Ministries, department and agencies.

2.6.2 Contractor General

The Office of the Contractor General is well established and exercises significant authority. Its very existence, as well as that of the National Contracts Commission (created in 1999) is extremely positive signs for the effective control over procurement and contracting. In spite of increased capacity to monitor and regulate, and the efforts to report improper actions in procurement and contracting, enforcement and sanctions remain relatively weak. One reason has already been noted as that of the capacity of the PAC and the need to strengthen this. However, with Regulations for procurement now developed this will seek to enforce greater accountability.

2.6.3 Support and Guidance

There are more guidance documents than tools available for managers to meet their accountability requirements, e.g. relevant legislations and procurement guidelines. The practice in Canada is to posts online the tools which have already been mentioned, and guidance documents (preparation of Report on Plans and Priorities & Departmental Performance Report, performance management for executives, deputy minister) developed to assist departments, agencies and individuals to meet their accountability requirements. These are primarily available at the Treasury Board website but also at other sites including the Privy Council Office, which provides guidance to the most senior levels of the public service and Ministers. All departmental and agency plans and performance reports are also available on line. A similar practice in Jamaica, for the tools that are available, and for any new tools and guidance developed, would increase transparency and provide valuable resources to managers.

Decision:

(a) All tools and guidance documents developed shall be placed online for accessibility. Performance reports shall also be made available online.

PART TWO

GOVERNMENT'S SENIOR EXECUTIVE OFFICERS

CHAPTER THREE

THE CABINET SECRETARY

3.1 Nature of the Position

The Cabinet Secretary is the most senior non-political official of the Government of Jamaica and serves as Secretary to the Cabinet and Head of the Public Service. The Cabinet Secretary is appointed by the Governor General who acts on the recommendation of the Prime Minister, from a list of public officers submitted by the PSC.

3.2 Roles and Responsibilities

(a) To Cabinet

According to the Constitution of Jamaica, as Secretary to the Cabinet s/he:

- provides support and advise to the government and oversees the provision of policy and secretariat support to Cabinet and Cabinet Committees
- carries out the instructions given to him by the Prime Minister
- arranges the business for and keeping the minutes of the Cabinet and conveying the decisions of the Cabinet to the appropriate person or authority
- carries out other functions as the Prime Minister may from time to time direct.

In the 1980s-1990s, there were a number of studies undertaken to focus on administrative/restructuring of the public service. Studies such as the Stowe/Morgan Report and the Nettleford Report made a number of recommendations for strengthening the Cabinet Office/Cabinet Secretary's role and function. Based on the recommendations of these reports, the role of the Cabinet Secretary was further expanded. In the Cabinet Decision No:20/1993, the Cabinet Secretary was assigned the position of Permanent Secretary of the Cabinet Office and Head of the Public Service.

(b) As Head of the Public Service

According to the Draft Job Description/Head of the Public Service, s/he is responsible for the design and implementation of suitable mechanisms to ensure the quality of expert, professional and non-partisan advice and services provided by the public service to the Prime Minister, appointed Ministers in the execution of their respective portfolio responsibilities and the various direct ministry service delivery programmes to all Jamaicans. Additionally, the Cabinet Secretary has overarching Public Sector operational responsibilities for the following areas:

- Reform of the Public Sector
- Public Sector management development
- Efficiency improvements
- Training of Public Officers

(c) As Head of the Permanent Secretaries Board

S/he is responsible for providing government policy interpretation, guidance and advice to the Permanent Secretaries collectively, so as to enable them to design and implement appropriate operating policy, strategic objectives and plans that will result in the achievement of the overall

Government national policy outcomes. The Cabinet Secretary is also responsible for assessing the performance of Permanent Secretaries.

(d) As Permanent Secretary for the Office of the Cabinet

The Cabinet Secretary, as Head of the Office of the Cabinet, has similar responsibilities to that of a Permanent Secretary. These include overall management responsibility for human resource management, financial responsibilities and for policy direction (see Section 4.2.).

3.3 Reporting Relationships

The Cabinet Secretary reports directly to the Prime Minister, and by the nature of his position to Cabinet on matters pertaining to the business of Cabinet.

3.4 Accountability Arrangements

As head of the Office of the Cabinet, the Cabinet Secretary has accountabilities that are similar to that of a permanent secretary (see Section 4.5)

3.5 Performance Management and Evaluation

In keeping with international practices, the performance of the Cabinet Secretary is not formally evaluated. However, based on the provisions of the Constitution, the Prime Minister would be integral to any such assessment.

CHAPTER FOUR

The Jamaican Permanent Secretary

4.1 Nature of the Position

In Jamaica, as in all Westminster-style democracies, a Permanent Secretary is the head of a ministry under the direction of a Minister. The PS is considered the link between the Minister/government and the professional public service.

The Permanent Secretary is appointed by the Governor General on the recommendation of the Public Service Commission and following consultation with the Prime Minister. Approaches to recruitment vary, as this position can be filled from within the public or private sectors. The Office of the Services Commissions (OSC) would normally conduct a panel interview for selection.

Currently, the PS may be a contract employee or a permanent member of the civil service and can remain with one Ministry for long periods during which they develop Ministry expertise. One view emerging from the consultations is that moving Permanent Secretaries around more frequently would bring fresh thinking to a portfolio. Comparatively, Deputy Ministers, unlike PSs do not have security of tenure; they serve at the pleasure of the Prime Minister. The average term of a Canadian Deputy in a single department is less than 4 years before they move to a new assignment. Nearly all deputies have spent some time as executives working in a Central Agency because it is considered more important to know how the machinery of government works than how an individual department works. Before they ascend to the Deputy Minister rank, most have served in several departments and agencies. The experience, the way the group is managed, and the performance appraisal system tend to give Canadian Deputy Minister's a corporate, whole-of-government focus.

A PS is granted delegated authority over human and financial resources as defined in the Public Service Regulations and the letter of Appointment-Accounting Officer issued by MoFPS, respectively. Nevertheless, PSs have expressed constraints in managing the resources of their ministries, due to controls administered by the MoFPS. As discussed earlier, this is related to the recruitment of staff that must await approval from the MoFPS before they can be effected, even where funding is available (**see Section 2.5.2**). International best practices indicate that it is counter-productive to "tie the hands" of managers by tightly controlling their ability to adapt their organizational structure to various emerging demands. The structure should enable, and not limit ministries ability to deliver on their objectives. It has been concluded therefore that a PS should ultimately be held responsible for the delivery of agreed objectives within a specified time frame and **a set fiscal budget**, and be held accountable, for performance. This approach is utilized in Canada whereby deputy ministers are provided with a broad band classification system in which they are given the flexibility to manage staff within a set salary envelop prescribed by the Treasury Board.

Decision:

- (a) Permanent Secretaries shall be accorded the flexibility to manage their human and financial responsibilities to achieve results, and be held accountable for performance, consistent with the “let managers manage” thrust of the Government.

4.2 Roles and Responsibilities

The main roles and responsibilities of a Permanent Secretary are:

- To support the Minister in executing his responsibilities as a member of Cabinet (Section 69 and 93 of the Constitution). This is to ensure that the Ministry’s policies contribute to the achievement of the Government’s agenda and in particular; providing sound policy advice; facilitating the implementation of policies, programmes and projects; monitoring and evaluating policies to ensure timely and cost effective implementation;
- To advise the Minister on matters of financial propriety and regularity. According to the Letter of Appointment-Accounting Officer to Permanent Secretaries, if the Portfolio Minister is contemplating a course of action involving a payment which the PS considers an infringement, then the PS should set this out in writing. If the Minister nonetheless decides to proceed, then this instruction should be requested in writing. Having received this instruction it must be carried out but the PS should inform the Financial Secretary that this has occurred;
- To manage the resources of the Ministry and the varying entities (Statutory Boards and Executive Agencies) to ensure they adhere to laws or executive decisions as the case may be;
- To provide timely responses to Parliamentary Committees in accordance with their legitimate mandates and to the public;
- To manage the human resources (through delegated HR functions from the PSC) of the Ministry and to ensure increased productivity and quality of service; development of the potential of staff and to enable succession planning; and
- To administer the financial resources as accounting officer, conferred though the Letter of Appointment-Accounting Officer, issued by the Ministry of Finance & the Public Service. An Accounting Officer as defined by the FAA Act is any person designated as such by the Minister and charged with the duty of accounting for expenditure on any service, in respect of which moneys that have been appropriated.

Further details on the roles and responsibilities of the PS can be found in Appendix 1.

4.3 Other Responsibilities of the Permanent Secretary

The “agencification” that has accompanied the evolution of government in Jamaica over the past two decades compounds and confounds the role of the Permanent Secretary. This is further exacerbated by the lack of clarity of the PS roles in relation to these entities, and yet s/he is the accounting officer, which makes the PS accountable. These agencies are in the form of executive agencies and diverse public bodies. The role of the PS for oversight in either EAs or public bodies more generally, is limited not only by authority, but also by technical, resource and institutional capacity to oversee a diverse set of entities.

(i) Executive Agencies

The only reference to the PS in The Executive Agencies Act is in the evaluation of the Chief Executive Officer. While the Executive Agency Act (Article 10) specifies that the PS shall review (and report in writing to the Minister) the performance of CEOs, the CEO reports to the Portfolio Minister directly, and Framework documents, Performance Agreements, Corporate Plans and Annual Business Plans do not fall within the formal purview of the reporting relationship to the PS. Regarding the CEOs Performance Agreements, the PS is required to review performance, but is not a party to establishing the Performance Agreements.⁴ In the case of the National Works Agency/Ministry of Transport and Works a Memorandum of Understanding has been signed by both entities, formalizing a relationship whereby performance can be reasonably assessed.

The relationship between Permanent Secretaries and Executive Agencies may have further entwined the PS through possible membership on Advisory Boards that fall under their purview. In preserving the autonomy of the CEO, there should be an effort to allow CEOs to manage and the PS relationship should be limited in EAs to performance evaluation. There is also the possible conflict of interest which may also occur by virtue of the PS evaluating decisions in which s/he may have participated.

Recommendations:

- (a) Permanent Secretaries shall be party in determining the performance agreement of CEOs of Executive Agencies. This relationship shall be formalized in the Performance Agreement, and the PS shall sign along with the portfolio Minister and CEO. This signing of the Performance Agreement by the PS is not a substitute for the Minister’s responsibility but is simply a technical aid to allow for adequate appraisal of performance.
- (b) The practice whereby Permanent Secretaries sit on Advisory Boards under their portfolio shall be disallowed. However, a PS can name a Ministry representative to sit on such Boards, and is eligible to sit on other Boards that do not fall under his/her direct oversight.
- (c) CEOs of Executive Agencies shall be required to provide to their portfolio PS, all documentation (framework documents, corporate and business plans, annual reports) so that s/he can adequately fulfill his/her role in the evaluation process.

(ii) Public Bodies

⁴ The Ministry of Transport and Works and the National Works Agency have resolved this discrepancy through the creation of a Memorandum of Understanding where the Permanent Secretary signs in the name of the MHTWW; the CEO signs in the name of the NWA; the Chairman signs in the name of the Road Maintenance Fund. This model is generally appropriate: the utilization of an MOU. In fact I will suggest a possible use for the relationship of Cabinet Secretary, Permanent Secretary and Minister for Performance Agreements.

The Public Bodies even more than EAs, challenge the role of the Permanent Secretary. Nowhere are the complexity and confusion of lines of accountability more evident than in the relationships of Public Bodies (companies, statutory authorities, enterprises) to central government. Where the issue of accountability is of concern with Executive Agencies, that concern is more notable for PBs, and the concern has been long-standing in Jamaica, and is accentuated periodically by abuses that come to public light especially with regards to financial irregularities.

This concern stems from a number of difficulties, not only due to the sheer number of such bodies that fall under a particular ministry, diversity of types, size and complexity of these bodies, limited technical, resource and institutional capacity to oversee them but also by the fact that, the Public Bodies Management and Accountability Act (PBMA), which provides the governance framework for public bodies makes no mention of the role of the Permanent Secretary who has an important oversight role on behalf of the Minister for the public bodies within the Ministry's portfolio. Appointed as Accounting Officers for their Ministry, they have overall stewardship for the use of public funds allocated to the ministry. They can be required to appear before Parliament, the Public Accounts Committee (PAC), and Parliamentary Standing Committees both on policy, operational, performance and financial issues.

CEOs /Director Generals report to their Management Boards, and Boards report to their portfolio Minister and yet, the Permanent Secretary as the Accounting Officer is the one who must appear before the PAC to answer financial queries on behalf of the CEO/Director General and the Management Board. There are no formal structures in place to define their accountability to the PS. There are instances where a PS can invite the CEO to accompany him or her to answer questions before the PAC, as stated in the Letter of Appointment-Accounting Officer, "*you **may** be supported by other officials who may, and commonly do, join in giving the evidence*", however, this support is not always forthcoming.

There also appears to be a requirement to not only clarify, but strengthen the role of the Permanent Secretary in the process for monitoring public bodies. Not all Permanent Secretaries have sufficiently qualified technical staff within the Ministry to review the corporate plans and reports, or to participate in Board of Directors meetings. This results in uneven capacity among ministries to monitor performance of Boards. This has incited some Permanent Secretaries to suggest that they do not have the means by which to fulfill their role as Accounting Officer for their public bodies. It is clear that the adequacy of the PBMA Act with regard to the Permanent Secretary's role and the means by which they have at their disposal to monitor the management of the public bodies for which they are accountable requires closer examination.

Some PSs are required by statutes of entities under their purview, to sit on the Boards of public bodies. In some instances, Permanent Secretaries are merely appointed to management boards. This practice/ and or requirement can be viewed as possible conflict of interest, since the PS as party to decisions made, would be evaluating his/her own decisions.

Decisions:

- (a) CEOs and Chairmen of Boards of Public Bodies shall appear before the PAC, if deemed necessary by the Permanent Secretary. The "Letter of Appointment-Accounting Officer" should be amended to reflect this requirement.

- (b) The practice whereby Permanent Secretaries sit on Management Boards under their portfolio shall be disallowed and legislation to ensure consistency with this direction, shall be amended as relevant. However, a Permanent Secretary can name a Ministry representative to sit on such Boards, and is eligible to sit on other Boards that do not fall under his/her direct oversight.
- (c) An appropriate and enabling framework shall be established within portfolio Ministries to monitor Public Bodies, as a technical aid to Ministerial responsibility. The mechanics are to be further defined under the existing Governance Framework for Public Bodies that is being developed.
- (d) The Permanent Secretary as accounting officer, shall receive Board minutes, and corporate plans for Public Bodies shall be submitted for approval to the portfolio Minister through the responsible Permanent Secretary. This is to complement the powers conferred to the responsible Minister under the PBMA Act, to allow for more effective policy oversight.

4.4 Reporting Relationships

(a) *The Portfolio Minister*

While the PS accountability to a portfolio minister may not be explicitly stated, it is clear that the PS is subject to the [policy] direction of the portfolio Minister. Section 93 of the Constitution states “where any minister has been charged with the responsibility for a subject or department of government, he shall exercise general direction and control over the work relating to that subject and over that department; and, subject as aforesaid and to such direction and control, the aforesaid work and the department shall be under the supervision of a Permanent Secretary....”. The PS accountability to the Minister can therefore be summarized as (a) reporting on implementation of policy directives; and (b) performing advisory functions to the portfolio minister.

The Minister is the political head of a Ministry/department and is responsible for policy/policy directives and as such, the PS must direct and manage on the minister’s behalf and within the law. The article “*The Role of the Permanent Secretary*”⁵ states that, the PS must respond to ministerial priorities and ensure that the administration of the ministry/department is carried out in a way that reflects the minister’s direction and interests. This may require implementing policies that the PS has reservations about or may even have advised against. Nonetheless, as a loyal public servant, the PS has the duty to respect the authority of the democratically elected political level, and to carry out its policies to the fullest extent possible.” The PS must therefore assist the Minister in executing his/her responsibilities as a member of Cabinet. “Where a minister’s initiatives are inconsistent with government policies or priorities or where s/he cannot come to an agreement with his or her Minister, a PS will normally seek the advice of the Cabinet Secretary”.

(b) *The Cabinet Secretary*

S/he reports for evaluation to the Cabinet Secretary (performance agreement). However, since the PS is under the direction of the Minister, his/her performance agreement should involve the

⁵ *Public Policy Forum : Managing Change*

portfolio minister. The current practice is that the performance agreement is conducted between the Cabinet Secretary and the Permanent Secretary. There is no formal input into the performance agreement by the portfolio Minister. It has been argued that this could be viewed as diluting ministerial responsibility. In consultation with the Cabinet Secretary and the Attorney General it was made clear that in order to insulate the administrative arm of Government from political actions, possible by Portfolio Ministers, the performance arrangement should be retained principally with the Cabinet Secretary but with input from the Minister.

Decision:

(a) The Permanent Secretary's Performance Appraisal Process shall involve the Portfolio Minister, who would also be a signatory to the Permanent Secretary's Performance Agreement. The performance evaluation will continue to rest with the Cabinet Secretary, but with input from the portfolio Minister.

4.5 Accountability Arrangements

Given the nature of the Permanent Secretary position s/he is first and foremost responsible and accountable to their Portfolio Minister, the Cabinet Secretary and Parliament. The PS is also accountable to identified entities as per statute. These include the Ministry of Finance and the Public Service, the Auditor General and the Contractor General. The current Terms of Reference for Permanent Secretaries (June 2006) state their specific roles, responsibilities, duties and outputs (see Appendix 1) but more importantly establish their accountability arrangements i.e., the Permanent Secretary reports to the Minister and is accountable to the Cabinet Secretary.

Permanent Secretaries accountabilities are listed below:

(a) *Portfolio Minister*

- Provides sound advice on policy and administration
- Implements government policies (vis-à-vis the Ministry and its portfolio)
- Identifies and brings concerns to the Minister
- Ensures that information given to the Minister is accurate and reliable
- Supports the Minister's portfolio management
- Ensures that the Ministry prepares its Strategic/Operational Plan, Corporate Plan, Audit Plans and Annual Reports
- Reviews and reports to the Minister on the performance of CEOs of Executive Agencies
- Supports the Minister's collective responsibility to Parliament
- Supports the Minister's collective responsibility to Cabinet

(b) *Cabinet Secretary*

- Reports on key priorities as identified in performance agreements.
- Gives detailed report on the "bread and butter" issues of the Ministry.
- Reports on achievement of the corporate plan and the use of financial resources
- Reports on other areas as may be documented in the performance agreement

(c) *Ministry of Finance and the Public Service*

As designated Accounting Officer by the MoFPS, s/he must comply with the requirements of: (a) The Financial Administration and Audit Act (budget and expenditure; the appointment of

accountable officers to manage funds given to the ministry) and (b) Guidelines and circulars issued.

(d) *Office of the Services Commissions*

Must ensure that the guidelines and procedures given by the OSC/PSC are adhered to and that delegated authority (HR actions-staffing, appointment, promotion, transfer, training etc), is managed appropriately.

(e) *Auditor General*

- Allows the AuG access to all documents that would be required for audit purposes
- Ensures that the Office collaborates with, is available to and responds to the AuG
- Respond to queries that may emerge in the AuG Report. In some instances, s/he may be required to appear before the PAC (thus to Parliament).
- Ensures that the appropriations account for the Ministry is prepared and submitted to the AuG, by July of each year.

(f) *Public Accounts Committee*

As Accounting Officer the PS can be summoned before the PAC to answer financial or audit questions related to the ministry/agencies. The PS must provide real time information.

(g) *Contractor General*

- Follows the guidelines for contracting goods and services as stated in the Procurement Guidelines/Regulations
- Submits reports that are required by the Contractor General as per the Contractor General's Act
- Provides information requested on the award of contracts as well as responses to procurement queries from the Contractor General as per Contractor General's Act

4.6 Support Systems for Permanent Secretaries

Jamaican Permanent Secretaries do not have a professional association and there is very little support mechanisms in place. In contrast the Canadian Deputy Ministers have a support system in place. Long before they become Deputy Ministers, public service executives become members of an association called Association of Professional Executives (APEX)⁶, which not only has an advocacy role but promotes networking, professional development and public service excellence⁷. The Chief Personnel Officer has expressed concerns about the lack of training (or documentation) for Permanent Secretaries who enter from outside the Civil Service as well as for new Ministers; and indicated that this is an area of interest for the Public Service Commission.

⁶ The Association of Professional Executives of the Public Service of Canada

⁷ For example, APEX was consulted regularly in the development of the Performance Management Program for executives, has partnered with the Canada School of Public Service to launch the EX Forum, a series of debates just for executives, collaborated with the Privy Council Office and other central agencies to launch a new mentoring pilot project for public servants in under-represented groups.

However, this has not translated into corrective action. Documentation on the Permanent Secretary position is also not readily accessible.

Decision:

(a) A more structured support arrangement for the Permanent Secretary group shall be established, similar to the Association of Professional Executives (APEX) in Canada. This arrangement would facilitate and promote networking, professional development and public service excellence.

4.7 Management of the Permanent Secretary Group

It appears that in both countries the Permanent Secretaries and the Deputy Ministers are managed as a group, by the Cabinet Secretary in Jamaica, and the Clerk of the Privy Council in Canada. In both instances, it is the Cabinet Secretary/Clerk who is responsible for assessing performance. In the Canadian model, the Clerk's priorities, usually a translation of the government's agenda into administrative terms, become part of the annual performance contract with Deputy Ministers. Comparatively, it is unclear as to the consistency of performance evaluation at the level of Permanent Secretary. Also, in Jamaica, the Permanent Secretaries Board provides a forum for meeting and discussion on a weekly basis with the Cabinet Secretary, as pertains in Canada. In addition, there are a number of mechanisms, other than performance appraisals, used by the Clerk for managing the Deputy Minister group. For example, the community attends several retreats lasting one or two days throughout the year, and the Canada School of the Public Service organizes a monthly dinner for Deputies with presentations followed by discussion.

The Clerk also appears to be more involved in the process of selecting deputy ministers than is the Cabinet Secretary. A Committee of Senior Officials (COSO⁸) identifies potential candidates for this position and those needing more development receive it. New Deputies attend an orientation day at the Canada School of the Public Service explaining the function. Documents are provided on the Privy Council Office web site including those that explain the roles, responsibilities and accountabilities of Deputy Ministers, Ministers, and Heads of Agencies. Other support activities include mentorship, coaching and continuing learning events.

Formerly, there was a process whereby a few senior Permanent Secretaries, along with the Cabinet Secretary formed an advisory team to identify potential candidates for the Permanent Secretary position. However, this practice was not institutionalized and there is little evidence that it has continued. Permanent Secretaries have suggested the need for improved succession planning among that level. There is a Senior Management Public Sector Program offered by the Management Institute for National Development that was to prepare candidates for senior management positions in the public service, but it has been criticized for lacking comprehensiveness.

Decisions:

(a) The management of the Permanent Secretary group shall be improved, regarding access to training, mentoring, coaching and continuous learning events for new and existing Permanent Secretaries.

⁸ Committee of Senior Deputy Ministers of major departments who provide the Clerk advice on HR issues.

(b) A process for identifying and grooming potential candidates for Permanent Secretary within the wider public service shall be developed and formalized.

4.8 Performance Management and Evaluation

As stated earlier, Canada and Jamaica are similar, in terms of its management arrangement for performance appraisal that is, with the Cabinet Secretary/ Clerk. However, there are a number of significant differences in the implementation of both approaches.

The Canadian process is well documented. A guidance document is made available on the Privy Council Office (PCO) website and the timetable for the various steps in the process is strictly followed. Assessments are conducted yearly and while the Clerk is responsible for assessing performance, inputs come from a variety of sources including the Minister, Central Agencies and Chairs of Deputy Minister Committees and the individuals being assessed. A recently retired Deputy is involved in information gathering and a meeting of the Committee of Senior Officials (COSO)⁹ provides advice to the Clerk on individual performance. Deputy Ministers are assessed on the extent to which they have met their commitments, which are reflected in the department's business plan and the priority areas of government. These must be such that the Deputy personally makes a significant contribution to their achievement. They are also assessed on the organization's progress in implementing the Management Accountability Framework (MAF) and their demonstration of key leadership competencies. The performance ratings also take into account the relative scope and complexity of the challenges faced.

Deputy Minister's remuneration is linked to his/her performance; the amount in question can be as great as 25% of pay. The Advisory Committee on Senior Level Retention and Compensation has identified the distribution over which ratings should fall. Five possible results have been identified and defined: did not meet/unable to assess; succeeded (minus); succeeded; succeeded (plus); and surpassed.

Performance pay is as follows:

- Economic increase: a percentage increase in base salary recommended annually by the Advisory Committee on Senior Level Retention and Compensation but not awarded to those who do not meet performance expectations;
- In-range salary movement: approximately 5% movement per year up to the salary range maximum for those who achieve expectations;
- At-risk pay: a lump sum payment that must be re-earned each year and may vary depending upon the degree of success achieved;
- Bonus: a lump sum payment based upon performance that has surpassed expectations.

There is a cascading down from the Deputy Minister's performance agreement to the performance agreement of each successive level of executive management. This can be seen not only in the similarities between the Performance Management Program for Deputy Ministers and that of executives but also in the performance commitments.

A major departure from the Canadian experience is that performance assessment does not occur on an annual basis in Jamaica, and there is no link between performance and pay for Permanent

⁹ Committee of Senior Officials

Secretaries. Furthermore, the Jamaican performance management process is not well documented. The process does not have a clear timetable and the inputs into the assessment do not come from a variety of sources. There is no guidance document on performance management, although two similar performance management templates were identified. Based on a review of these templates, it appears that the performance agreements are based on the results identified in the Corporate Plan rather than the more individual approach used in the Canadian system.

Decision:

(a) The Performance Management and Appraisal System for Permanent Secretaries, which is based on international best practices, shall be implemented on a phased basis and will include the following features:

- Linking performance to pay and or other incentives and sanctions;
- Identifying and documenting a process and timetable to be followed;
- Developing performance agreements, assessing performance and providing feedback on an annual basis;
- Deciding who should be party to the agreement;
- Including multiple inputs into the assessment process;
- Identifying the attributes to be considered in the assessment including individual performance, organizational performance, how results were achieved and leadership attributes displayed;
- Developing a mechanism to strengthen the performance management process such as the mechanism employed by Treasury Board Secretariat (TBS); and
- Developing documentation and making it readily available

CHAPTER FIVE

THE CHIEF EXECUTIVE OFFICER-EXECUTIVE AGENCIES

5.1 Nature of the Position

There are eleven Executive Agencies in Jamaica, first introduced in April 1999, along the line of the United Kingdom and New Zealand models. Executive Agencies were set up to improve efficiency, effectiveness and service delivery. Agencies remain as departments of ministries but their CEOs have more responsibility/autonomy for their own management and performance as defined in the respective frameworks documents.

The selection of the CEO falls under the purview of the Office of the Services Commission. The appointment is made by the Governor General on the advice of the Public Service Commission in keeping with the terms and conditions of the Executive Agencies Act of 2002. Appointment is contractual for a period of 3 to five years and is renewable. The main function of the CEO is to ensure the performance of his/her agency and in fact, the CEO is assessed solely on agency performance.

The CEO is guided by the Agency's framework document that defines the mission and objectives of the agency, specifying outputs to be delivered by the management and the resources required to do so, justifying the extent and nature of autonomy to be granted to the management, providing methods of performance measurements and evaluations to be used, and recommending rewards and sanctions that would follow performance evaluation.

CEOs in the exercise of their management authority and autonomy have encountered a number of problems not related to the Act *per se*, but rather, the mixed record of compliance and, to some extent, the slow erosion of the intent of the Act through increasing control mechanisms over presumed authority granted to agencies. The Act specifies the CEO's authority for hiring, firing and emoluments, and the need to have these authorized by the Minister in accordance with vacancies; yet approval has to be sought from the Ministry of Finance and the Public Service and even when the post and funds for the additional employment exists, approval can be denied by the Ministry (**see Section 2.5.2**). CEOs are also constrained by the Memorandum of Understanding even when they are not funded from the Consolidated Fund. There also seem to be a lack of recognition that EAs are autonomous entities; for example, MOFPS circulars are sent through the PS rather than directly to the CEOs, and in some instances, the circulars are not received by the Agencies.

Each EA is required to have an Advisory Board, charged with the responsibility for advising the CEO on the strategic and business responsibilities of the Agency. Ministers appoint board members and consequently, some Ministers and Board members perceive the Board's role as that of advisor to the Minister rather than advisor to the CEO. Some Board members have been described as reporting the CEOs actions to the Minister and usurping the role of the CEO. There have been reports of Boards performing functions outside of their roles. For example, using an Advisory Board to conduct the performance appraisal of a CEO which puts the Board outside its

role of providing advice to the CEO. Limited understanding of operational issues for some Advisory Board members (“steep learning curve” and “absence of competencies requirements”), coupled with efforts to exercise operational authority is a problem for some CEOs.

The role of Advisory Boards is an important part of EAs accountability. According to the report, *Strengthening Accountability Report*, Boards are not accountable within the current system, nor within the EA Act. They are advisory, and should remain so. Yet, in several cases, the usurpation of operational authority by strong Board Chairmen has affected the capacity of the CEO to manage, even in the context where s/he is the accounting officer, not the Board. With Regulations being done for the EA Act some of these issues should be clarified.

Accountability for CEOs is sometimes confounded by the continued existence of collateral legislation for bodies formerly separate and now combined in single EAs. This is the case, for example, National Environment and Planning Agency (NEPA) and the National Land Agency (NLA). Every effort should be made to remove or incorporate collateral legislations (Acts) that affect newly combined EAs. In part, this can be accomplished in Regulations for these entities for more effective workability.

Decisions:

(a) Executive Agencies’ Advisory Boards shall be maintained to provide “only advisory” functions to the CEO;

(b) Competency requirements for members of Advisory Board shall be established to assure the provision of quality advice to the CEO.

5.2 Roles and Responsibilities

The CEO is responsible for:

- the Agency’s performance, operations and functions
- Giving advice to the responsible Minister
- the general conduct of the Agency
- timely reporting in the prescribed manner to the responsible minister on Agency performance
- the efficient and effective management of the Agency including its human resources and prudent financial management of its financial resources
- the delivery of goods and services by the Agency, in the quantity, and in accordance with the quality, costs and standards specified in any plan or document referred to in the scheme of management.
- Compliance with the Appointment Letter – Accounting Officer from the Ministry of Finance and Public Services, the Financial Administration and Audit Act, Executive Agencies Act, Financial Instructions to Executive Agencies and other relevant legislations.

5.3 Reporting Relationships

The CEO reports directly to his/her portfolio Minister.

5.4 Accountability Arrangements

The Portfolio Minister

- Receives policy direction
- Obtain approval for Performance Agreement
- Submits timely reports on the Agency's performance
- Submit, for approval the Agency's 3 year Corporate Plan, an annual business plan and quarterly reports
- Submits for approval the agency's annual report, which is required to be tabled in Parliament within four months after the end of the financial year.

Permanent Secretary

- Submits for review corporate plans, framework documents, business plans and performance reports, in order to allow for adequate monitoring of performance

Proposed: The following are proposed as accountabilities of the CEO to a portfolio PSs and are to be supported by Regulations to the EA Act:

- Submits the Agency's corporate plans for sign-off
- Consults on the development of the Agency's KPIs
- Submits self appraisal on performance appraisals for evaluation. The CEO is not to receive a gratuity if the performance agreement is not signed.
- Submits the Agency's Annual Report for assessment and feedback to the portfolio Minister

Auditor General

- Allows the AuG access to all documents that would be required for audit purposes
- Ensures that the Office collaborates with, is available to and responds to the AuG
- Respond to queries that may emerge in the AuG Report. In some instances, s/he may be required to appear before the PAC (thus to Parliament).
- Submit for auditing, statement of accounts as stipulated in EA Act
- Request approval for contracting external auditors as necessary. This may at times be necessary due to the inability of the Auditor General's Department to complete the audited financial statement in a timely manner to allow for the Agencies to submit their audited annual report within stipulated timeframes.

Contractor General's Department

- Follows the guidelines for contracting goods and services as stated in the Procurement Guidelines/Regulations
- Submits reports as required by the Contractor General as per the Contractor General's Act
- Provide information requested on the award of contracts as well as responses to procurement queries from the Contractor General *as per* the Contractor General's Act

Ministry of Finance and the Public Service

CEOs/Agencies must be compliant with the framework within which they operate and are held accountable for such compliance by the Executive Agency Monitoring Unit of the Ministry of Finance & the Public Service which monitors performance of the EA. The Unit also signs off on the performance reports of EAs before incentive payments can be awarded. Additionally the CEO is accountable for:

- Compliance with the FAA, Financial Instructions for Executive Agencies and can be surcharged if in breach of required procedures
- Compliance with other relevant legislation
- Obtaining approvals for certain activities from the Ministry (hiring of staff)

Office of the Services Commission

Must ensure that the guidelines and procedures given by the OSC/PSC are adhered to and that delegated authority (HR actions-staffing, appointment, promotion, transfer, training etc), is managed appropriately.

5.5 Performance Management and Evaluation

While the CEO is accountable to the Minister for performance, the Permanent Secretary is required, under Article 10 of the Act, to review and report in writing to the Minister on the performance of the CEO. According to the draft report *Strengthening Accountability Report*, in most cases¹⁰ “it is only the Minister who is party to establishing the performance agreement”, which creates difficulties because the accountability documents that are inputs into the process (framework documents, performance agreements, corporate plans and business plans) “do not fall within the formal purview of the reporting relationship of the Permanent Secretary”.¹¹ A broad interpretation of the requirement to review and report on performance, would suggest that it is incumbent upon the Permanent Secretary to request this documentation and to undertake the activities needed to monitor performance. Interviews indicated that there is a new circular requiring Permanent Secretaries to sign off on KPIs but this requirement is not widely known.

CEOs have said that the level of involvement of the Permanent Secretary in monitoring their performance varies. All are required to submit regular reports to their Minister; some indicated they submitted reports to, and had regular meetings with, the Permanent Secretary. Variations in the levels of contact may be partly explained by differences in responsibility delegated by the Minister to the Permanent Secretaries or by management style of the Permanent Secretary. Clarity around the role of the Permanent Secretary in monitoring and assessing performance is currently being done through the EA Regulations.

¹⁰ In the case of the Ministry of Transport and Works and the National Works Agency a Memorandum of Understanding has been created in which is signed by the Permanent Secretary, the CEO of the national Works Agency and the Chairman of the Road Maintenance Fund.

¹¹ *Strengthening the Accountability Framework for the Public Sector in Jamaica*, pg 17, paragraph 3.21

Meetings with CEOs indicated that their performance is not necessarily assessed annually; some are and others are appraised when it is time to make a decision on their gratuity. While some CEOs were familiar with the performance assessment template it was hardly ever used. All indicated that as CEOs they are held accountable for the organization's performance. No one identified individual/personal performance goals for which they were held accountable, although one CEO mentioned bringing key competencies into the performance discussion.

There were indications that the corporate plan which forms part of the performance contract between the Minister and the CEO is not always signed which raises question about the quality of the proposed deliverables if the documents have not been vetted and approved. There is no indication that this is a widespread problem; but it is a concern that it has happened in at least one agency, given the importance of these documents in assessing not only the performance of the CEO but of the Agency.

When compared with a similar office in Canada the performance management process is said to be highly standardized for all executive levels, therefore, the good practices identified for CEOs are similar to those already identified for the Permanent Secretary and include a standardized and documented process, a timetable, an annual negotiated agreement that is expanded beyond the organization's deliverables to include some individual elements, and an annual performance appraisal with inputs from a variety of sources and feedback. Since CEO's already receive a form of performance pay, in their gratuity, it is proposed to connect their pay to their annual performance rather than waiting for three years. The Canadian Performance Management Programme (PMP) may also be a relevant good practice for improving the quality of performance indicators.

Decisions:

(a) The Performance Management and Appraisal System for Chief Executive Officers in Executive Agencies, which is based on international best practices, shall be implemented on a phased basis.

(b) All corporate plans of Executive Agencies shall be approved by the portfolio Minister on the recommendation of the responsible Permanent Secretary.

CHAPTER SIX

THE CHIEF EXECUTIVE OFFICER- PUBLIC BODIES

6.1 Nature of the Position

There are some 200 Public Bodies in Jamaica, which were established before the advent of the Executive Agency model. Public Bodies, which comprise statutory bodies and authorities as well as government owned companies, collectively represent an important subset of the public sector and are integral to the development and implementation of a number of key policy objectives. These bodies are held accountable to statutory requirements as well as those defined by the Public Bodies Management and Accountability (PBMA) Act 2001, Financial Administration and Audit (FAA) Act and the Companies Acts. There are four types of public bodies. Some operate like a business and are self-financing; others are regulatory bodies and charge fees; some are partially funded by the government and, finally, there are those that are totally funded by appropriations. Public Bodies represent regulatory, investment, production, service delivery and commercial interests and do not and cannot act as a single phenomenon.

Heads of public bodies go by varying nomenclature (Chief Executive Officers, Managing Directors, Director Generals, Executive Directors, President etc). In this framework these Heads of Public Bodies (PBs) will be referred to as Chief Executive Officers. CEOs of public bodies are generally appointed by their Boards. However there are some that are appointed by the Governor General (as is the case with the Office of Utilities Regulation). Many report to their Board of Directors while a few report directly to their Portfolio Minister. The terms of their employment vary and are outlined in their Contracts but usually CEOs are given (3) three year contracts when appointed.

The PBMA provides the governance framework for public bodies. The amended PBMA Act (2001) mandates that public bodies use corporate plans and reports as major performance accountability mechanisms. It is the responsibility of each Portfolio Ministry to have its own monitoring mechanism to oversee public bodies; however, this is unevenly executed. Public Bodies have management boards appointed by, and responsible to the Minister. Some Public Bodies are also governed by international treaties and or protocols and are held accountable for implementing directives issued by way of circulars from the Ministry of Finance and the Public Service and must be compliant with government Procurement Guidelines and Regulations.

The CEOs of PBs are faced with a number of challenges that sometimes prevent them from managing as they should. The first issue is that of the Board of Directors. As reported by the Public Enterprise Division of the MoFPS, there are confusions of roles and responsibilities among board members, especially when the members are newly appointed. On the other hand, there are Board Members who become involved at the operational level which sometimes compromises the authority of the CEO. Furthermore, there is a practice for Executive Chairmen

to intervene in day to day operations of the PBs. The membership of the Permanent Secretary on the Board, identified earlier in the document, has also raised concerns (**see Section 4.3**). Many of the concerns with regards to the operation of Boards will be further explored under another assignment “to clarify the governance framework for public bodies”.

Decisions:

(a) The position of executive chairmen shall be discontinued and legislation that could conflict with this direction shall be amended accordingly.

(b) Mechanisms for regular reporting to Parliament shall be established, for example, through a Select Committee, as part of Public Bodies’ accountability oversight.

6.2 Roles and Responsibilities of the CEO

- Carries out the directives as given by the Board and/or the Minister
- Complies with various legislative requirements
- Provides advise to the Board and/or the Portfolio Minister
- Provides timely reporting, in the prescribed manner, to the responsible minister on the Agency performance
- Ensures the efficient and effective management and performance of the Agency including its human resources and prudent financial management of its financial resources
- Complies with, the Public Bodies Management and Accountability (PBMA) Act, The Companies Act and other relevant legislation.

6.3 Reporting Relationships

In most instances, the CEO reports to the Board of Directors. In some specific instances, the CEO reports directly to the Minister.

6.4 Accountability Arrangements

- Board of Directors/Management Boards
- Portfolio Minister
- Permanent Secretary
- As stipulated in the relevant legislations
- Central Agencies of Government
- As required by mandate of the organization

The Portfolio Minister

- Submits, no later than four months after the end of each financial year, a copy of the Agency’s annual report and audited financial statements
- Submits performance agreements self appraisals for evaluation (in exceptional circumstances where a CEO reports directly to a portfolio Minister)
- Submits no later than January ^{1st} of each year, to the Minister, a draft corporate plan with performance targets, operating budgets, capital budgets and their justification.
- Submits a half yearly report within 2 months of the of each half of the financial year, consisting of an abridged un-audited statement of the financial position of the

Body, with explanatory notes, important changes, performance compared with the objectives and targets set.

- Submits quarterly reports, outlining the achievements of the Body measured against appropriate performance targets.
- Provides advice

Board of Directors

- Meets performance targets as indicated in corporate/business plan
- Reports on the implementation of policy directives, and strategic decisions of the board
- Submits self appraisals of performance agreements for evaluation (exceptions have been identified where CEOs report directly to a portfolio Minister)
- Ensures that an audit committee has been established in the organization *as per PBMA Act*

Permanent Secretary

It has already been stated that the PBMA Act makes no mention of the role of the Permanent Secretary. However, it is clear that as accounting officer, the PS must have an important oversight role, on behalf of the Minister, for the public bodies within the Ministry's portfolio.

Proposed: The following are proposed as CEOs' accountability to a portfolio Permanent Secretary:

- Submits to the PS as the accounting officer, the corporate plans for sign-off to allow for more effective policy oversight
- Receives policy priorities for inclusion in corporate plans
- Comply with the monitoring framework established within the parent ministry to allow for adequate oversight
- Comply with summons/ requests for meetings

Ministry of Finance and the Public Service

- Submits requested and required reports in a timely manner to the Public Enterprise Division (PED), Ministry of Finance and the Public Service, which has the responsibility for monitoring and working closely with public bodies, especially those are either self-financing or partially funded
- Ensures compliance with the PBMA/FAA, financial guidance for public entities and periodic circulars.
- Presents required documentation to support the financial performance of the PBs
- Responds in a timely manner to the "Budget Call Letter" in October of each year to self-financing public bodies for the submission of Corporate Plans and Budgets which are then collated in the *Estimates of Revenue and Expenditure of Public Bodies* for the next fiscal year. The Division assesses their impact on the overall economy and develops and advises the Financial Secretary/Minister of Finance on appropriate policy options for ownership and control of individual public enterprises.

Auditor General

- Allows the AuG access to all documents that would be required for audit purposes

- Ensures that the Office collaborates with, is available to and responds to the AuG
- Responds to queries that may emerge in the AuG's Report

Contractor General

- Follows the guidelines for contracting goods and services as stated in the Procurement Guidelines/Regulations
- Submits reports as required by the Contractor General as per the Contractor General's Act
- Provides information requested on the award of contracts as well as responses to procurement queries from the Contractor General as per the Contractor General's Act.

6.5 Designating “Accounting Officer” Status to CEOs of PBs

While the Board of Directors of a public body is appointed by, and is responsible to, the portfolio Minister, it derives its authority from the PBMA Act which mandates the overall corporate governance and management for the public body. A number of problems regarding these Boards nevertheless continue to the present, e.g., appointments often lack quality membership and relevant skills, members are not always aware of their roles and responsibilities, members do not fulfill their due diligence responsibilities for meeting preparation, decision making, etc. For the above reasons and others, the *Accountability Framework* made the recommendation *to increase direct accountability of the CEO of Public Bodies to the Parliamentary Accounts Committee (PAC)*. The question has since been raised by the Cabinet Office as to whether the designation of “Accounting Officer” should be conferred on all CEOs or for just some. If the latter, what clear and explicit criteria could be used to determine which CEOs of which public bodies could be so designated. While these questions can be further examined and addressed within the context of the study on the governance of public bodies, some relevant observations have recently been made that could shed some light on the issues at this time.

Recent advice received by a Permanent Secretary from the Solicitor General's Office indicates that the function of ‘Accounting Officer’ only applies with respect to funds transferred by the GOJ to a public body as foreseen in the Annual Estimates or Supplementary Estimates. The Permanent Secretary does not have an ‘Accounting Officer’ role if the Estimates do not foresee GOJ funds for a public body which is self-financing. If a public body is partially funded, then the Permanent Secretary as ‘Accounting Officer’ must exercise oversight to ensure that the funds are used with economy, efficiency and effectiveness in discharging its mandate. A problem however arises when the purpose of those funds are not specified and are simply used to support operations. While oversight in this case could be problematic, there are provisions in the FAA Act and restated in the Letter of Appointment- Accounting Officer, which allow the ‘Accounting Officer’ to formally designate the senior full-time official, i.e., CEO, as “accountable officer” for the public body. Even if such a formal designation is not made, the senior full-time official of a public body is expected to appear alongside the Permanent Secretary when summoned by the Public Accounts Committee. The Letter of Appointment in this regard contains the following provisions in the section titled ‘Accountability in Parastatal Public Bodies’ which should be taken into consideration.

“It should be made clear in writing to the senior full-time official of the recipient body that he [she] carries a similar responsibility to that of a

departmental Accounting Officer so far as expenditure out of the grant/subvention is concerned. This includes responsibility for ensuring that the accounts of the body are properly presented, and for good financial management within the recipient body.”

It is commonly understood that the Permanent Secretary is accountable for ensuring that the Ministry’s portfolio of government institutions including public bodies, operate within the strategic policy framework of the GOJ which is signed off by Cabinet. To do so they currently employ a variety of techniques to monitor and exercise influence on both the CEO and the Board of Directors. Some will meet with the CEOs of their public bodies on a regular basis to discuss current issues and to share information. They may also seek appointment from the Minister for themselves, or their staff, to the Board of Directors of strategically important public bodies. However, recent advice from the Solicitor General (SG) in this regard, clearly instructs that a PS membership on a Management Board would make him or her culpable as a member of the Board to the decisions made in the event of litigation. While PSs are in agreement that the absence of a ministry representative from the Board could curtail the government’s capacity to ensure that strategic “public interests” are adequately represented in the governance of public bodies, they overwhelmingly acknowledge the strong potential for conflict of interests, and agree, consistent with the SG advice that a more logical approach maybe for the PS to appoint a ministry representative to sit on a Board under his/ her purview. The SG argues that in this case, the respective PS would not be culpable.

Potential Criteria

There are many types of public bodies with diverse mandates and which range in size from the very large to the very small. While based on limited information, preliminary analysis reveals a typology which may serve useful to the study on the governance of public bodies and could be taken into consideration when determining the accounting function of public bodies.

While the *Estimates of Revenue and Expenditure of Public Bodies* identifies three types of public bodies, i.e., statutory authorities, statutory bodies, as well as Government owned companies this typology is of little use here as it refers only to legal status and ignores the mandates of the public bodies. For example, several statutory bodies are corporations which have an economic development mandate not unlike that of Government owned companies, similarly some statutory authorities have a purely regulatory mandate and others are service delivery organisations. From a financing perspective, some public bodies operate like a business and are expected to be self-financing; others are regulatory bodies or service delivery operations which charge service fees; and, finally, there are those public bodies that are totally funded by appropriations.

A typology based on the specific mandate of each public body might be more useful in determining the accounting function of public bodies, as follows:

- (a) Corporate or business enterprise mandate;
- (b) Social service delivery organization mandate; and
- (c) Regulatory board or council mandate.

These distinctions in mandate when combined with the self-financing capacity may provide a useful basis for identifying potential public bodies for which the CEO could be appointed as ‘Accounting Officer’.

Corporate or business enterprise mandate

The most attractive prospects are those public bodies falling within this category and having a consistent track record of self-financing or partially self-financing. Generally, they are large and complex entities which would represent a challenge for any Permanent Secretary to fulfill the 'Accounting Officer' function comfortably.

Social service delivery organization mandate

The next most attractive prospects are those public bodies falling within the second category having a consistent track record of self-financing or partially self-financing. However, in these cases it may be more appropriate to first convert them into Executive Agencies, such being the case for the National Health Laboratory under the Ministry of Health.

Regulatory board or council mandate

The least attractive prospects are those public bodies with a regulatory mandate, since they represent important mechanisms by which the Government can influence policy implementation, whether on import/export tariffs and quotas, academic standards, remittances, professional standards, etc. Furthermore, regulatory bodies are generally not self-financing and would rely to greater extent on public funding to support operations. Retaining the 'Accounting Officer' designation for the Permanent Secretary will reflect the importance that the Government places in ensuring the economic, efficient and effective use of resources in the public interest.

Based on this rationale, the proposed criteria for determining the accounting function for public bodies would be as follows:

- Mandate type;
- Self-financing capacity; and
- Size (as measured by number of employees and expenditures).

The selected and other public bodies identified in the *Estimates of Revenue and Expenditures for Public Bodies – 2010* are grouped and listed in Appendix 2. They are grouped first based on their mandate type and then listed by their self-financing capacity and size. The Group 1 public bodies with a corporate or business enterprise mandate are premiere candidates for conferring the 'accounting function' to the Chief Executive Officers, while Group 2 public bodies with similar business enterprise mandates represent good second choices. The public bodies with a regulatory board or council mandate do not represent good candidates for conferring the 'accounting function' to the Chief Executive Officers.

Decisions:

(a) "Accounting Officer" status, shall be designated on a phased basis, to selected CEOs of Public Bodies meeting approved specified criteria, for example, those suggested in section 6.5.

(b) Further legal analysis shall be undertaken by the Attorney General's Chambers to examine:

- (i) whether the existing legislative provisions would allow for self-financing Public Bodies to be designated "Accounting Officer" status; and

- (ii) whether the definition of “Accounting Officer” would need to be amended to allow for the extension of Permanent Secretary oversight over those self-financing entities in which designation would not be desirable.

6.6 Performance Management and Evaluation

Accountability in public bodies was identified as an area of particular concern. No general performance management system for the Heads of Public Bodies has been identified although assessments do happen for some of the more economically or socially important Public Bodies, for example EXIM Bank. Assessing the performance of Heads of Public Bodies, management boards and improving the assessment of the performance of Public Bodies themselves were identified as accountability requirements.

Assessing the performance of public bodies was identified as problematic for several reasons. First of all, the governance framework of the Public Bodies Accountability Act (PBMA) is less complete than that of the Executive Agencies Act and the public bodies themselves are not timely in meeting their reporting responsibilities outlined in the Act and in meeting the requirements of the Public Enterprise Division, Ministry of Finance and the Public Service, which monitors some of these public bodies. Secondly, the quality of the corporate plans was questioned and in particular, the quality of the Key Performance Indicators. The extent to which public bodies achieved their goals and reported on performance is also in question. It appears that where monitoring does occur it is financial in nature. There is no organized, structured way to objectively assess performance around a balanced set of measures. These issues also raise concerns regarding the capacity within Ministries for ongoing performance monitoring. Given the importance of ministries in the assessment of organizational performance in other parts of the public service, this is a weakness that must be considered in building a performance management system for Heads of Public Bodies. Public bodies are heterogeneous by nature, and must therefore have accountability- appropriate mechanisms. However, it is clear that these bodies are by no means less important than executive agencies, that have comparatively tighter monitoring and accountability arrangements (more so with the proposed EA Regulations). Given the role that public bodies play in the implementation of Government’s strategic priorities, as well as their utilization of financial resources, a wider performance monitoring and accountability framework for public bodies need to be clarified and strengthened considerably. Such a framework would ideally be further integrated in CEOs performance agreements. For example, CEOs should be appraised on their compliance with this broader governance and accountability arrangements, once in place.

The proposed performance management and appraisal system guidelines for CEOs/Managing Directors of Public Bodies is one of the government’s initiative to increase accountability within public bodies, and has been designed to be flexible and adaptive to anticipated changes in the governance arrangements that will emerge through the clarifying and strengthening of governance framework for public bodies. The PMAS has been developed in keeping with international best practices in countries such as Canada that has instituted a similar performance management system across all executive levels. In Canada the performance management process is said to be highly standardized for all executive levels, therefore, the good practices identified for CEOs of PBs are similar to those already identified for the Permanent Secretary and CEOs of Executive Agencies and include a standardized and documented process, a timetable, an annual negotiated agreement that is expanded beyond the organization’s deliverables to include some

individual elements, and an annual performance appraisal, with inputs from a variety of sources and feedback.

Decision:

- (a) The Performance Management and Appraisal System for Chief Executive Officers in Public Bodies, which is based on international best practices, shall be implemented on a phased basis.

PART THREE

PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEMS

CHAPTER SEVEN

PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

Permanent Secretary Position

For the information of the Cabinet Secretary, Ministers, Permanent Secretaries and other senior executives of the civil service of the Government of Jamaica.

1.0 Introduction

Best practice in performance management has evolved considerably in recent years. Informality has increasingly given way to formality; subjective assessment of broad objectives has shifted to rigorous appraisals of specific commitments; and ad hoc, conversational feedback has shifted to structured feedback systems and interactive discussions between senior executives and their immediate supervisors.

While a new Performance Management and Appraisal System was recently introduced for non-executive level personnel in Jamaica, it was felt that a fundamental restructuring of the performance management procedures and processes for all executive level personnel was also required as a core element of modernisation initiative. The Performance Management and Appraisal System (PMAS) for Executives is intended to provide clearer signals and incentives to senior executives to promote corporate priority-setting, achieve results and ensure clearer feedback and leadership development.

The purpose of this document is to provide implementation guidance for the Performance Management and Appraisal System (PMAS) as it applies to the Permanent Secretary (PS) position in the Government of Jamaica. The ministries which are headed by a Permanent Secretary are listed in Annex A.

2.0 PMAS Principles and Objectives

At the heart of the Performance Management and Appraisal System (PMAS) for Executives are two elements: a performance management agreement, which embodies clear statements of key commitments for the performance cycle period; and a performance appraisal process relative to that performance management agreement, which is rigorous and transparent. The performance management agreement is a mutual understanding of what is expected during the performance cycle period; for permanent secretaries, their performance management agreement is with their Portfolio Minister and the Cabinet Secretary, the latter having final approval. The key commitments in the performance management agreement, accompanied by performance indicators, reflect the ministry/department's priority areas of focus for the year, as well as corporate and individual leadership objectives. The commitments must be result-oriented, measurable and challenging, but achievable within the executive's span of influence and control. Clarity of key commitments, rigorous appraisal of the extent to which they are achieved, specific accountability for key commitments, and objective, clear and respectful feedback are the core elements of this performance management and appraisal system. Such a system will strengthen the ability of large, complex ministries to focus on broader Government priorities as well as those unique to their mandates, but will also enhance the efficiency and effectiveness of public service delivery and overall productivity. It also sends a clear signal about the accountability of senior executives, the importance placed on the achievement of results and their contribution to their organisation's performance.

The results of the Performance Management and Appraisal System are to:

- 📖 Institutionalise the principles of service, output and outcome oriented operations.
 - Create systems and processes to support delivery of services in a more efficient and effective manner.
- 📖 Increase motivation of staff.
 - Clearly define contribution to the organisation.
 - Reward high performance and achievement.
- 📖 Higher levels of productivity.

3.0 Compensation Plan

The PMAS for Executives Compensation Plan is based on international best practice with a view to rewarding high performance and achievement through monetary incentives. Cash compensation for the permanent secretary position has two main components – base salary and performance pay. Base salary pay has two sub-components: 1) a percentage increase in the base salary scale (economic increase) based on the past year's rate of inflation and labour market conditions, and 2) movement through the salary range (step increase) which is earned through the successful achievement of commitments. Performance pay also has two sub-components: 3) a variable amount (at-risk pay) which must be re-earned each year, and 4) a bonus for performance that surpasses expectations, both of which are earned through the successful achievement of commitments.

A sound performance management program relies on its ability to clearly identify and reward results, both individual and corporate, through "at-risk" performance pay. As in the private sector, it would be expected that most executives would be eligible to receive some at-risk pay. However, in line with best practices in the private sector it is recommended that no more than 20 percent of the public service executive cadre be eligible for a bonus payment in any given year, that at least 5 percent receive no at-risk pay at all, and that the rest receive some at-risk pay according to their performance rating. The effective implementation of the performance management and appraisal system is integral to the success of this compensation plan and the resulting benefits in terms of increased motivation and higher levels of productivity.

4.0 PMAS Components and Application

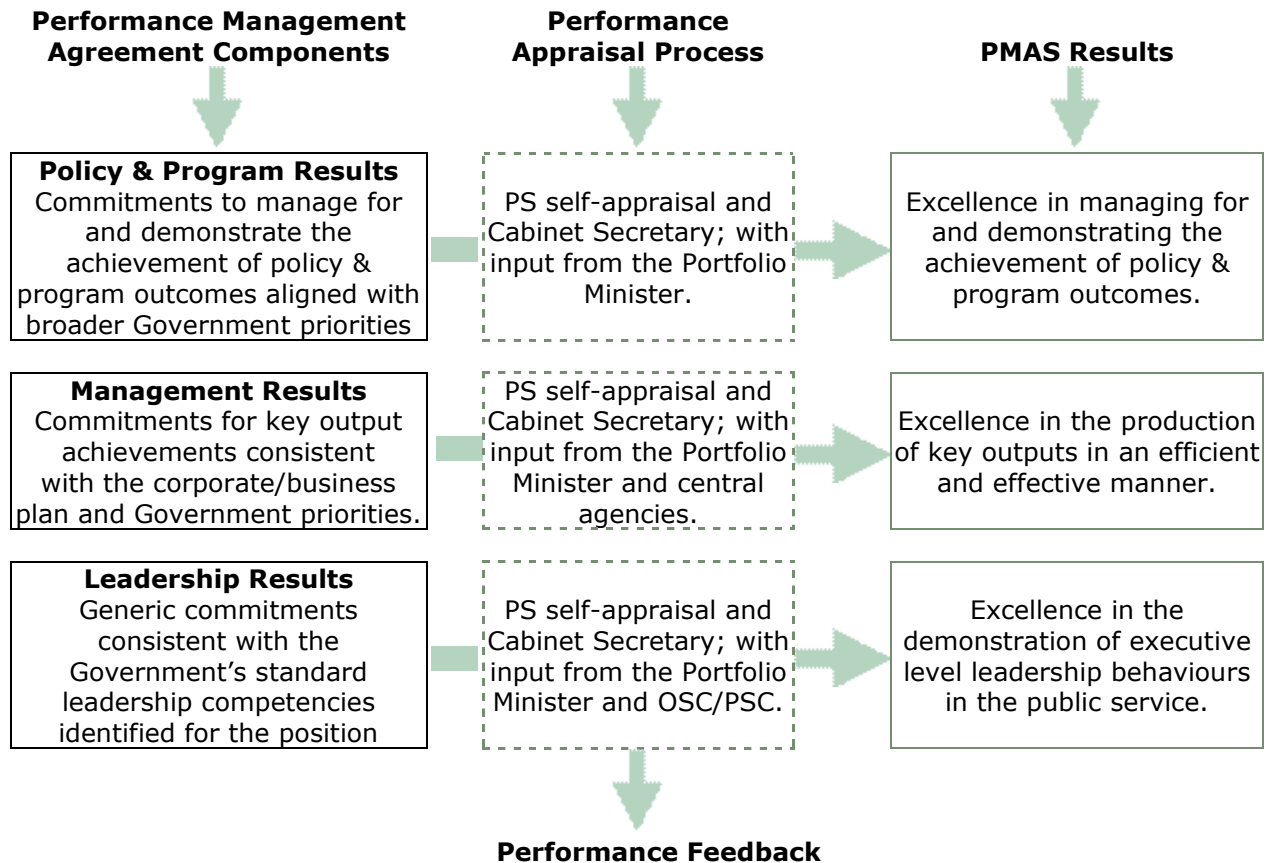
4.1 Eligibility

To be eligible for performance pay, incumbents must have a signed Performance Management Agreement, and must normally hold their positions for at least six (6) consecutive months in the performance cycle. This period allows the incumbent sufficient time to achieve measurable results. If the period covered by the performance appraisal is more than six months but less than 12 months (full performance cycle), performance pay, if approved, may be prorated.

If an individual is appointed to the PS position from within the public service during the performance cycle, the individual will be considered included in the Performance Management and Appraisal System for the complete performance cycle.

4.2 PMAS Components

The diagram below illustrates the Performance Management and Appraisal System for the Permanent Secretary position.



5.3 Performance Management Agreement Components

The Performance Management Agreement (PMA) is a mutual understanding between the PS, Portfolio Minister and Cabinet Secretary as to what is expected for the performance cycle period. The PMA template is provided in Annex B. To ensure transparency and understanding among ministry/department staff, permanent secretaries are encouraged to communicate and share their key performance commitments with their organization, especially with regard to management, policy and program results.

The PMA is comprised of commitments and their related performance measures for the following three **performance components**:

1. **Policy and Program Results:** These commitments reflect the expected demonstration of managing for results in the organization's priority areas of focus during the performance cycle, as well as the actual achievement of policy and program results as set out in the corporate/business plan and consistent with the priority areas of focus for the Government. In the first instance, there must be an ongoing commitment to manage for results through demonstrable management actions to influence outcome achievement and to demonstrate that achievement through strengthened monitoring and evaluation functions, specifically data collection, analysis and performance reporting systems (see

Annex C). In addition, permanent secretaries are expected to identify policy and program results, as set out in the corporate/business plan, to which they will personally make a significant contribution to their achievement. These key commitments are challenging but achievable with effort through the individual's own influence and control. They must be accompanied by related performance indicators as set out in the corporate/business plan which will be used in determining the extent to which the key commitments were met. ***As such, permanent secretaries are encouraged to identify in their performance management agreements the key commitments for the achievement of selected policy and program results as set out in the corporate/business plan, and/or ongoing commitments in terms of demonstrating their efforts to manage for results.***

2. **Management Results:** These commitments reflect the expected demonstration of output achievements consistent with the ministry/departmental corporate/business plan for the fiscal year, and consistent with the current priorities of public sector modernisation in the Government of Jamaica. In the first instance, the achievement of routine operational outputs common to all ministries within standard levels of quality, timeliness and cost translate into ongoing commitments and serve as benchmarks for the expected performance of all permanent secretaries (see Annex D). In addition, organisational reform initiatives and related outputs that contribute to the modernisation of ministries, including the portfolio of Executive Agencies and public sector bodies, represent key commitments. ***As such, there is no need for permanent secretaries to include routine operational outputs in their performance management agreements, but rather identify and describe the key commitments in terms of organisational reform initiatives and related outputs which will receive their particular attention during the performance cycle.***
3. **Leadership Results:** These commitments reflect the expected demonstration of the four key leadership competencies which are required to carry out the responsibilities of the permanent secretary position successfully (see Annex E). These key leadership competencies are ongoing commitments and serve as a benchmark for expected performance. ***As such, permanent secretaries need only identify and describe in their performance management agreements the key commitments in terms of personal leadership development when they wish to highlight particular areas for improvement based on feedback from past performance appraisals.***

5.4 Performance Management Agreement Requirements

Alignment

Performance management agreements are to demonstrate alignment with:

- Priorities of the Portfolio Minister representing the Government of Jamaica,
- Priorities of the Cabinet Secretary as Head of the public service,
- The ministry/departmental corporate/business plan, and

Valid Performance Management Agreements

To be considered valid for the purpose of performance awards, performance management agreements are to include the following:

- The period covered by the agreement;
- Validation of ongoing commitments as per position terms of reference;
- Key commitments for all three performance components;
- Performance indicators of successful achievement of key commitments; and
- The signatures of the permanent secretary, portfolio minister and Cabinet Secretary.

Ongoing Commitments

Ongoing Commitments are part of the continuing responsibilities of the permanent secretary as per the terms of reference for the position that do not normally change from year to year. They reflect a balanced representation of core accountabilities for achieving operational outputs related to: financial management (budget), human resources management, business planning, policy

development and operational program delivery, as well as demonstrating leadership competencies.

Key Commitments

Key Commitments are areas of focus over and above ongoing commitments for the performance cycle. They can reflect organisational reform and development initiatives linked to government modernisation priorities, priorities identified by the Cabinet Secretary as head of the public service and/or ministry/departmental priorities included in the corporate/business plan for the fiscal year. They are intended to be challenging but achievable with effort. Normally key commitments change and/or evolve from year to year.

At least one (1) key commitment and a maximum of three (3) key commitments are identified for each performance component.

Performance Indicators

Performance indicators describe how an observer would know that the key commitments are achieved within the performance cycle period and define standards for the expected level of achievement of these results. The choice of a performance indicator implies that qualitative or quantitative data/ information indicating performance achievement is available and that efforts are made to obtain the information defined in the specific indicator.

There are one (1) to three (3) performance indicators identified per key commitment.




Mid-year Review of Key Commitments

While quarterly meetings with the Portfolio Minister to review performance may be desirable in some circumstances, the minimum requirement will be a mid-year review of key commitments initiated by the permanent secretary. A summary of the discussion is documented in the appropriate template noting any agreements or disagreements in the assessment of progress to date. This review step is particularly important when circumstances change, e.g., in Government priorities or budget restrictions, in ministry/department mandate or portfolio composition, in annual corporate/business plan priorities, or in personal circumstances. In such circumstances, the onus is on the permanent secretary to meet and discuss any proposed changes to the key commitments with the Portfolio Minister and then with the Cabinet Secretary. An amendment to the performance management agreement must then be prepared and signed by all three parties.

5.5 Performance Appraisal Process

Input on Performance Appraisal

At the end of the performance cycle, permanent secretaries are required to self-appraise their performance against the commitments and performance measures set out in their performance agreement. In keeping with the directives of the PMAS generally, they also complete a performance appraisal of their immediate subordinates, as well as for CEOs of Executive Agencies. A summary of each performance appraisal conducted during the performance cycle is completed and submitted as an addendum to their self-appraisal to the Cabinet Secretary. The Cabinet Secretary will subsequently seek additional information as required to the self-appraisal and supporting documentation, including:

-  input of the Portfolio Minister;
-  input on Management Results solicited from central agencies including the Ministry of Finance and The Public Service, Office of the Services Commissions, Office of the Contractor General, Auditor General's Department, etc.; and
-  input on Leadership Results solicited from the Office of the Services Commission (OSC) which would engage an external expert (e.g. a retired permanent secretary or chief personnel officer) to provide an additional independent perspective on performance based on a 360 degree assessment; such an assessment entails collecting information from people who work with the permanent secretary on a regular basis, i.e., superiors, peers and subordinates. A subsequent meeting with the individual to discuss their self-appraisal would be optional.

Peer Review of Performance

The Cabinet Secretary will strike a Peer Review Committee of senior officials (e.g., Cabinet Secretary, Chief Personnel Officer, Financial Secretary, and other Permanent Secretaries) to review all input received on the individual performance of permanent secretaries. The Peer Review Committee is charged with collectively arriving at both the performance appraisal rating and the narrative feedback to be provided to each individual. These ratings are then recommended to the Governor General.

Performance Ratings

Performance ratings depend not only on each permanent secretary's own performance against their commitments, but also on the relative scope and complexity of the challenges they faced. Ratings will be based on results achieved, as well as on the manner in which they were achieved. Demonstration of key leadership competencies in the attainment of management results will be recognized and rewarded.

Overall performance is appraised with the following possible ratings:

- **Did not Meet /Unable to Assess**
Did not achieve performance expectations or unable to assess the performance during the cycle (due to leave, training, special assignment).
- **Succeeded -**
Did not fully succeed in meeting performance expectations. Or, while succeeded, it was in a position with performance expectations of less scope and complexity in relation to those of other permanent secretary level positions.
- **Succeeded**
Has fully achieved the performance expectations.
- **Succeeded +**
Exceeded the performance expectations. Or, fully succeeded in a position of greater scope and complexity in relation to those of other permanent secretary level positions.
- **Surpassed**
Went well beyond performance expectations.

Feedback

Following the peer review, the Cabinet Secretary will meet with all permanent secretaries to provide structured feedback on their performance, with a clear identification of strengths and weaknesses and suggestions for learning. Emphasis is placed on sharing with the individual the consolidated constructive feedback prepared by the Peer Review Committee, including the performance ratings and any recommendations for strengthening performance. Since the Cabinet Secretary is accountable for providing feedback to permanent secretaries, this task cannot be delegated, although it is advisable that a designate be present when the feedback is provided.

5.6 Performance Pay

The Performance Management and Appraisal System for the permanent secretary position provides the opportunity to earn the following performance-based compensation:

1. Economic Increase

The economic increase reflects a percentage increase in base salary recommended by the Ministry of Finance and the Public Service in accordance with Public Service Establishment Division guidelines and would be contingent on the availability of financial resources to affect payment.

2. In-Range Salary Movement

Movement through the salary range, up to the maximum of the range, is earned through the successful achievement of ongoing commitments. Normal progression for successful performance is X% per year. Higher or lower percentages may be approved based on the

degree of performance against expectations. No in-range salary increase is awarded for performance that does not achieve expectations.

3. At-Risk Pay

This lump sum payment is equivalent to X% of base salary and must be re-earned each year, based on the successful achievement of ongoing and key commitments. The amount of this lump sum may vary, depending on the degree of success achieved, as outlined under the section on performance appraisal. This payment does not increase an individual's base salary but is included in average salary for pension calculations. At-risk pay can be earned regardless of an individual's position in the salary range; however, no at-risk pay is awarded for performance that does not achieve expectations.

4. Bonus

This lump sum payment is in addition to at-risk pay and is based on the successful achievement of ongoing and key commitments that has surpassed expectations. Like at-risk pay, this payment does not increase an individual's base salary but is included in average salary for pension calculations. Bonuses can be earned regardless of an individual's position in the salary range.

In implementing in-range salary increases, at-risk pay and bonuses, the salary used as the base for calculations is that in effect on the last day of the performance cycle. Economic increases apply to the following fiscal year and are based on the salary following application of any in-range salary increase.

Summary of Performance Awards

The following table illustrates the range of performance awards available, according to the performance ratings achieved by the individual:

Appraisal Results	Economic Increase	In-Range Increase	At-Risk Pay	Bonus
Did not meet	✓	X	X	X
Unable to assess	✓	X	X	X
Succeeded -	✓	✓	X	X
Succeeded	✓	✓	✓ 5-10% of base salary	X
Succeeded +	✓	✓	✓ 10-15% of base salary	X
Surpassed	✓	✓	✓ 15-25% of base salary	✓ up to an additional 10% of base salary

Performance Pay Approval

Compensation for the permanent secretary position is approved by the Governor General. Copies of the documentation authorizing payment are provided to the individuals concerned and forwarded to the Ministry of Finance and the Public Service for implementation.

5.0 Timelines

January – March

Permanent secretaries finalize priorities with the Portfolio Minister, planning processes and meet with management teams on performance commitments for the next fiscal year.

February

The Cabinet Secretary sends a call email to permanent secretaries requesting the following:

- a self-appraisal of performance during the fiscal year ending;
- a concise summary of each full performance appraisal completed for sub-ordinates during the fiscal year ending; and
- a proposed performance management agreement for the new fiscal year.

March

Permanent secretaries meet with the Portfolio Minister to discuss and agree on key commitments for the next performance cycle.

Self-appraisals, appraisal summaries and new performance management agreements are due March 31st.

April – June

The Cabinet Secretary seeks input on permanent secretary performance from various sources including Portfolio Ministers, OSC/PSC, MoFPS, central and other agencies.

The OSC/PSC engages an external HR expert (retired chief personnel officer or retired permanent secretary) who reviews self-appraisals and gathers information on permanent secretary leadership performance through a 360 assessment.

June

The Cabinet Secretary convenes a Peer Review Committee meeting to review all performance appraisal information. The Peer Review Committee recommends individual performance ratings and compensation to the Cabinet Secretary.

July – August

Performance feedback is provided to permanent secretaries.

September

Performance pay is implemented.

October

Final amendments to performance agreements for the year in progress are due, including any changes related to the performance feedback received.

Annex A – List of Ministries

1. Ministry of Agriculture and Fisheries
2. Ministry of Education
3. Ministry of Finance and the Public Service
4. Ministry of Foreign Affairs and Foreign Trade
5. Ministry of Health
6. Ministry of Industry, Investment and Commerce
7. Ministry of Youth, Sports and Culture
8. Ministry of Justice
9. Ministry of Labour and Social Security
10. Ministry of Energy and Mining
11. Ministry of National Security
12. Ministry of Tourism
13. Ministry of Transport and Works
14. Ministry of Water and Housing

Annex B – Performance Management Agreement, Mid-Term Review & Self-Appraisal Templates

These templates should be completed in accordance with the: **Performance Management and Appraisal System Guidelines – Permanent Secretary Position.**

The Performance Management Agreement can be customised, provided that the final document contains, as a minimum the following information elements:

- Identification data: name of executive and immediate manager, dates covered by the performance agreements, dates of reviews of the performance agreement,
- Attestation of ongoing commitments,
- Key commitments and performance indicators for each performance component
- A narrative summary of mid-term review with the Portfolio Minister and any amendments to key indicators results;
- Signatures by the incumbent Permanent Secretary, Portfolio Minister and Cabinet Secretary, and
- The following privacy statement:

"All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes".

All customised templates must be approved in advance by the Cabinet Secretary.

A PERFORMANCE MANAGEMENT AGREEMENT (TEMPLATE)		
PERSONAL INFORMATION		
Permanent Secretary Name:		
Ministry/Department Title:		
Anniversary Start Date:		
Performance Cycle	Start: (dd/mm/yyyy) End: (dd/mm/yyyy)	
<p>Note: All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes</p>		
ONGOING COMMITMENTS		
I hereby attest to my ongoing commitment to fulfil the duties, roles and responsibilities, achieve the outputs and demonstrate the personal attributes, skills and abilities as set out in the Terms of Reference for the position of Permanent Secretary.		
Permanent Secretary Name	Signature	Date
KEY COMMITMENTS		
Policy and Program Results:		
Key Commitments	Performance Indicators	
1. Example: To support the Minister in executing his responsibilities as a member of	- extent to which written the policy advice was well researched with current data;	

Cabinet I will be required to provide written policy advice on current issues (insert subject if known) this year.	- extent to which policy options are presented with consequences for each in terms of stakeholder interests affected and a recommendation; and - timeliness of the policy advice provided.	
2.		
3.		
Management Results:		
Key Commitments	Performance Indicators	
1. Example: Since the Ministry was recently delegated responsibility for the Human Resource function, I will ensure that a human resources plan is developed, maintained and implemented.	- a draft Human Resource Plan submitted to the Minister before February 29 th ; - a Human Resources Management Unit staffed - findings of the OSC/PSC Human Resources Audit	
2.		
3.		
Leadership Results:		
Key Commitments	Performance Indicators	
1. Example: Continue to demonstrate leadership competencies in all four areas, with particular improvements in Mobilising People, Organisations and Partners	- enrolment within the 1 st Quarter in a short term professional development course on Personal Development at MIND - findings of 360 assessment	
2.		
3.		
Permanent Secretary Name	Signature	Date
Portfolio Minister Name	Signature	Date
Cabinet Secretary Name	Signature	Date

B SUMMARY OF MID-YEAR REVIEW OF KEY COMMITMENTS (TEMPLATE)**PERSONAL INFORMATION****Permanent Secretary Name:****Ministry/Department Title:****Anniversary Start Date:****Performance Cycle**

Start: (dd/mm/yyyy) End: (dd/mm/yyyy)

Note: All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes

Guidance: A mid-year review of key commitments should be initiated by the permanent secretary with the Portfolio Minister. A summary of the discussion on progress to date is documented in this template noting any agreements or disagreements, or any required changes to the key commitments themselves.

Narrative Summary:

Justification and Modifications to Key Commitments:

Permanent Secretary Name	Signature	Date
Portfolio Minister Name	Signature	Date
Cabinet Secretary Name *	Signature	Date

*** Please note that this signature is required only if modifications to the key commitments are considered necessary.**

C PERFORMANCE SELF-APPRAISAL (TEMPLATE)

PERSONAL INFORMATION

Permanent Secretary Name:

Ministry/Department Title:

Anniversary Start Date:

Performance Cycle

Start: (dd/mm/yyyy) End: (dd/mm/yyyy)

Note: All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes

ONGOING COMMITMENTS

Guidance: A narrative summary of actual achievements against ongoing commitments is presented below based on factual information that can be substantiated upon request. All three performance components should be addressed.

Narrative Summary:

KEY COMMITMENTS

Guidance: Key commitments should be copied directly from the Performance Management Agreement, incorporating any modifications agreed to in the Mid-term Review. An evidence-based narrative summary of actual achievements is presented for each key commitment based on data collected on the agreed upon performance indicators. Important reference documents should be submitted with this self-appraisal, while others should be available upon request.

Policy and Program Results:

Key Commitments	Actual Achievements
<p>1. Example: To support the Minister in executing his responsibilities as a member of Cabinet I will be required to provide written policy advice on current issues this year. Indicators:</p> <ul style="list-style-type: none"> - extent to which written the policy advice was well researched with current data; - extent to which policy options are presented with consequences for each in terms of stakeholder interests affected and a recommendation; and - timeliness of the policy advice provided. 	<p>Written policy advice was provided to the Minister on the issue of (insert subject) which was provided within 2 weeks of the request. A copy of the policy brief is attached for review and contains current data available and presents two policy options with the predicted consequences for decisionmaking. The Minister appeared pleased with the format and content of the policy brief and decided in favour of the recommendation.</p>
2.	
3.	

Management Results:

Key Commitments	Actual Achievements
<p>1. Example: Since the Ministry was recently delegated responsibility for the Human Resource function, I will ensure that a human resources plan is developed, maintained and implemented. Indicators:</p> <ul style="list-style-type: none"> - a Human Resources Management Unit staffed before 	<p>While we had some difficulty attracting qualified candidates for the available positions, the core team was established on March 15th and was able to prepare a draft HR Plan which was reviewed by the OSC and approved by myself on April 30th. While the Audit commended the Ministry for these</p>

February 29 th ; - a Human Resource Plan approved before April 15 th ; and - findings of the OSC Human Resources Audit.	achievements, it noted that the performance management and appraisal system was not fully functional and that there were few performance appraisal forms on file to justify the in-range salary increments awarded.
2.	
3.	
Leadership Results:	
Key Commitments	Actual Achievements
1. Example: Continue to demonstrate leadership competencies in all four areas, with particular improvements in Mobilising People, Organisations and Partners. - enrolment within the 1 st Qrt in a short term professional development course on Personal Development at MIND - findings of 360 assessment	- I completed a 2 day course in March at MIND on Public Speaking and Presentation Skills for Senior Managers - While the 360 assessment has not yet been completed, I feel that I have improved my communication and engagement strategies with partners
2.	
3.	

Permanent Secretary Name	Signature	Date
Portfolio Minister Name	Signature	Date
Cabinet Secretary Name	Signature	Date

Annex C – Policy and Program Results: Commitments

The Government of Jamaica's modernisation initiative is a significant public sector reform which presents new challenges in defining accountability. The traditional notion of hierarchical accountability, top-down authority responsible to the people through elected policymakers and senior executives, must be reshaped to reflect a greater emphasis the achievement of results that are valued by the citizenry. Also, holding executives to account only for the correct application of government regulations and procedures and disbursements is incompatible with an empowered, results- and customer-oriented public service. In a modern public service, executive accountability means moreover, ***the obligation to demonstrate and take responsibility both for the means used and the results achieved in light of agreed commitments.***¹²

It is nevertheless recognised, that while current objective or outputs-based performance appraisal systems hold executives accountable for compliance assurance, disbursement management and output achievement, it does not logically follow that they should now be held fully accountable for achieving policy and programme results, i.e., outcomes. Accountability means that executives have a responsibility to influence the achievement of outcome results for their ministry/department. It does not mean writing into a performance management agreement that you are going to be 100% accountable for outcomes over which you have no control, e.g., reducing the traffic accident rate to a certain level by a given time. It is a matter of recognising that there's a responsibility to influence the outcome result that is being sought through key commitments to take specific management actions which reflect the intention and effort to manage for results.

There also remains an obligation to demonstrate what the ministry/department has achieved in terms of outcome results. Executives are accountable for demonstrating the achievement of ministry/department results through the provision of evidence-based performance information. To do so there must be an ongoing commitment by executives to strengthen monitoring and evaluation functions, specifically data collection, analysis and performance reporting systems. The quality of a ministry/department's annual performance report is the ultimate indicator of the fulfilment of this ongoing commitment.

¹² At the start of the year the PS is given a matrix prepared by Policy Analysis & Review Unit (PARU) of what they would be required to report on with respect to the key national priorities.

Annex D - Management Results: Commitments

The following is a list of operational outputs extracted in large part from the Terms of Reference for Permanent Secretaries which are common to all Ministries and which serve as **ongoing commitments**:

- Strategic Plan
- Corporate and Business/Operational Plans
- Effective Policies
- Periodic and Annual Reports
- Human Resource Plans
- Performance Management Agreements and Appraisals
- Financial Plans/Budgets
- Cabinet Submissions

The following is a list of potential organisational reform initiatives and related outputs with application for ministries which could serve as **key commitments**:

Governance and Strategic Directions

The essential conditions – internal coherence, corporate discipline and alignment to strategic outcomes – are in place for providing support to the Portfolio Minister and Parliament, effective strategic direction and the delivery of policy and program results.

Policy and Programs

Organizational research and analytic capacity is developed and sustained to assure high quality policy options, program design and advice to Portfolio Ministers.

Public Service Values

The executive team reinforces the importance of public service values and ethics in the delivery of results (e.g. democratic, professional, ethical and people values).

Risk Management

The executive team clearly defines the corporate context and practices for managing organizational and strategic risks proactively.

People

The organization has the people, work environment and focus on building capacity and leadership to assure its success and a confident future.

Citizen-Focused Service

The organisation's services are citizen-focused, policies and programs are developed from the "outside in", and partnerships are encouraged and effectively managed.

Stewardship

The organizational control regime optimises the benefits of delegated authorities, internal audit, performance measurement and evaluation functions in an integrated and cost-effective manner.

Accountability

Accountabilities for results are clearly assigned and consistent with resources, and delegations are appropriate to capabilities; performance appraisals are conducted regularly at all levels.

Results and Performance

Relevant information on results (policy, program and management) and risks (strategic and organisational) is collected, analysed, and used to make management decisions. Public reporting is timely, balanced, transparent, and easy to understand.

Learning, Innovation and Change Management

The organization manages through continuous innovation and transformation, promotes organizational learning, values corporate knowledge, and learns from its performance.

Annex E - Leadership Results: Commitments

These key leadership competencies required to successfully carry out the responsibilities of the position reflect the expected demonstration of **ongoing commitments**. Specific leadership development initiatives related to any of the competencies below undertaken during the performance cycle period will be considered **key commitments**.

Values and Ethics – Serving with Integrity and Respect

An effective leader:

- demonstrates values and ethics in personal behaviour;
- integrates values and ethics in organizational practices;
- makes decisions without favouritism or bias;
- models and instills commitment to the organization's mandate, citizen-focused service and the public good;
- provides fearless advice and acts with the courage of his/her convictions;
- recognizes and reconciles conflicting values;
- creates a collaborative, inclusive and diverse culture built on official languages and employment equity policies; and
- models, communicates and builds a culture of respect for people and public service principles.

Strategic Thinking – Innovating through Analysis and Ideas

Analysis

An effective leader:

- frames issues with a thorough understanding of legislation and the subject matter area;
- identifies links between global, societal, and economic trends; stakeholder concerns; the organization's agenda; public service values; and regional and horizontal issues;
- extracts the key issues from complex, ambiguous, rapidly changing contexts; and
- analyzes problems thoroughly before developing solutions.

Ideas

An effective leader:

- provides quality judgment and advice;
- develops vision and plans based on the broader portfolio and public service vision and policy; and the national and international context;
- projects beyond the status quo to the organization's potential contribution to society;
- identifies necessary reform initiatives with broad perspectives and long-term timelines;
- encourages debate and ideas from across hierarchies, skills sets, and stakeholders;
- anticipates emerging issues / changing contexts and develops strategies quickly to solve problems or seize opportunities; and
- teaches and learns from others.

Engagement – Mobilizing People, Organizations, Partners

An effective leader:

- develops effective working relationships and trust with partners and stakeholders;
- acts as an interface and builds relations between partners and stakeholders;
- mobilizes and motivates teams to achieve objectives;
- builds a commitment to excellence and common purpose by promoting the vision internally and externally;
- creates and collaborates with strategic alliances to achieve organization and shared objectives;
- develops and implements effective communication and engagement strategies with partners;
- builds support through influence, negotiation, and balancing interests;
- removes barriers to collaboration; and
- works with other heads of public bodies and executive agencies as a corporate collective to improve public sector efficiency and effectiveness.

Management Excellence – Delivering through Action Management, People Management, Financial Management

Action Management: Design and Execution

An effective leader:

- leads organizational change that maximizes organization and portfolio results;
- builds an effective, sustainable organization through stewardship and governance;
- creates, aligns, and integrates structures, systems, and teams to better achieve objectives;
- integrates the business plan into a transparent management framework;
- integrates federal legislation, regulations and policies and comptrollership into organizational practices;
- fulfils obligations of management accountabilities;
- applies and encourages strategic risk management practices;
- integrates human resources, finance, information technology and information management and communications issues into planning and actions;
- revises plans and results to reflect changing priorities or conditions;
- commits to a course of action despite incomplete information, if required;
- makes decisions, initiates urgent actions, and remains calm in crisis situations; and
- recognizes and acknowledges errors and makes corrections.

People Management: Individuals and Workforce

An effective leader:

- invests time in managing and developing people, individually and collectively;
- looks after people and builds staff morale;
- provides clear direction on priorities;
- encourages reasonable and strategic risk taking;
- recognizes and rewards results and deals constructively with setbacks;
- gives clear, honest feedback and manages non-performance;
- builds accountability and value for people management within the executive community;
- provides people with the ongoing learning, support, and tools they need;
- ensures the workforce has the capacity and diversity to meet current and future needs;
- implements rigorous human resources systems and fulfils obligations of human resources management accountabilities; and
- collaborates with other executives on human resource initiatives and issues.

Financial Management: Budgets and Assets

An effective leader:

- implements strategies to achieve operational efficiencies and value for money;
- builds, operates, and monitors rigorous systems for integrated resource and results planning, internal audit and evaluation;
- fulfils obligations of accountabilities for finance and assets management;
- delegates authority, responsibility, and accountability to appropriate levels;
- acts on audit, evaluation, and other objective performance information;
- links financial and performance information; and
- manages stewardship issues actively, e.g. chairs audit and evaluation committees; seeks strategic re-allocation of resources as needed.

CHAPTER EIGHT

PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

Chief Executive Officer Position - Executive Agencies

For the information of the Cabinet Secretary, Ministers, Permanent Secretaries and Chief Executive Officers of Executive Agencies of the Government of Jamaica.

1.0 Introduction

Best practice in performance management has evolved considerably in recent years. Informality has increasingly given way to formality; subjective assessment of broad objectives has shifted to rigorous appraisals of key commitments for the achievement of results; and ad hoc, conversational feedback has shifted to multi-input structured feedback systems and interactive discussions between senior executives and their immediate supervisors.

While a new Performance Management and Appraisal System was recently introduced for non-executive level personnel, it was felt that a fundamental restructuring of the performance management procedures and processes for all executive level personnel was also required as a core element of modernisation initiative. The Performance Management and Appraisal System (PMAS) for Executives is intended to provide clearer signals and incentives to senior executives to promote corporate priority-setting, achieve results and ensure clearer feedback and leadership development.

The purpose of this document is to provide implementation guidance for the Performance Management and Appraisal System (PMAS) as it applies to the Chief Executive Officer (CEO) position for Executive Agencies in the Government of Jamaica. The Executive Agencies which are headed by a Chief Executive Officer are listed in Annex A.

2.0 PMAS Principles and Objectives

At the heart of the Performance Management and Appraisal System (PMAS) for Chief Executive Officers are two elements: a performance management agreement, which embodies clear statements of commitments for the annual business cycle; and a performance appraisal process relative to that performance management agreement, which is rigorous and transparent. The performance management agreement is a mutual understanding of what is expected during the annual business cycle; for Chief Executive Officers, their performance management agreement is with the Portfolio Minister and the Permanent Secretary, the former having final approval. The key commitments in the performance management agreement, accompanied by key performance indicators, reflect the Executive Agency's priority areas of focus for the year as reflected in the annual business plan, as well as individual compliance and leadership commitments. These commitments must be result-oriented, measurable and challenging, but achievable within the Chief Executive Officer's span of influence and control.

Clarity of key commitments, rigorous appraisal of the extent to which they are achieved, specific accountability for key commitments, and objective, clear and respectful feedback are the core elements of this performance management and appraisal system. Such a system will strengthen the ability of Executive Agencies to focus on broader Government priorities as well as those unique to their mandates, but will also enhance the economy, efficiency and effectiveness of public service delivery and overall productivity. It also sends a clear signal about the accountability of Chief Executive Officers, the importance placed on their contribution to the achievement of results and to their Executive Agency's overall performance.

The results of the Performance Management and Appraisal System (PMAS) are to:

- 📖 Institutionalise the principles of service, output and outcome oriented operations.
 - Create systems and processes to support delivery of services in a more efficient and effective manner.
- 📖 Increase motivation of staff.
 - Clearly define contribution to the organisation.
 - Reward high performance and achievement.
- 📖 Higher levels of productivity.

3.0 Compensation Plan

The Compensation Plan for Chief Executive Officers (CEOs) is based on international best practice with a view to rewarding high performance and achievement through monetary incentives. Cash compensation for the CEO position has two main components – base salary and performance pay. Base salary pay has two sub-components: 1) a percentage increase in the base salary scale (**economic increase**) based on the past year's rate of inflation and labour market conditions, and 2) movement through the salary range (**step increase**) which is earned through the successful achievement of commitments. Performance pay also has two sub-components: 3) a variable amount (**at-risk pay**) based on a percentage of the base salary which must be re-earned each year, and 4) an end-of-contract lump sum payment (**gratuity**) in lieu of pension.

A sound performance management program relies on its ability to clearly identify and reward results, both corporate and individual, through "at-risk" performance pay. As in the private sector, it would be expected that most CEOs would receive some at-risk pay which would vary in accordance with the Executive Agency's achievement of key performance indicators at the end of the annual business cycle. Also, in line with current practice it is recommended that CEOs be eligible for a "gratuity" payment in lieu of pension at the end of their contract period. This payment would however be based on an overall performance appraisal of both corporate achievement, as well as individual performance compliance and leadership results.

The effective implementation of the performance management and appraisal system is integral to the success of this compensation plan and the resulting benefits in terms of increased motivation and higher levels of productivity.

4.0 PMAS Components and Application

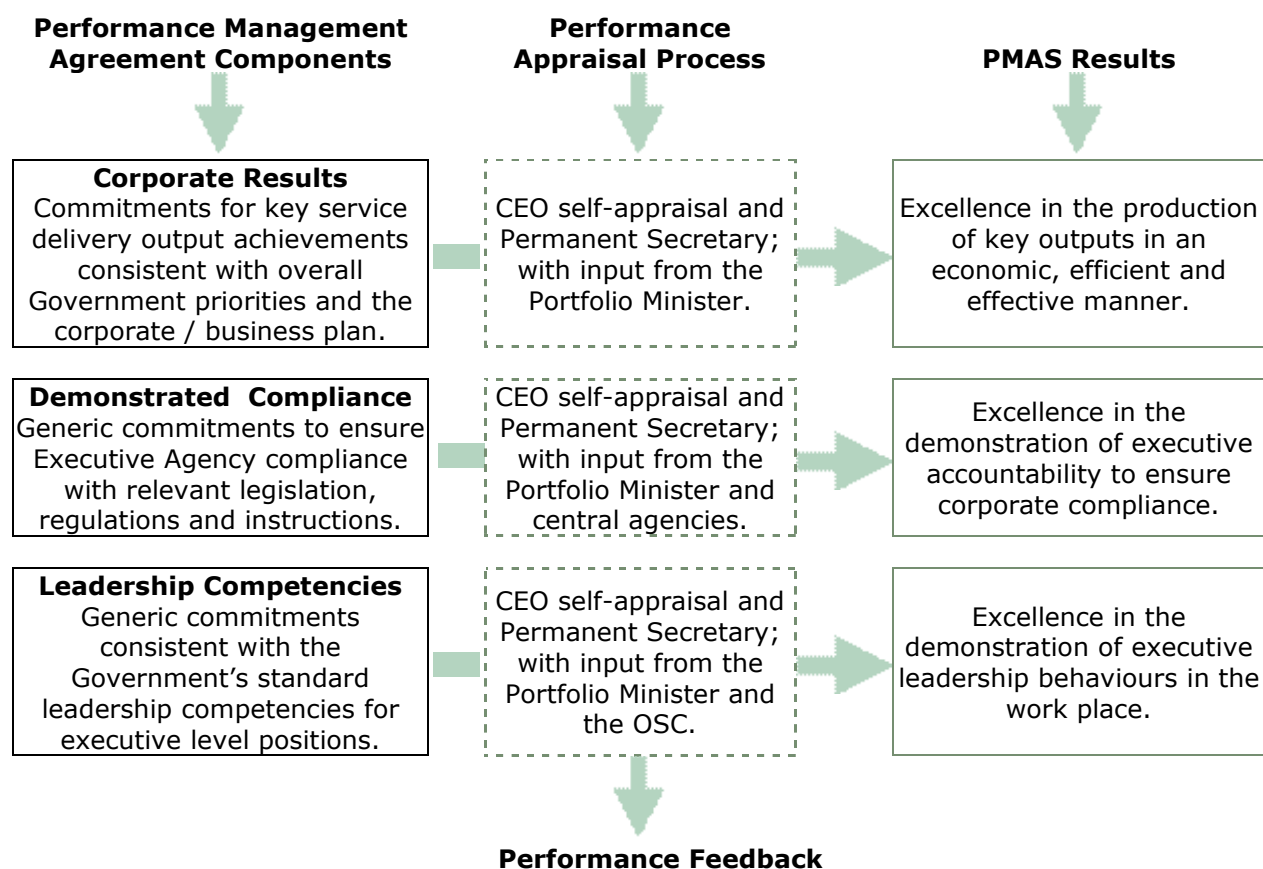
4.1 Eligibility

To be eligible for performance pay, incumbents must have a signed Performance Management Agreement, and have held their positions for the last six (6) consecutive months in the annual business cycle. This period allows the incumbent sufficient time to influence the achievement of measurable results.

If the period covered by the performance appraisal is more than six months but less than 12 months (full performance cycle), performance pay, if approved, may be prorated.

4.2 PMAS Components

The diagram below illustrates the Performance Management and Appraisal System for Chief Executive Officers of Executive Agencies in the Government of Jamaica.



4.3 Performance Management Agreement Components

The Performance Management Agreement (PMA) is a mutual understanding between the CEO, Portfolio Minister and Permanent Secretary as to what is expected for the performance cycle period. The PMA template is provided in Annex B. To ensure transparency and understanding among Executive Agency staff, CEOs are encouraged to communicate and share their key performance commitments with their organization, especially with regard to corporate results.

The PMA is comprised of key commitments and their related performance measures for the following three **performance components**:

1. **Corporate Results:** Highly focused on their service delivery mandates, Executive Agencies are expected to achieve corporate results consistent with the priority areas of focus for the Government (see Annex C). In conjunction with their Executive Management Team, the CEO is expected to identify output level service delivery results in the Executive Agency Business/Operational Plan. These key commitments are challenging but achievable with effort through the CEO's own management influence and control, and demonstrated staff leadership competencies. They must be accompanied by related Key Performance Indicators as set out in the Business/Operational Plan and reported against in the Annual Report. The content of the Annual Report will be used in determining the extent to which the key commitments were met. ***As such, CEOs need only identify and describe in their performance management agreements the service delivery output targets and related Key Performance Indicators for the annual business cycle.***
4. **Compliance Results:** CEOs are expected to demonstrate their accountability to ensure Executive Agency compliance with relevant legislation, regulations and instructions. The *Executive Agency Act* and related regulations, as well as the *Financial Instructions to Executive Agencies* will serve as key benchmarks for expected performance. In addition, compliance with other relevant regulations regarding financial management, procurement and related reporting will also be taken into consideration in assessing CEO performance (see Annex D). ***As such, CEOs need only indicate their commitment in their performance management agreements to ensure compliance with the relevant legislation, regulations and instructions pertaining to the management of Executive Agencies.***
5. **Leadership Results:** CEOs are expected to demonstrate executive leadership competencies which are required to carry out the responsibilities of the position successfully (see Annex E). These four areas of key leadership competencies will serve as key benchmarks for expected performance. ***As such, CEOs need only identify and describe in their performance management agreements the areas of personal leadership development if/when they wish to highlight particular areas for improvement based on feedback from past performance appraisals.***

4.4 Performance Management Agreement Requirements

Alignment

Performance management agreements are to demonstrate alignment with:

- Priorities of the Portfolio Minister representing the Government of Jamaica,
- The Executive Agency Framework Document;
- The Executive Agency Corporate Plan; and
- The Executive Agency Business/Operational Plan (annual).

Valid Performance Management Agreements

To be considered valid for the purpose of performance awards, performance management agreements are to include the following:

- The period covered by the agreement;
- Validation of ongoing commitments as per position terms of reference;
- Commitments for all three performance components;
- Performance indicators of successful achievement of commitments; and
- The signatures of the Permanent Secretary and Portfolio Minister.

Ongoing Commitments

Ongoing Commitments are part of the continuing responsibilities of the CEO as per the employment contract that do not normally change from year to year. They reflect a balanced representation of core accountabilities for ensuring Executive Agency compliance with relevant legislation, regulations and instructions¹³ and for demonstrating executive leadership competencies.

Key Commitments

Key Commitments are areas of focus over and above ongoing commitments for the performance cycle which are directly linked to the performance of the Executive Agency in achieving the output level service delivery results identified in the Business/Operational Plan. These expected corporate results must be accompanied by related key performance indicators as set out in the Business/Operational Plan and reported against in the Annual Report. These key commitments may vary from year-to-year depending on the service delivery priorities contained in the Business/Operational Plan.

Key Performance Indicators

Key Performance Indicators describe how an observer would know that the key commitments are achieved within the performance cycle period and define standards for the expected level of achievement of the service delivery outputs. The choice of a performance indicator implies that qualitative or quantitative data/ information indicating performance achievement is available and that efforts are made to obtain the information defined for the specific indicator. There are generally one (1) to three (3) key performance indicators identified per service delivery output.




Mid-year Review of Key Commitments

A mid-year review of key commitments should be initiated by the Chief Executive Officer with the Permanent Secretary. A summary of the discussion is documented in the appropriate template noting any agreements or disagreements in the assessment of progress to date. This review step is particularly important when circumstances change, e.g., in Government priorities or budget restrictions, in Executive Agency mandate or portfolio composition, in annual Business/Operational Plan priorities, or in personal circumstances. In such circumstances, the onus is on the CEO to meet and discuss any proposed changes to the key commitments with the Permanent Secretary and then with the Portfolio Minister. If warranted, an amendment to the performance management agreement must then be prepared and signed by all three parties.

4.5 Performance Appraisal Process

Input on Performance Appraisal

At the end of the performance cycle, CEOs are required to self-appraise their performance against the commitments and key performance indicators set out in their performance agreement. They are also expected to complete a performance appraisal of their Executive Management Team Members which they keep on file. The self-appraisal documentation will be forwarded to the Permanent Secretary who will subsequently refer to and/or seek additional information as required, including:

-  input on Corporate Results from the Portfolio Minister;
-  input on Compliance Results can be solicited from central agencies, if necessary, including the Ministry of Finance and the Public Service, Office of the Contractor General, Auditor General's Department, etc.; and
-  input on Leadership Results solicited from the Office of the Services Commission (OSC) which would engage an external expert (e.g. a retired permanent secretary or chief personnel officer) to provide an additional independent perspective on performance based on a 360 assessment; such an assessment entails collecting information from people who work with the CEO on a regular basis, i.e., superiors, peers and subordinates. A subsequent meeting with the individual to discuss their self-appraisal would be optional.

¹³ Included are the Financial Instructions to Executive Agencies or those instructions contained in Circulars.

Performance Appraisal Recommendation

The Permanent Secretary will review all input received on the individual performance of CEOs of Executive Agencies comprising the Ministry's portfolio of institutions and meet with each CEO to discuss the input received on the performance appraisal. The Permanent Secretary is charged with determining both the performance appraisal rating and preparing narrative feedback to be provided to each individual. The completed CEO performance appraisal documentation is then forwarded by the Permanent Secretary to the Portfolio Minister along with a recommendation regarding the award of performance pay. Upon approval by the Portfolio Minister the performance appraisal documentation is forwarded to the Cabinet Office for safeguarding and the documentation recommending payment of performance awards by the Portfolio Minister is forwarded to the Governor General.

In cases when the Portfolio Minister is not in agreement with a CEO performance appraisal and performance pay recommendation made by the Permanent Secretary, the performance appraisal documentation in its entirety will be forwarded to the Cabinet Secretary to adjudicate the final decision who may bring it to the attention of the Prime Minister in extreme cases.

Performance Ratings

CEO performance ratings depend not only on the extent of corporate results achievement but as well as on the manner in which they were achieved. The CEO's demonstration of corporate compliance with relevant legislation, regulations and instructions, as well key leadership competencies in the attainment of corporate results will be recognized and rewarded.

Overall performance is appraised with the following possible ratings:

- **Did not Meet /Unable to Assess**
Did not achieve performance expectations or unable to assess the performance during the cycle (due to leave, training, special assignment).
- **Succeeded -**
Did not fully succeed in meeting performance expectations.
- **Succeeded**
Has fully achieved the performance expectations.
- **Succeeded +**
Exceeded the performance expectations.
- **Surpassed**
Went well beyond performance expectations.

Feedback

Following the final approval of the CEO performance appraisal and performance pay recommendation, the Permanent Secretary will meet with all CEOs to provide structured feedback on their performance, with a clear identification of strengths and weaknesses and suggestions for learning. Emphasis is placed on sharing with the individual the consolidated constructive feedback, including the performance ratings and any recommendations for strengthening performance. Since the Permanent Secretary is responsible for providing feedback to the CEOs, this task cannot be delegated, although it is advisable that the Permanent Secretary designate a second senior manager from within the Portfolio Ministry to be present when the feedback is provided.

4.6 Performance Pay

The Performance Management and Appraisal System for the permanent secretary position provides the opportunity to earn the following performance-based compensation:

1. Economic Increase

The economic increase reflects a percentage increase in base salary recommended by the Ministry of Finance and the Public Service in accordance with Public Service Establishment Division guidelines and would be contingent on the availability of financial resources to affect payment.

2. In-Range Salary Movement

Movement through the salary range, up to the maximum of the range as defined in the employment contract, is earned through the successful achievement of commitments in all three performance components, i.e., corporate, compliance and leadership results. Normal progression for successful performance is X% per year. Higher or lower percentages may be approved based on the degree of performance against expectations. No in-range salary increase is awarded for performance that does not achieve expectations.

3. At-Risk Pay

This lump sum payment is equivalent to no more than 12.5% of base salary and must be re-earned each year, based only on the successful achievement of the Key Performance Indicators included in the annual Business/Operational Plan. The amount of this lump sum may vary, depending on the extent of success achieved, as outlined under the section on performance appraisal. This payment does not increase an individual's base salary. No at-risk pay is awarded for performance that does not achieve expectations.

4. Gratuity

This lump sum payment may be awarded in lieu of pension as set out in the CEO's contract amounting to no more than 25% of the base salary. Payment is awarded based on performance appraisal based on the individual's successful achievement of commitments in all three performance components, i.e., corporate, compliance and leadership results. Like at-risk pay, this payment does not increase an individual's base salary in the event of employment contract renewal.

In implementing in-range salary increases, at-risk pay and gratuity payments, the salary used as the base for calculations is that in effect on the last day of the performance cycle. Economic increases apply to the following fiscal year and are based on the salary following application of any in-range salary increase.

Summary of Performance Awards

The following table illustrates the range of performance awards available, according to the performance ratings achieved by the individual:

Appraisal Results	Economic Increase	In-Range Increase	At-Risk Pay	Gratuity
Did not meet	✓	✗	✗	✗
Unable to assess	✓	✗	✗	✗
Succeeded -	✓	✓	✗	✗
Succeeded	✓	✓	✓ 5-10% of base salary	✓ 25% of base salary
Succeeded +	✓	✓	✓ 10-12.5% of base salary	✓ 25% of base salary

Surpassed	✓	✓	✓ 12.5% of base salary	✓ 25% of base salary
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Performance Pay Approval

Compensation for the CEO position is approved by the Governor General. Copies of the documentation authorizing payment are provided to the individuals concerned and forwarded to the Ministry of Finance and the Public Service for implementation.

5.0 Timelines

January – March

The CEO will discuss priorities with the Portfolio Minister, planning processes and meet with Executive Management Teams to discuss performance commitments for the next fiscal year.

February

The Permanent Secretary sends a call email to CEOs requesting the following:

- a self-appraisal of performance during the fiscal year ending;
- a concise summary of each full performance appraisal completed for Executive Management Team members during the fiscal year ending; and
- a proposed performance management agreement for the new fiscal year.

March

The CEO will meet with the Permanent Secretary and Portfolio Minister, together if possible, to discuss and agree on key commitments for the next performance cycle.

April

Self-appraisals and new performance management agreements are due April 30th.

April – June

The Permanent Secretary seeks input on CEO performance from various sources including Portfolio Ministers, MoFPS, OSC/PSC, central and other agencies.

June

The Permanent Secretary reviews all performance appraisal information and recommends individual performance ratings and compensation to the Portfolio Minister.

July – August

Performance feedback is provided to CEOs.

September

Performance pay is implemented.

October

Final amendments to performance agreements for the year in progress are due, including any changes related to the performance feedback received.

Annex A – List of Executive Agencies

1. Registrar General's Department (RGD)
2. Administrator General's Department (AGD)
3. Management Institute for National Development (MIND)
4. Companies Office of Jamaica (COJ)
5. Jamaica Information Service (JIS)
6. National Land Agency (NLA)
7. National Works Agency (NWA)
8. National Environment & Planning Agency (NEPA)
9. Child Development Agency (CDA)
10. Passport and Immigration and Citizenship Agency (PICA)

Annex B – Performance Management Agreement, Mid-Term Review & Self-Appraisal Templates

These templates should be completed in accordance with the: **Performance Management and Appraisal System Guidelines – Chief Executive Officer of Executive Agency Position.**

The Performance Management Agreement can be customised, provided that the final document contains, as a minimum the following information elements:

- Identification data: name of the CEO and Permanent Secretary, dates covered by the performance agreements, dates of reviews of the performance agreement,
- Attestation of ongoing commitments,
- Key performance indicators for service delivery outputs,
- A narrative summary of mid-term review with the Permanent Secretary and any amendments to commitments or key performance indicators;
- Signatures by the incumbent CEO, Permanent Secretary and Portfolio Minister, and
- The following privacy statement:

"All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes".

All customised templates must be approved in advance by the Cabinet Secretary.

A PERFORMANCE MANAGEMENT AGREEMENT (TEMPLATE)

PERSONAL INFORMATION

Chief Executive Officer Name:

Executive Agency Title:

Anniversary Start Date:

Performance Cycle

Start: (dd/mm/yyyy) End: (dd/mm/yyyy)

Note: All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes

KEY COMMITMENTS

Corporate Results:		
Service Delivery Outputs		Key Performance Indicators
1. Example: the delivery of goods or services by the Agency, in the quantity, and in accordance with the quality, costs and standards specified in the Annual Business Plan		- quantity, quality, cost and timeliness of the goods or services produced
2.		
3.		
4.		
5.		
ONGOING COMMITMENTS:		
Compliance Results:		
I (<u>insert Chief Executive Officer Name</u>) hereby attest to my knowledge of and ongoing commitment to ensure corporate compliance with the Executive Agency Act, its regulations, the Financial Instructions for Executive Agencies and other legislation, regulations and instructions pertaining to my role as the Chief Executive Officer of an Executive Agency and accept to be appraised on this basis.		
Leadership Results:		
I (<u>insert Chief Executive Officer Name</u>) hereby attest to my ongoing commitment to demonstrate the leadership competencies as established by the Jamaican Civil Service and accept to be appraised on this basis.		
Chief Executive Officer Name	Signature	Date
Permanent Secretary Name	Signature	Date
Portfolio Minister Name	Signature	Date

B SUMMARY OF MID-YEAR REVIEW OF KEY COMMITMENTS (TEMPLATE)**PERSONAL INFORMATION****Chief Executive Officer Name:****Executive Agency Title:****Anniversary Start Date:****Performance Cycle**

Start: (dd/mm/yyyy) End: (dd/mm/yyyy)

Note: All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes

Guidance: A mid-year review of key commitments should be initiated by the CEO with the Permanent Secretary. A summary of the discussion on progress to date is documented in this template noting any agreements or disagreements, or any required changes to the key commitments themselves.

Narrative Summary:

Justification and Modifications to Key Commitments:

Chief Executive Officer Name	Signature	Date
Permanent Secretary Name	Signature	Date
Portfolio Minister Name *	Signature	Date

*** Please note that this signature is required only if modifications to the key commitments are considered necessary.**

C PERFORMANCE SELF-APPRAISAL (TEMPLATE)

PERSONAL INFORMATION

Chief Executive Officer Name:

Executive Agency Title:

Anniversary Start Date:

Performance Cycle

Start: (dd/mm/yyyy) End: (dd/mm/yyyy)

Note: All personal information in this document will be protected under the provisions of the Access to Information Act. This document will be filed in safe-keeping with the Cabinet Office. It can however be accessed and used in case of appeal or for audit or program evaluation purposes

KEY COMMITMENTS

Guidance: Service delivery outputs and key performance indicators should be copied directly from the Performance Management Agreement, incorporating any modifications agreed to in the Mid-term Review. An evidence-based narrative summary of actual achievements is presented for each service delivery output based on data collected on the agreed upon key performance indicators. Important reference documents should be submitted with this self-appraisal, while others should be available upon request.

Corporate Results:

Service Delivery Outputs	Key Performance Indicators	Actual Achievement
1. Example: the delivery of goods or services by the Agency, in the quantity, and in accordance with the quality, costs and standards specified in the Annual Business Plan.	- quantity of output, quality, cost and timeliness of the goods or services produced	- specific to each Agency and the services provided
2.		
3.		
4.		
5.		
6.		

Compliance Results:

Guidance: A narrative summary of actual achievements to ensure corporate compliance is presented below based on factual information that can be substantiated upon request.

Narrative Summary:

Leadership Results:

Guidance: A narrative summary of actual achievements to demonstrate leadership competencies is presented below based on factual information that can be substantiated upon request.

Narrative Summary:

Chief Executive Office Name	Signature	Date
Permanent Secretary Name	Signature	Date
Portfolio Minister Name	Signature	Date

Annex C – Corporate Results: Commitments

The Government of Jamaica's modernisation initiative is a significant public sector reform which presents new challenges in defining accountability. The traditional notion of hierarchical accountability, top-down authority responsible to the people through elected policymakers and senior executives, must be reshaped to reflect a greater emphasis the achievement of results that are valued by the citizenry. Also, holding executives to account only for the correct application of government regulations and procedures and disbursements is incompatible with an empowered, results- and customer-oriented public service. In a modern public service, executive accountability means moreover, ***the obligation to demonstrate and take responsibility both for the means used and the results achieved in light of agreed commitments.*** To this end, Executive Agencies were created as semi-autonomous government agencies. They remain a part of government but have more responsibility for their own management and performance. Executive Agencies are one way in which the government has been able to improve accountability for performance and service delivery. Executive Agencies are public sector bodies which:

- **Are responsible for ensuring high levels of customer satisfaction**

Executive agencies are required to set performance targets related to the quality and effectiveness of the services delivered. All Executive Agencies have Citizens Charters which set out the minimum standards of service that the customer has a right to expect. The Agencies undergo constant monitoring and performance reporting to ensure that they continue to meet their service targets.

- **Have enhanced delegated authorities over the management of their resources**

An Executive Agency, while still fully owned by government, is given greater autonomy in making financial and human resource management decisions. The Chief Executive Officer is required to sign a performance management agreement, holding him or her accountable for achieving Key Performance Indicators which are based on the quality and cost effectiveness of the services provided to customers. The Chief Executive Officer, once given this level of autonomy is expected to use the available resources in the best ways possible to maintain high satisfaction levels among customers.

The intention is to reduce central agency control and delegate authority to the **Chief Executive Officer** for planning, operational management, service delivery, revenue management and overall performance. As such, the Chief Executive Officer has the following responsibilities:

- The responsibility for developing and agreeing on service delivery outputs, key performance indicators and targets rests with the CEO in consultation with the Permanent Secretary. These are incorporated in the Corporate Plan and Business/Operational Plan and have been approved by the Portfolio Minister.
- The responsibility for stating how the achievement of service delivery outputs will be demonstrated rests with the CEO in consultation with the Permanent Secretary, and advised by the Portfolio Minister on the relevant portfolio outcome requirements. While the alignment of portfolio outcomes and Executive Agency service delivery outputs are generally described in the Foundation Document, for any given year the latter are defined in detail in the approved annual Business/Operational Plan and cross-referenced to the Performance Management Agreement thereafter.
- The responsibility for quarterly reporting on the Executive Agency's performance in terms of the agreed service delivery outputs, indicators and targets rests with the CEO. These performance reports must be of standard quality and the performance data therein presented in a manner and sufficient detail to be verifiable externally, including by the Financial Secretary or, on the advice of the Permanent Secretary, by an external audit.

Annex D – Compliance Results: Commitments

The following is a list of relevant legislation, regulations and instructions common to all Executive Agencies which specify the CEO's functions, accountabilities and responsibilities and which will serve as **ongoing commitments** for the purposes of appraising compliance results:

- Financial Administration and Audit Act
- Executive Agency Act
- Executive Agencies Regulations 2009
- Financial Instructions for Executive Agencies
- Accounting Officer Letter of Appointment
- Ministry Finance Circulars
- Government Procurement Regulations
- HR Delegated Responsibilities (GG)

Annex E - Leadership Results: Commitments

These key leadership competencies required to successfully carry out the responsibilities of the CEO position reflect the expected demonstration of **ongoing commitments**. Specific leadership development initiatives related to any of the competencies below undertaken during the performance cycle period will also be considered.

Values and Ethics – Serving with Integrity and Respect

An effective leader:

- demonstrates values and ethics in personal behaviour;
- integrates values and ethics in organizational practices;
- makes decisions without favouritism or bias;
- models and instills commitment to the organization's mandate, citizen-focused service and the public good;
- provides fearless advice and acts with the courage of his/her convictions;
- recognizes and reconciles conflicting values;
- creates a collaborative, inclusive and diverse culture built on official languages and employment equity policies; and
- models, communicates and builds a culture of respect for people and public service principles.

Strategic Thinking – Innovating through Analysis and Ideas

Analysis

An effective leader:

- frames issues with a thorough understanding of legislation and the subject matter area;
- identifies links between global, societal, and economic trends; stakeholder concerns; the organization's agenda; public service values; and regional and horizontal issues;
- extracts the key issues from complex, ambiguous, rapidly changing contexts; and
- analyzes problems thoroughly before developing solutions.

Ideas

An effective leader:

- provides quality judgment and advice;
- develops vision and plans based on the broader portfolio and public service vision and policy; and the national and international context;
- projects beyond the status quo to the organization's potential contribution to society;
- identifies necessary reform initiatives with broad perspectives and long-term timelines;
- encourages debate and ideas from across hierarchies, skills sets, and stakeholders;
- anticipates emerging issues / changing contexts and develops strategies quickly to solve problems or seize opportunities; and
- teaches and learns from others.

Engagement – Mobilizing People, Organizations, Partners

An effective leader:

- develops effective working relationships and trust with partners and stakeholders;
- acts as an interface and builds relations between partners and stakeholders;
- mobilizes and motivates teams to achieve objectives;
- builds a commitment to excellence and common purpose by promoting the vision internally and externally;
- creates and collaborates with strategic alliances to achieve organization and shared objectives;

-
- develops and implements effective communication and engagement strategies with partners;
 - builds support through influence, negotiation, and balancing interests;
 - removes barriers to collaboration; and
 - works with other heads of public bodies and executive agencies as a corporate collective to improve public sector efficiency and effectiveness.

Management Excellence – Delivering through Action Management, People Management, Financial Management

Action Management: Design and Execution

An effective leader:

- leads organizational change that maximizes organization and portfolio results;
- builds an effective, sustainable organization through stewardship and governance;
- creates, aligns, and integrates structures, systems, and teams to better achieve objectives;
- integrates the business plan into a transparent management framework;
- integrates federal legislation, regulations and policies and comptrollership into organizational practices;
- fulfils obligations of management accountabilities;
- applies and encourages strategic risk management practices;
- integrates human resources, finance, information technology and information management and communications issues into planning and actions;
- revises plans and results to reflect changing priorities or conditions;
- commits to a course of action despite incomplete information, if required;
- makes decisions, initiates urgent actions, and remains calm in crisis situations; and
- recognizes and acknowledges errors and makes corrections.

People Management: Individuals and Workforce

An effective leader:

- invests time in managing and developing people, individually and collectively;
- looks after people and builds staff morale;
- provides clear direction on priorities;
- encourages reasonable and strategic risk taking;
- recognizes and rewards results and deals constructively with setbacks;
- gives clear, honest feedback and manages non-performance;
- builds accountability and value for people management within the executive community;
- provides people with the ongoing learning, support, and tools they need;
- ensures the workforce has the capacity and diversity to meet current and future needs;
- implements rigorous human resources systems and fulfils obligations of human resources management accountabilities; and
- collaborates with other executives on human resource initiatives and issues.

Financial Management: Budgets and Assets

An effective leader:

- implements strategies to achieve operational efficiencies and value for money;
- builds, operates, and monitors rigorous systems for integrated resource and results planning, internal audit and evaluation;
- fulfils obligations of accountabilities for finance and assets management;
- delegates authority, responsibility, and accountability to appropriate levels;
- acts on audit, evaluation, and other objective performance information;
- links financial and performance information; and

manages stewardship issues actively, e.g. chairs audit and evaluation committees; seeks strategic re-allocation of resources as needed.

CHAPTER NINE

PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM

Chief Executive Officer Position - Public Bodies

For the information of the Cabinet Secretary, Ministers, Permanent Secretaries, Board of Directors and Chief Executive Officers of public bodies of the Government of Jamaica.

1.0 Introduction

Best practice in performance management has evolved considerably in recent years. Informality has increasingly given way to formality; subjective assessment of broad objectives has shifted to rigorous appraisals of key commitments for the achievement of results; and ad hoc, conversational feedback has shifted to multi-input structured feedback systems and interactive discussions between senior executives and their immediate supervisors.

While a new Performance Management and Appraisal System was recently introduced in the Jamaican Civil Service for non-executive level personnel, it was felt that a fundamental restructuring of the performance management procedures and processes for all executive level personnel was also required as a core element of the modernisation initiative. The Performance Management and Appraisal System (PMAS) for Executives is intended to provide clearer signals and incentives to senior executives to promote corporate priority-setting, achieve results and ensure clearer feedback and leadership development.

The purpose of this document is to provide implementation guidance for the Performance Management and Appraisal System (PMAS) as it applies to the Chief Executive Officer position for Public Bodies, i.e., statutory bodies/authorities and companies owned by the Government of Jamaica which are listed in Annex A.

2.0 PMAS Principles and Objectives

At the heart of the Performance Management and Appraisal System (PMAS) for Chief Executive Officers are two elements: a performance management agreement, which embodies clear commitments for the annual business cycle; and a performance appraisal process relative to that performance management agreement, which is rigorous and transparent. The performance management agreement is a mutual understanding of what is expected during the annual business cycle; for Chief Executive Officers, their performance management agreement is with the Board of Directors, or equivalent.¹⁴ The commitments in the performance management agreement, accompanied by key performance indicators, reflect the Public Body's priority areas of focus for the year as reflected in the annual Corporate Plan, as well as compliance and leadership commitments. These commitments must be result-oriented, measurable and challenging, but achievable within the Chief Executive Officer's span of influence and control. Clarity of key commitments, rigorous appraisal of the extent to which they are achieved, specific accountability for key commitments, and objective, clear and respectful feedback are the core elements of this performance management and appraisal system. Such a system will strengthen the ability of statutory bodies/authorities and government owned companies to address

¹⁴ Where the CEO is also the Chairperson, the Board must appoint a sub-committee constituted of Board members, as well as external experts to conduct the appraisal.

government priorities, focus on their core businesses, and enhance overall productivity. It also sends a clear signal about the accountability of Chief Executive Officers, the importance placed on their contribution to the achievement of government-wide outcomes and to the Public Body's overall performance.

The results of the Performance Management and Appraisal System (PMAS) are to:

- 📖 Institutionalise the principles of service, output and outcome oriented operations.
 - Create systems and processes to support delivery of services in a more efficient and effective manner.
- 📖 Increase motivation of staff.
 - Clearly define contribution to the organisation.
 - Reward high performance and achievement.
- 📖 Higher levels of productivity.

3.0 Compensation Plan

The Compensation Plan for Chief Executive Officers (CEOs) is based on international best practice with a view to rewarding high performance and achievement through monetary incentives. Cash compensation for the CEO position has three components. Base salary pay has two sub-components: 1) a percentage increase in the base salary scale (**economic increase**) based on the past year's rate of inflation and labour market conditions, and 2) movement through the salary range (**step increase**). Performance pay also has two sub-components: 3) a variable amount (**at-risk pay**) based on a percentage of the base salary which must be re-earned each year, and 4) an end-of-contract lump sum payment (**gratuity**) in lieu of pension.

A sound performance management program relies on its ability to clearly identify and reward results, both individual and corporate. In line with best practices in the private sector, it is recommended that CEOs be eligible for the "economic increase" and a "step increase" based on the achievement of their ongoing commitments. As in the private sector, CEOs would be eligible for "at-risk pay" which would vary in accordance with the Public Body's achievement of Corporate Results at the end of the annual business cycle. This payment would however be based primarily on an overall performance appraisal of corporate achievement, but also taking into consideration demonstrated compliance and leadership competencies. Also, in line with current practice for CEOs of Public Bodies it is recommended that CEOs be eligible for a "gratuity" payment in lieu of pension at the end of their contract period which would be contingent on overall performance during their tenure.

The effective implementation of the performance management and appraisal system is integral to the success of this compensation plan and the resulting benefits in terms of increased motivation and higher levels of productivity.

4.0 PMAS Components and Application

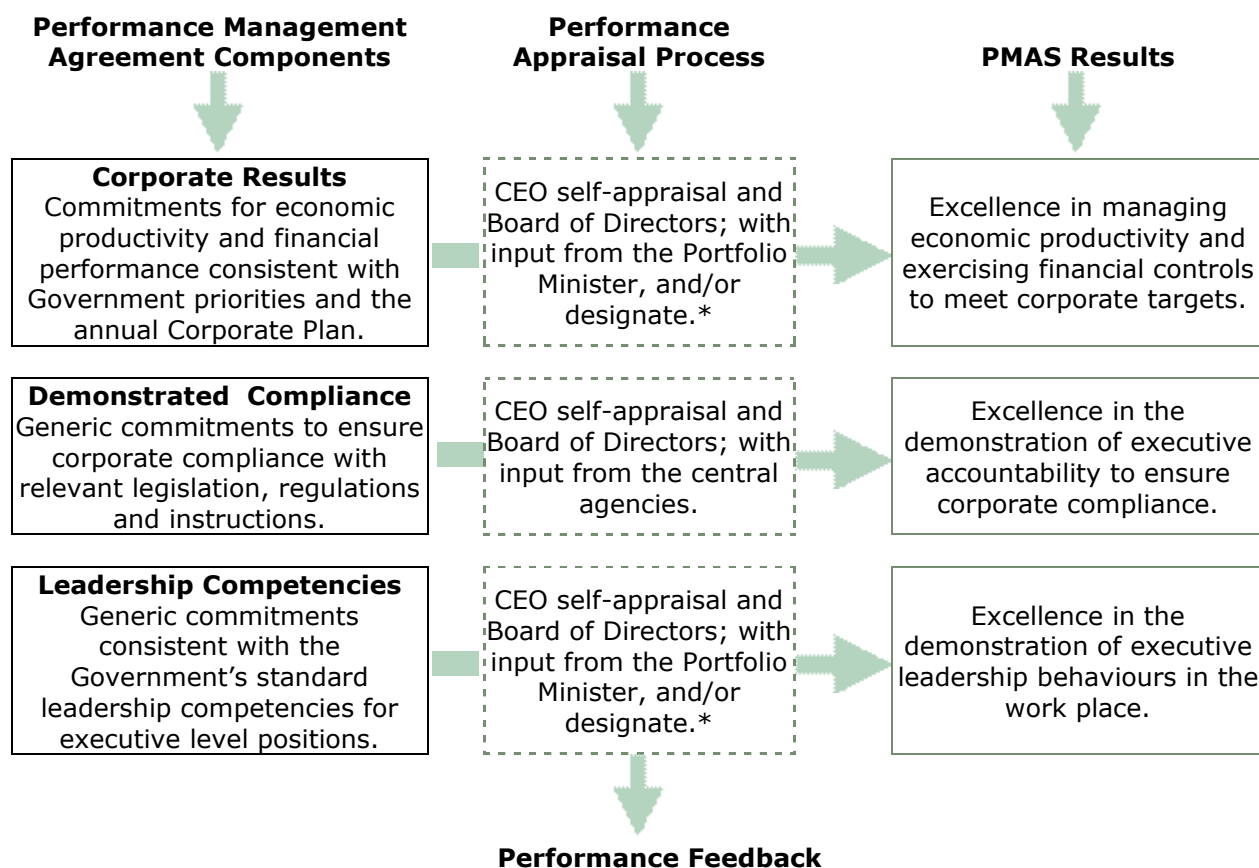
4.1 Eligibility

To be eligible for performance pay, incumbents must have a signed Performance Management Agreement, and have held their positions for the last six (6) consecutive months in the annual business cycle. This period allows the incumbent sufficient time to influence the achievement of measurable results.

If the period covered by the performance appraisal is more than six months but less than 12 months (full performance cycle), performance pay, if approved, may be prorated.

4.2 PMAS Components

The diagram below illustrates the Performance Management and Appraisal System for Chief Executive Officers of statutory bodies/authorities and government owned companies.



* The Portfolio Minister may choose to delegate in full or in part his/her responsibilities to the Permanent Secretary of the Portfolio Ministry.

4.3 Performance Management Agreement Components

The Performance Management Agreement (PMA) is a mutual understanding between the CEO and the Board of Directors as to what is expected for the annual business cycle. The PMA template is

provided in Annex B. To ensure transparency and understanding among Public Body staff, CEOs are encouraged to communicate and share their key performance commitments with their organization, especially with regard to corporate results.

The PMA is comprised of key commitments and their related performance measures for the following three **performance components**:

1. **Corporate Results:** Highly focused on their economic development mandates, statutory bodies/authorities and government owned companies are expected to achieve corporate results consistent with the priority areas of focus for the Government (see Annex C). In conjunction with their Executive Management Team, the CEO is expected to identify economic productivity, operational and financial performance targets in the annual Corporate Plan. These key commitments are challenging but achievable with effort through the CEO's own management influence and control, and demonstrated staff leadership competencies. They must be accompanied by related key performance indicators as set out in the annual Corporate Plan and reported against in the Annual Report. The content of the Annual Report will be used in determining the extent to which the key commitments were met. ***As such, CEOs need only identify and describe in their performance management agreements the economic productivity, operational and financial performance targets with performance indicators for the annual business cycle.***
6. **Compliance Results:** CEOs are expected to demonstrate their accountability to ensure the Public Body's compliance with relevant legislation, regulations and instructions. The *Public Bodies Management and Accountability Act* and related regulations, *Financial Administration and Audit Act*, as well as the *Companies Act* will serve as key benchmarks for expected performance. In addition, compliance with other relevant statutes and regulations regarding financial management, procurement and related reporting will also be taken into consideration in assessing CEO performance (see Annex D). ***As such, CEOs need only indicate their commitment in their performance management agreements to ensure compliance with the relevant legislation, regulations and instructions pertaining to the management of statutory bodies/authorities and government owned companies.***
7. **Leadership Results:** CEOs are expected to demonstrate executive leadership competencies which are required to carry out the responsibilities of the position successfully (see Annex E). These four areas of key leadership competencies will serve as key benchmarks for expected performance. ***As such, CEOs need only identify and describe in their performance management agreements the areas of personal leadership development if/when they wish to highlight particular areas for improvement based on feedback from past performance appraisals.***

4.4 Performance Management Agreement Requirements

Alignment

Performance management agreements are to demonstrate alignment with:

- Priorities of the Portfolio Minister representing the Government of Jamaica;
- Multi-Year Corporate Strategy / Strategic Plan; and
- The annual Corporate Plan.

Valid Performance Management Agreements

To be considered valid for the purpose of performance awards, performance management agreements are to include the following:

- The period covered by the agreement;
- Validation of commitments as per position terms of reference, or employment contracts;
- Commitments for all three performance components;
- Performance indicators of successful achievement of commitments; and

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- The signatures of the Chair of the Board of Directors, Portfolio Minister and/or designate.

Ongoing Commitments

Ongoing Commitments are part of the continuing responsibilities of the CEO as per the employment contract that do not normally change from year to year. They reflect a balanced representation of core accountabilities for ensuring the Public Body's compliance with relevant legislation, regulations and instructions, and for demonstrating executive leadership competencies. CEOs are eligible for "step increase" and "gratuity" based on the appraisal of their ongoing commitment to achieve compliance and leadership results.

Key Commitments

Key Commitments are areas of focus over and above ongoing commitments for the annual business cycle which are directly linked to the performance of the Public Body in achieving the economic productivity, operational and financial performance targets identified in the annual Corporate Plan. These expected corporate results must be accompanied by related performance indicators as set out in the Corporate Plan and reported against in the Annual Report. These key commitments may vary from year-to-year depending on the priorities contained in the Corporate Plan. CEOs are eligible for "at-risk pay" and "gratuity" based on the appraisal of their key commitments to achieve corporate results, but also taking into consideration how these results were achieved in terms of compliance and leadership results.

Performance Indicators

Performance indicators describe how an observer would know that the key commitments are achieved within the annual business cycle. The choice of a performance indicator implies that qualitative or quantitative data/ information indicating performance achievement is available and that efforts are made to obtain the information defined for the specific indicator. There are generally one (1) to three (3) performance indicators identified per corporate result.

Mid-year Review of Key Commitments

A mid-year review of key commitments should be initiated by the Chief Executive Officer with the Board of Directors. A summary of the discussion is documented in the appropriate template noting any agreements or disagreements in the assessment of progress to date. This review step is particularly important when circumstances change, e.g., in Government priorities or budget restrictions, in the Public Body's mandate, in annual Corporate Plan priorities, market conditions, or in personal circumstances. In such circumstances, the onus is on the CEO to meet and discuss any proposed changes to the key commitments with the Board of Directors and then with the Portfolio Minister and/or designate. If warranted, an amendment to the performance management agreement must then be prepared and signed by all three parties.

4.5 Performance Appraisal Process

Input on Performance Appraisal

At the end of the performance cycle, CEOs are required to self-appraise their performance against the commitments and performance indicators set out in their performance agreement. In keeping with the directives of the PMAS generally, they also complete a performance appraisal of their Executive Management Team members. A summary of each performance appraisal conducted during the annual business cycle is completed and submitted as an addendum to their self-appraisal to the Board of Directors. The Board of Directors will subsequently strike a performance appraisal sub-committee composed of Board members and external experts with pertinent expertise which will be delegated full decision making authority to conduct the performance appraisal, determine the performance ratings and make recommendations. This sub-committee of the Board will refer to and/or seek additional information to the self-appraisal as required, including:

- 📖 input on Corporate Results and Leadership Competencies from the Portfolio Minister and/or designate;

-
- 📖 input on Compliance Results from central agencies, if required, including the Ministry of Finance and the Public Service, Office of the Contractor General, Auditor General's Department, etc.; and
 - 📖 input on Leadership Results from the Board of Directors which would, if required, commission a 360⁰ assessment for the purpose of the appraisal; such an assessment entails collecting information from people who work with the CEO on a regular basis, i.e., superiors, peers and subordinates.

Performance Appraisal Recommendation

The performance appraisal sub-committee will review all input received on the performance of the CEO. It will work on a consensus basis in determining both the performance appraisal rating and preparing narrative feedback to be provided to the individual in person. For reasons of confidentiality, the completed CEO performance appraisal documentation is forwarded only to the Chairperson of the Board of Directors who will upon receipt summon the performance appraisal sub-committee to make a verbal presentation at the next most appropriate Board meeting. Any suggested changes in the performance appraisal ratings or performance pay recommendations subsequent to the presentation and discussion will be made at the discretion of the performance appraisal sub-committee which will have been delegated full decision making authority in this regard. Once finalised by the performance appraisal sub-committee, the Chairperson of the Board of Directors will then forward to the Portfolio Minister and/or designate the completed CEO performance appraisal documentation, including the recommendations for performance pay. Upon ratification by the Portfolio Minister and/or designate the performance appraisal documentation is forwarded to the Cabinet Office for safeguarding and the documentation regarding payment of performance awards forwarded to the Chairperson of the Board of Directors for implementation.

In cases when the Portfolio Minister and/or designate is not in agreement with a CEO performance appraisal and performance pay recommendation put forward by the Chairperson of the Board of Directors, she/he will instruct the Chairperson to forward the performance appraisal documentation in its entirety to the Cabinet Secretary to adjudicate the final decision who may bring it to the attention of the Prime Minister in extreme cases.

Performance Ratings

CEO performance ratings depend not only on the extent of corporate results achievement but as well as on the manner in which they were achieved. The CEO's demonstration of corporate compliance with relevant legislation, regulations and instructions, as well key leadership competencies in the attainment of corporate results will be recognized and rewarded.

Overall performance is appraised with the following possible ratings:

- **Did not Meet /Unable to Assess**
Did not achieve performance expectations or unable to assess the performance during the annual business cycle (due to leave, training, special assignment).
- **Succeeded -**
Did not fully succeed in meeting performance expectations. Or, while succeeded, it was in a position with performance expectations of less scope and complexity in relation to those of other CEO positions.
- **Succeeded**
Has fully achieved the performance expectations.
- **Succeeded +**
Exceeded the performance expectations. Or, fully succeeded in a position of greater scope and complexity in relation to those of other CEO positions.
- **Surpassed**
Went well beyond performance expectations.

Feedback

Following the approval and ratification of the CEO performance appraisal and performance pay recommendation, the Chairperson of the Board of Directors will meet with the CEO to provide structured feedback on their performance, with a clear identification of strengths and weaknesses and suggestions for learning. Emphasis is placed on sharing with the individual the consolidated constructive feedback, including the performance ratings and any recommendations for strengthening performance. Since the Chairperson of the Board of Directors is responsible for providing feedback to the CEO, this task cannot be delegated, although it is advisable that the Alternate/Deputy Chairperson or designate be present when the feedback is provided.

4.6 Performance Pay

The Performance Management and Appraisal System for the CEO of a statutory body/authority or government owned company provides the opportunity to earn the following performance-based compensation:

1. Economic Increase

The economic increase reflects a percentage increase in base salary recommended by the Ministry of Finance and the Public Service in accordance with Public Service Establishment Division guidelines and would be contingent on the availability of financial resources to affect payment.

2. In-Range Salary Movement

Movement through the salary range, up to the maximum of the range as defined in the employment contract, is earned through the successful achievement of ongoing commitments in two performance components, i.e., compliance and leadership results. Normal progression for successful performance is X% per year. Higher or lower percentages may be approved based on the degree of performance against expectations. No in-range salary increase is awarded for performance that did not meet expectations.

3. At-Risk Pay

This lump sum payment is equivalent to no more than XX% of base salary and must be re-earned each year based on the successful achievement of key commitments for corporate results included in the annual Corporate Plan. The amount may vary, depending on the extent of success achieved, as outlined under the section on performance appraisal. This payment does not increase an individual's base salary. No at-risk pay is awarded for performance that does not successfully achieve expectations.

4. Gratuity

This lump sum payment may be awarded in lieu of pension at the end of a CEO's contract amounting to no more than 25% of the base salary. Payment is awarded based on performance appraisal at the end of the contract based on the individual's successful achievement of all commitments, i.e., corporate, compliance and leadership results. Like at-risk pay, this payment does not increase an individual's base salary in the event of employment contract renewal.

In implementing in-range salary increases, at-risk pay and gratuity payments, the salary used as the base for calculations is that in effect on the last day of the performance cycle. Economic increases apply to the following fiscal year and are based on the salary following application of any in-range salary increase.

Summary of Performance Awards

The following table illustrates the range of performance awards available, according to the performance ratings achieved by the CEO:

Appraisal	Economic	In-Range	At-Risk Pay	Gratuity
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Results	Increase	Increase		
Did not meet	✓	X	X	X
Unable to assess	✓	X	X	X
Succeeded -	✓	✓	X	X
Succeeded	✓	✓	✓	✓
Succeeded +	✓	✓	✓	✓
Surpassed	✓	✓	✓	✓

The following table illustrates the range of “**at-risk pay**” as a percentage of the base salary available to CEOs according to performance achieved and Public Body grouping:

Performance Rating	Group 1 % of salary	Group 2 % of salary	Group 3 % of salary	Group 4 % of salary	Group 5 % of salary
Did Not Meet/ Unable to Assess	X	X	X	X	X
Succeeded -	✓ Up to 10%	✓ Up to 5%	✓ Up to 4%	✓ Up to 3%	✓ Up to 2%
Succeeded	✓ Up to 15%	✓ Up to 10%	✓ Up to 8%	✓ Up to 6%	✓ Up to 3%
Succeeded +	✓ Up to 20%	✓ Up to 15%	✓ Up to 12%	✓ Up to 9%	✓ Up to 6%
Surpassed	✓ Up to 25%	✓ Up to 20%	✓ Up to 16%	✓ Up to 12%	✓ Up to 8%
NOTE: See Annex A for a preliminary grouping of Public Bodies.					

Performance Pay Approval

Compensation for the CEO position is approved by the Board of Directors and ratified by the Portfolio Minister and/or designate. The documentation authorizing payment is forwarded to the Chairperson of the Board of Directors for implementation and copies provided to the individuals concerned, as well as to the Cabinet Office for safeguarding.

5.0 Timelines

Third Quarter Current Fiscal Year

At the beginning of the third quarter of the current fiscal year the following tasks are undertaken:

- The CEO will discuss Government priorities with the Portfolio Minister, then meet with her/his Executive Management Team to discuss planning processes and performance commitments of the Public Body for the next fiscal year.
- The Board of Directors then meets with the CEO to finalize planning processes by the beginning of the fourth quarter and discuss preliminary performance commitments, etc.

Fourth Quarter Current Fiscal Year

At the beginning of the fourth quarter of the current fiscal year the following tasks are undertaken:

- Upon completion, the Chairperson of the Board of Directors will submit the Corporate Plan for review/approval to the Portfolio Minister.

-
- The MoFPS, Public Service Establishment Division sends a call letter to the Board Chairperson requesting that the Board of Directors submit their CEO's detailed performance assessment for the past fiscal year and new performance management agreements for the new fiscal year.

First Quarter New Fiscal Year

At the beginning of the new fiscal year the following tasks are undertaken:

- The Board of Directors assesses the CEO's performance and the Chairperson provides the Board's detailed assessment, as well as recommendations with respect to compensation, and a summary of the information supporting the proposed rating and awards to the Portfolio Minister, with copies to the Permanent Secretary and the MoFPS, Public Service Establishment Division.
- The Board of Directors enters into a new performance management agreement with its CEO for the next fiscal year, and the Chairperson forwards a copy to the Portfolio Minister for comments, with copies to the Permanent Secretary and the MoFPS, Public Service Establishment Division for information.

Second Quarter New Fiscal Year

At the beginning of the second quarter of the new fiscal year the following tasks are undertaken:

- Portfolio Minister ratifies the Board of Directors recommendations regarding CEO compensation;
- Minister provides her/his comments to the Board of Directors on the new fiscal year CEO performance management agreement.
- The Chairperson of the Board of Directors provides performance feedback to the CEO.

Third Quarter New Fiscal Year

At the beginning of the third quarter of the new fiscal year the following tasks are undertaken:

- Performance pay is implemented.
- Final amendments to performance management agreement for the year in progress are due, including any changes related to the performance feedback received.

Annex A – Performance Management Agreement and Appraisal Form

FISCAL YEAR:	FROM: _____	TO: _____
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SECTION A: PERSONAL INFORMATION

NAME:	
POSITION TITLE:	

SECTION B: ONGOING COMMITMENTS

Recurring expectations that reflect core accountabilities for corporate compliance and executive leadership competencies.

Ongoing Commitments	Performance Indicators	Results Achieved
Compliance (example): Submit to the Board of Directors a draft Corporate Plan in accordance with PMBA Act and Regulations no later than December 1 st (year).	- date of submission - extent of compliance with requirements as stated in the PMBA Act - Section 7	- I submitted the draft Corporate Plan on November 30 th (year) - the first draft Corporate Plan was compliant in all respects, with the exception that there was no justification provided for the Capital budgets which was later included.
Leadership (example): Continue to demonstrate leadership competencies in all four areas, with particular improvements in Mobilising People, Organisations and Partners	- enrolment within the 1 st Qrt in a short term professional development course on Personal Development at MIND - findings of 360 assessment	- I completed a 2 day course in March at MIND on Public Speaking and Presentation Skills for Senior Managers - While the 360 assessment has not yet been completed, I feel that I have improved my communication and engagement strategies with partners

Narrative on Ongoing Commitments

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SECTION C: KEY COMMITMENTS	
Priority areas of focus for the annual business cycle that are linked to the Public Body's corporate plans, government priorities, etc. Key commitments are intended to be challenging, results-oriented, measurable and achievable through the CEO's own influence, control and demonstrated leadership.	

SECTION C: KEY COMMITMENTS	
Priority areas of focus for the annual business cycle that are linked to the Public Body's corporate plans, government priorities, etc. Key commitments are intended to be challenging, results-oriented, measurable and achievable through the CEO's own influence, control and demonstrated leadership.	

Key Commitments	Performance Indicators	Results Achieved
Corporate Results (example): Increase the % of total expenditures, including capital costs, financed by internally generated revenues from 90% in 2008/09 to 95% this fiscal year.	- total revenues as a percentage of total expenditures	The unaudited financial statement at the close of the fiscal year shows that 96% of total expenditures were financed from internally generated revenues.

Narrative on Key Commitments	
SECTION D: RATINGS AND RECOMMENDATIONS	
Performance Rating for Ongoing Commitments: <input type="checkbox"/> Did Not Meet <input type="checkbox"/> Succeeded - <input type="checkbox"/> Succeeded <input type="checkbox"/> Succeeded + <input type="checkbox"/> Surpassed	Appraisal Explanation: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>
Performance Rating for Key Commitments: <input type="checkbox"/> Did Not Meet <input type="checkbox"/> Succeeded - <input type="checkbox"/> Succeeded <input type="checkbox"/> Succeeded + <input type="checkbox"/> Surpassed	Appraisal Explanation: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>
Recommended Award for Economic Increase	Award Level:

Recommended Award for In-Range Salary Increase	Award Level:
Recommended Award for At-Risk Pay	Award Level:
Recommended Award for Gratuity	Award Level:

SECTION E: SIGNATURES

.....
Chairperson of Board of Directors

.....
Date

.....
Chief Executive Officer

.....
Date

.....
Portfolio Minister and/or designate

.....
Date

**Once completed and signed by the Chairperson and CEO, please forward the original to the Portfolio Minister and/or designate for signature.
Once signed by all three parties, the original should be forwarded to the Cabinet Office for confidential safeguarding.**

Annex C – Corporate Results: Key Commitments

The Government of Jamaica's modernisation initiative is a significant public sector reform which presents new challenges in defining accountability. The traditional notion of hierarchical accountability, top-down authority responsible to the people through elected policymakers and senior executives, must be reshaped to reflect a greater emphasis the achievement of results that are valued by the citizenry. Also, holding executives to account only for the correct application of government regulations and procedures and disbursements is incompatible with an empowered, results- and customer-oriented public sector. In modern public enterprises, executive accountability means moreover, **the obligation to demonstrate and take responsibility both for the means used and the results achieved in light of agreed commitments.**

In Jamaica there are 165 active Public Bodies comprised of statutory bodies and statutory authorities, as well as government owned companies. The most recent *Estimates of Revenue and Expenditure of Public Bodies* for the year ending March 2010 reported on twelve (12) Selected Public Bodies and forty-two (42) Other Public Bodies. Collectively, they represent an important subset of the public sector and are integral to the development and implementation of a number of key government policy objectives. Through Public Bodies, the Government of Jamaica will continue to play a key role in stimulating and sustaining economic development, strengthening the regulatory environment and improving the welfare of the population in the foreseeable future. Their collective contribution to the economy is significant and is reported annually in the Public Bodies Estimates of Revenue and Expenditure.

The intention of the modernisation initiative is to reduce central agency control and delegate authority to the **Chief Executive Officer** for planning, operational management, service delivery, economic development, revenue management and overall performance. As such, the Chief Executive Officer has the following responsibilities in planning for, managing for and reporting on corporate results:

- The responsibility for developing and agreeing on economic productivity, operational and financial performance targets rests with the CEO in consultation with the Portfolio Minister and the Board of Directors. These are incorporated in the annual Corporate Plan and are approved by the Portfolio Minister. Responsibility for how these corporate results will be demonstrated through the use of performance indicators rests with the CEO in consultation with the Board of Directors. For any given fiscal year the corporate results and related indicators are defined in detail in the approved annual Corporate Plan and cross-referenced to the Performance Management Agreement thereafter.
- The responsibility for managing for results rests ultimately with the CEO who through her/his management actions and influence motivates the Executive Management Team and staff to work toward the achievement of expected corporate results. How the corporate results are achieved is equally important as the CEO must demonstrate the requisite leadership competencies in all areas, particularly in terms of people and financial management.
- The responsibility for reporting on corporate results in terms of the agreed targets and indicators rests with the CEO in conjunction with the Board of Directors. Performance reports must be of standard quality with performance data and financial figures therein presented in a manner and with sufficient detail to be verifiable externally. Performance Reports and Financial Statements should be produced in compliance with the timing and periodicity as set out in the PBMA Act and other relevant legislation. Oversight is exercised by the Board of Directors Audit Committee, as well as the Financial Secretary or Auditor General as required and/or recommended by the Portfolio Minister.

Annex D – Compliance Results: Ongoing Commitments

The PMBA Act requires public bodies to submit corporate plans, annual reports and financial statements, among other accountability requirements. However, the quality of the corporate plans and the pertinence of the key performance indicators, the extent to which they achieve their targets and report on performance, the accuracy of the financial statements, and the timeliness of the submission of these documents has been highly variable from one public body to another. Having been identified as problematic, compliance with existing legislation is considered an ongoing commitment for the management of public bodies, for which the CEO is accountable.

The following is a list of relevant legislation, regulations and instructions common to Statutory Bodies/Authorities and Government Owned Companies which specify the CEO's functions, accountabilities and responsibilities and which will serve as **ongoing commitments** for the purposes of appraising compliance results. CEOs are accountable for familiarising themselves with all legislation, regulations and instructions relevant to their public body and to ensure compliance with the provisions stated therein.

- Relevant Statutory Acts
- Companies Act
- Financial Administration and Audit (FAA) Act
- Public Bodies Management and Accountability (PBMA) Act
- Public Bodies Management and Accountability (PBMA) Regulations
- Guidelines to Financial Management
- Ministry of Finance Circulars
- Government Procurement Regulations

Annex E - Leadership Results: Ongoing Commitments

These key leadership competencies required to successfully carry out the responsibilities of the CEO position reflect the expected demonstration of **ongoing commitments**. Specific leadership development initiatives related to any of the competencies below undertaken during the annual business cycle will also be considered.

Values and Ethics – Serving with Integrity and Respect

An effective leader:

- demonstrates values and ethics in personal behaviour;
- integrates values and ethics in organizational practices;
- makes decisions without favouritism or bias;
- models and instills commitment to the organization's mandate, citizen-focused service and the public good;
- provides fearless advice and acts with the courage of her/his convictions;
- recognizes and reconciles conflicting values;
- creates a collaborative, inclusive and diverse culture built on official languages and employment equity policies; and
- models, communicates and builds a culture of respect for people and public service principles.

Strategic Thinking – Innovating through Analysis and Ideas

Analysis

An effective leader:

- frames issues with a thorough understanding of legislation and the subject matter area;
- identifies links between global, societal, and economic trends; stakeholder concerns; the organization's agenda; public service values; and regional and horizontal issues;
- extracts the key issues from complex, ambiguous, rapidly changing contexts; and
- analyzes problems thoroughly before developing solutions.

Ideas

An effective leader:

- provides quality judgment and advice;
- develops vision and plans based on the broader portfolio and public service vision and policy; and the national and international context;
- projects beyond the status quo to the organization's potential contribution to society;
- identifies necessary reform initiatives with broad perspectives and long-term timelines;
- encourages debate and ideas from across hierarchies, skills sets, and stakeholders;
- anticipates emerging issues / changing contexts and develops strategies quickly to solve problems or seize opportunities; and
- teaches and learns from others.

Engagement – Mobilizing People, Organizations, Partners

An effective leader:

- develops effective working relationships and trust with partners and stakeholders;
- acts as an interface and builds relations between partners and stakeholders;
- mobilizes and motivates teams to achieve objectives;
- builds a commitment to excellence and common purpose by promoting the vision internally and externally;
- creates and collaborates with strategic alliances to achieve organization and shared objectives;

-
- develops and implements effective communication and engagement strategies with partners;
 - builds support through influence, negotiation, and balancing interests;
 - removes barriers to collaboration; and
 - works with other heads of public bodies and executive agencies as a corporate collective to improve public sector efficiency and effectiveness.

Management Excellence – Delivering through Action Management, People Management, Financial Management

Action Management: Design and Execution

An effective leader:

- leads organizational change that maximizes organization and portfolio results;
- builds an effective, sustainable organization through stewardship and governance;
- creates, aligns, and integrates structures, systems, and teams to better achieve objectives;
- integrates the corporate plan into a transparent management framework;
- integrates federal legislation, regulations and policies and comptrollership into organizational practices;
- fulfils obligations of management accountabilities;
- applies and encourages strategic risk management practices;
- integrates human resources, finance, information technology and information management and communications issues into planning and actions;
- revises plans and results to reflect changing priorities or conditions;
- commits to a course of action despite incomplete information, if required;
- makes decisions, initiates urgent actions, and remains calm in crisis situations; and
- recognizes and acknowledges errors and makes corrections.

People Management: Individuals and Workforce

An effective leader:

- invests time in managing and developing people, individually and collectively;
- looks after people and builds staff morale;
- provides clear direction on priorities;
- encourages reasonable and strategic risk taking;
- recognizes and rewards results and deals constructively with setbacks;
- gives clear, honest feedback and manages non-performance;
- builds accountability and value for people management within the executive community;
- provides people with the ongoing learning, support, and tools they need;
- ensures the workforce has the capacity and diversity to meet current and future needs;
- implements rigorous human resources systems and fulfils obligations of human resources management accountabilities; and
- collaborates with other executives on human resource initiatives and issues.

Financial Management: Budgets and Assets

An effective leader:

- implements strategies to achieve operational efficiencies and value for money;
- builds, operates, and monitors rigorous systems for integrated resource and results planning, internal audit and evaluation;
- fulfils obligations of accountabilities for finance and assets management;
- delegates authority, responsibility, and accountability to appropriate levels;
- acts on audit, evaluation, and other objective performance information;
- links financial and performance information; and
- manages stewardship issues actively, e.g. chairs audit and evaluation committees; seeks strategic re-allocation of resources as needed.

APPENDICES

Appendix 1

TERMS OF REFERENCE FOR PERMANENT SECRETARIES

JOB TITLE	:	PERMANENT SECRETARY
REPORTS TO	:	PORTFOLIO MINISTER
ACCOUNTABLE TO	:	CABINET SECRETARY, PUBLIC ACCOUNTS COMMITTEE, PORTFOLIO MINISTER PUBLIC SERVICE COMMISSION MINISTRY OF FINANCE and the PUBLIC SERVICE
MANDATE	:	AS REFLECTED IN THE MINISTRY PAPER CREATING THE MINISTRY AND AS AMENDED FROM TIME TO TIME

ROLES AND RESPONSIBILITY

- To support the Minister in executing his responsibilities as a member of cabinet (section 69 and 93 of the Constitution refer) – in particular, providing sound policy advice; preparing documents such as Cabinet Submissions for policy decisions; monitoring and evaluating the implementation of policies, programmes and projects to ensure timely and cost effective implementation.
- To manage the resources of the Ministry and its varying entities (Statutory Boards and Executive Agencies) to ensure they adhere to laws, or executive decisions as the case may be.
- To provide timely responses to Parliamentary Committees in accordance with their legitimate mandates, and to the public.
- To manage the human resources of the Ministry to ensure increased productivity and quality of service; development of the potential of staff; enable proper succession planning.
- To act as a member of the corporate body of Permanent Secretaries who collectively are responsible for achieving the policy agenda of Government.

-
- To ensure high ethical principles for the Ministry and its objectives.

DUTIES

- Ensure that a vision for the Ministry is defined and articulated
- Establish the strategic direction of the Ministry
- Develop the 3 year Corporate Plan and the annual Business/Operational Plan
- Develop performance standards and establish performance indicator/key performance indicators for the Ministry
- Direct the implementation of the Corporate and Business / Operational Plans
- Establish sound human resource practices within the framework provided under delegation from the Public Service Commission
- Ensure that a succession plan for the human resources in the Ministry is developed, maintained and implemented
- Manage the financial resources in an effective and economical manner in accordance with all relevant legislation and regulations
- Ensure that effective internal control systems are in place
- Ensure that mechanisms are in place to adequately monitor the policy priorities/ outcomes (in the case of Public Bodies) as they relate to the mandate of the Ministry. Their recommendations for action and reports are to be reviewed for effective reporting to portfolio minister.
- Ensure that there is an effective communication programme to facilitate knowledge of and access to the Ministry's services and activities
- Ensure that the Ministry has a Citizen's Charter
- Make strategic use of information technology
- Perform all other duties and functions as may be required from time to time

Key Outputs

- Strategic Plan
- Corporate and Business Plan
- Effective Policies
- Periodic and Annual Reports
- Human Resource Plans

-
- Cabinet Submissions
 - Evaluation of Entities
 - Parliamentary responses

PERSONAL ATTRIBUTES:

Judgement	-	Exercise sound judgement in arriving at decisions
Integrity	-	Demonstrate personal integrity, reflecting high ethical and moral values
Self-confidence	-	Exercise strength of personal convictions while being open to other ideas
Flexibility	-	Willing to adjust behaviour appropriately in response to changing circumstances
Initiative	-	Takes action to influence events
Perseverance	-	Pursues objective and finds solutions to challenges
Human Resource Management	-	Respects, consults, empowers and develops employees
Commitment to Service	-	Places emphasis on clients' needs and involves clients in the decision-making process to ensure highest quality service

KNOWLEDGE

Knowledge of global influences that impacts the public, the public service environment, the government's priorities of the day, government systems and operational policies, the policies and programmes of the Ministry's portfolio.

SKILLS AND ABILITIES:

Leadership	-	Motivating and mobilizing others through vision and example
Analytical Skills	-	Applying rational and intuitive thinking in finding solutions to complex issues
Organizational Awareness	-	Building and using formal and informal networks to get results
Interpersonal	-	Relating to people at all levels with respect and

Skills	-	understanding, thus facilitating mutually productive working relationships
Management	-	Directing the Ministry's activities to achieve its goals and objectives.

Appendix 2

Selected Public Bodies by Mandates

The following public bodies were identified in the *Estimates of Revenue and Expenditures for Public Bodies – 2010*. Section 6.5 above provides a rationale for their presentation in the following categories and groups, but also serves to distinguish them from one another in terms of the relative challenges that the Chief Executive Officers face in managing these public bodies. The Group 1 and Group 2 distinctions separate the large and complex public bodies from those of a more moderate size for the purposes of determining the PMAS performance ratings. It is expected that the remaining 100+ public bodies will be similarly analysed and placed in groups 3, 4, and 5 accordingly.

STATUTORY BODIES WITH A BUSINESS ENTERPRISE MANDATE

Group 1

1. National Water Commission (NWC)
2. Port Authority of Jamaica (PAJ)
3. National Insurance Fund (NIF)
4. National Housing Trust (NHT)
5. Human Employment and Resource Training/HEART Trust/NTA
6. Airports Authority of Jamaica (AAJ)
7. National Health Fund (NHF)
8. Petrocaribe Development Fund (PDF)
9. Urban Development Corporation (UDC)
10. Petroleum Corporation of Jamaica (PCJ)
11. Jamaica Mortgage Bank (JMB)

Group 2

12. Sports Development Foundation (SDF)
13. Students Loan Bureau (SLB)
14. Jamaica Deposit Insurance Corporation (JDIC)
15. Jamaica Railway Corporation (JRC)

-
16. Agricultural Development Corporation (ADC)
 17. Agricultural Marketing Corporation (AMC)

GOVERNMENT OWNED COMPANIES WITH A BUSINESS ENTERPRISE MANDATE

Group 1

1. Petrojam Limited
2. Petroleum Company of Jamaica Limited (Petcom)
3. National Road Operating & Constructing Company (NROC)
4. Caymanas Track Limited
5. Jamaica Urban Transit Company
6. Development Bank of Jamaica Ltd (DBJ)
7. Jamaica Bauxite Mining Limited (JBM)
8. Culture, Health, Sports and Education (CHASE) Fund
9. Wallenford Coffee Company Ltd.
10. Housing Agency of Jamaica Ltd (HAJ)
11. The Ports Security Corps (PSC)

Group 2

12. Factories Corporation of Jamaica
13. Wigton Windfarm Limited
14. National Export-Import Bank of Jamaica Limited
15. Aeronautical Telecommunications Limited
16. Montego Bay Freezone Company
17. Jamaica Ultimate Tyre Company Ltd.
18. Postal Corporation of Jamaica (PCOJ)
19. Kingston Freezone Zone Company
20. Bauxite & Alumina Trading Company Limited (BATCO)
21. Micro Investment Development Agency (MIDA)
22. Self Start Fund (SSF)

STATUTORY AUTHORITIES WITH A REGULATORY BOARD OR COUNCIL MANDATE

Group 1

1. Jamaica Civil Aviation Authority (JCAA)
2. Bureau of Standards (BSJ)
3. Transport Authority
4. Financial Services Commission

Group 2

5. Betting Gaming & Lotteries Commission (BGLC)
6. Office of Utilities Regulation (OUR)
7. Sugar Industry Authority (including SIRI)
8. Spectrum Management Authority
9. Coffee Industry Board
10. Jamaica Racing Commission (JRC)
11. Overseas Examination Commission
12. Broadcasting Commission of Jamaica (BCJ)
13. Cocoa Industry Board (CIB)
14. Public Accountancy Board (PAB)

Appendix 3

Interviews Conducted

Names	Position/ Organization	Names	Position/ Organization
Ambassador Douglas Saunders	Cabinet Secretary, Cabinet Office	Dr. the Hon. Carlton Davis	Former Cabinet Secretary
Mrs Hillary Alexander	Chief Technical Director, Public Sector Modernization Division, Office of the Cabinet	Mrs. Genefa Hibbert	Permanent Secretary, Ministry of Tourism
Mrs Deborah Patrick-Gardner	Principal Director, Policy Development Unit, PSRU, Cabinet Office	Mr. Gilbert Scott	Permanent Secretary, MNS
Mrs. Sherrill O'Reggio Angus	Principal Director, Public Sector Modernization Division, Office of the Cabinet	Mrs. Patricia Sinclair McCalla	Permanent Secretary, OPM
Mrs Jennifer MacLeavy	Policy Development Unit, PSRU, Cabinet Office	Dr. Alwin Hales	Permanent Secretary, Ministry of Transport and Works
Mr. Ryan Evans	Senior Policy and Project Officer, Office of the Cabinet	Mrs Jacqueline Hinkson	Chief Personnel Officer, Office of the Services Commission
Mrs. Onika Miller	Acting Chief Technical Director, Cabinet Support and Policy Division, Cabinet Office	Mr Robert Martin	Deputy Financial Secretary, Ministry of Finance and Public Services
Dr. Patricia Holness	Chief Executive Officer, RGD	Ms Darlene Morrison	Deputy Financial Secretary, Ministry of Finance and Public Services
Mrs. Elizabeth Stair	CEO, National Land Agency	Mrs. Ann Marie Rhoden	Deputy Financial Secretary, MoFPS

Names	Position/ Organization	Names	Position/ Organization
Dr. Patricia Holness	CEO, Registrar General's Departments	Mr. Owen McKight	Director, MoFPS
Mrs. Judith Ramlogan-Chung	CEO, Companies Office of Jamaica	Mr Lenworth Taylor	Ministry of Finance and Public Services
Mrs. Lona Brown	CEO, Administrator General's Department	Mr George Briggs	Retired Permanent Secretary and Head of Public Sector Reform Unit
Dr. Leary Myers	Chief Executive Officer, NEPA	Mr. Devon Rowe	Director General, Department of Local Government, OPM
Mrs. Ruby Brown	Chief Executive Officer, MIND	Dr. Ruth Potopsingh	Deputy Managing Director, PCJ
Miss Allison Anderson	Chief Executive Officer, CDA	Mr. Telroy Morgan	Refinery Production Manager, Petrojam Ltd.
Ms. Jennifer McDonald	Chief Executive Officer, Passport Immigration Citizenship Agency (PICA)	Mr. Craig Bereford	Director, Non-Construction PBs, OCG
Mrs. Pamela Munro-Ellis	Auditor General	Mrs. Marcia Ward	DGM Finance and Administration, UDC
Mr. Shawn Grey	Director, Performance Improvement Unit, MTW	Mr. Paul Willis	UDC
Dr. Ian Lang	Consultant, Fiscal Responsibility Project, IADB	Mrs. Joy Douglas	Acting General Manager, UDC
Mr. Ansord E. Hewitt	Secretary to the Director General, OUR	Mr. Earl Samuels	Director General, NHT
Mr. George Wilson	Acting Director	Mrs. Jewell Spencer	Deputy General

Names	Position/ Organization	Names	Position/ Organization
	General, OUR		Manager, UDC
Mr. Greg Christie	Contractor General, OCG	Mr. Maurice Johnson	UDC
Miss Angela Talbot	Administrative Assistant, OCG	Lt. Col. Oscar L. Derby	Director General, CAA
Mr. Donald Moore	NHT	Mr. Billy Heaven	CHASE Fund
Ms. Marcia Hamilton	JUTC	Mr. Noel Osbourne	Bureau of Standards
Dr. Artnel Henry	Chairman Bureau of Standards	Mr. Compton Rodney	Public Accountancy Board MoFPS
Mrs. Veronica Bennett Warmington	Public Enterprise Division MoFPS	Mrs. Sandra Glasgow	National Export Import Bank of Jamaica
Mr. Chris Bovell	Chairman NROCC Ltd.	Dr. Carrol Pickersgill	Port Authority of Jamaica
Mr. Colin Newman	Wallenford Coffee Co. Ltd.	Mr. Hugh Lawson	National Health Fund
Mr. Winston Watson	Petrojam Ltd.	Ms. Pamella McLean	National Export Import Bank of Jamaica
Mr. Ivan Anderson	NROCC Ltd.	Mr. Milverton Reynolds	Jamaica Development Bank
Mr. E.G. Hunter	National Water Commission	Ms. Yvette Martin	Health Corporation Ltd.
Ms. Lenice Barnett	Executive Director Student's Loan Bureau		