

# Research on Performance Evaluation of Third-Party Institutions Participation in Government Purchase of Elderly Care Services: A Case of South Africa.

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**Abstract:** South Africa grapples with the strain of an aging population, transitioning swiftly into an elderly society despite its predominantly youthful demographic. To address this challenge, the government explores the strategic procurement of elderly care services for innovation and improved quality. Examining the decade leading to 2023, this study investigates third-party performance evaluation and procurement practices for elderly population care services in South Africa. A new third-party performance assessment system emerges, informed by a comprehensive situational analysis, offering recommendations from the third-party institute, government procurer, and the elderly care services sector. Infrastructure development includes tens of thousands of retirement communities and nursing facilities across provinces and major cities. Elderly citizens, particularly Old Age Grant recipients, enjoy free access to primary healthcare. Occupational pension systems serve as key social protection programs, often limited to specific sectors. The government innovatively engages social corporations for the procurement of elderly care services, signaling a commitment to enhancing public services and ensuring the well-being of the elderly population in this evolving societal landscape.

**Keywords:** Third-party, Performance Evaluation, Purchase of Elderly Care Services, Government.

## I. INTRODUCTION

In our African culture, older adults serve a vital role. The majority of older individuals live in communities, frequently with younger relatives. Grandparents are highly relied upon to care for youngsters or the sick. In these intergenerational or skip-generational households, their pensions contribute significantly to household income. Africa's population of old people is predicted to more than treble by 2030, from 46 million in 2015 to 157 million. According to Statistics South Africa (Stats SA), between 2002 and 2022, the aggregate population will have expanded by 33.8 percent (1.47 percent per annum), relative anticipated expenditure will have grown by 41.7 percent (1.76 percent per annum), and the effect of ageing on forecasted expenditure will be 7.9 percent (0.29 percent per annum). A rise in the care distress is linked to a high pervasiveness of disability, chronic illness, and ageing. Poor health results in a lower sense of well-being, a higher level of disability among older persons, thus, a reduced quality of life, particularly the poor. According to the 2011 census, 40 percent of South Africa's older citizens is poor. Due to high unemployment rates and the effect of HIV and AIDS, older persons are shouldering considerable care and financial responsibilities as they utilize their time and pension funds to assist their grandchildren and children, which has a demonstrable influence on their well-being.

South Africa has the largest proportion of senior people in its population in the African region (8.7%), and the number of elderly people (those aged 60 and more) is predicted to rise from 4.1 million in 2011 to more than 15 million in 2030. In South Africa, around 70% of the elderly receive old age pensions, and there is a large body of research that illustrates how older women use this money to support their unemployed and underemployed relatives. As a result, they are able to dramatically reduce household poverty. Therefore, in order to keep older people satisfied, third-party evaluation should be employed on the elderly care services system to ensure if their needs are being fulfilled.

In the recent years, provision for the senior care Services has been one of South Africa's main objectives. "We have spent over a decade building the most comprehensive senior accommodation directory" said the Frail Care

Centers and Services' Senior Manager, Mr. khulule Sobetwa. Over the years, South Africa has built thousands of retirement villages, old age homes and frail care homes in all provinces and most big cities of South Africa that is, Johannesburg, Cape Town, Pretoria, Durban and Sandton. Just like all South African citizens, aged persons receive public prime healthcare free of charge, and the beneficiaries who are receiving social assistance from the government in terms of a state pension (Old Age Grant), also enjoy the access to secondary and tertiary care free of charge. Occupational pension schemes are the greatest social protection programs for aged persons in South Africa, however they often only include persons who have worked in the public sector, state enterprises, or major private firms in the modern economy. To add on, the vital economic issue arising from ageing in SA is not the same as it is in developed countries, namely, an excessive economic burden that must be borne by a smaller economically active people, but instead how to best manage the growing number of elderly people in regards to care and retirement funding. Elderly care has been evolving along the lines of a paradigm of institution-based care for the most privileged segment of the population, that is, whites, under apartheid. In 1991, only ZAR1.4 million was spent on elderly blacks outside the homelands social care, compared to ZAR272 million for senior whites. Only 1200 of the 34 000 seats in nursing facilities for the elderly were reserved for blacks (Race Relations Survey, 1992/93: 304). However, SA new government formed new policies and South Africa, unlike many other developing countries, has a fairly developed social-security system (Van der Merwe, 1996: 296, 318). The government then purchases the elderly care services to level up the unfairness and to occupy the gap between the old age people and the modern sector.

According to Stats SA's 2019 mid-year population report, South Africa has the greatest population of elderly persons in Africa (9 percent), with approximately 40% of the aged population being poor. Medical aid coverage is inadequate, with over 80% of people relying on the public health system. The health and social policy researcher Dr Gabrielle Kelly emphasized that, to protect vulnerable groups like the elderly, we must consider not only how health and clinical solutions are designed, but also how all health and public services are delivered in order to guarantee that appropriate safeguards are in place. The capacity of the government to respond to the necessities of the elderly is being impacted by the aging of the South African population. By 2010, the Minister of Finance had issued an order allowing men between the ages of 60 and 70 to participate, South African statistics Census 2011: Profile of South African Seniors, Report 03-01-60 5. The third-part performance evaluation is to make sure that these older people necessities delivered.

South Africa has been identified as having one of Africa's fastest-aging populations. Throughout the next two decades, this population segment is expected to continue to age. Because of the changes that are occurring in various families and cultures, it is projected that a substantial number of aged people will need long-term support and care services as the population keeps on ageing. Cognitive impairment, communication challenges, frailty, and lack of independency are among the features of elderly care services, in accordance with the literature. The research on the performance evaluation of third-party institutions in government purchase of elderly care services has been attempted by a few authors in the West and in Asia but almost non in Africa. Therefore modern authors are still unfolding answers for the questions why and how South Africa should apply the concept of third-party institutes for evaluating the performance of government purchases.

In Africa, the aged people are the society's most important group of people, therefore their needs should be satisfied. Because private and non-governmental organizations are becoming expensive as the elderly population is growing, the government has been intervening by acquiring the elderly care services, that is, pension services, medical and health care, community and home based care services. These government purchases enable older persons to receive basic elder care services free of charge or at a minimum cost. So, in aiming to accomplish the grounds of this study, the following objectives were established. This research aims to explore the whole process from, the government procurement of pension services, medical and healthcare services for the elderly and home and community endowment services, then, put forward the theoretical basis of third-party evaluation, merged with the ongoing South Africa's actual, analyze the requisite and likelihood of nurturing the execution of the third-party performance evaluation in the government purchase sector of elderly care services, this research developed a third-party performance assessment mechanism for acquiring aged care services based on current situation analysis. From the standpoints of the government purchaser, the aged care services endeavor, and a third-party institution, countermeasures and proposals are given.

The major question of this study is to provide a new method for evaluating the performance of government procurement involving aged care. Pension service, medical and healthcare service, as well as community and home-based care service are examples of elderly care services in South Africa. In this study, performance assessment mechanism is used to evaluate the performance of the government's purchase of aged care.

There were little or no study findings at hand on the government's overall procurement of aged care services in South Africa. However, experience gained from other countries' study on the subject revealed that it was critical to investigate and describe third-party review in government purchases of aged care services. As a result, the findings of this study could facilitate:

The performance evaluation of third-party institutions in government purchases of elderly care services in South Africa, and fill the relevant research gap. Meanwhile, this research offers various recommendations for improving government procurement performance, which is beneficial to the growth South Africa's aged care services. This study fills in the gaps left by the preceding study, laying the future foundation for mutual understanding for all parties involved.

## **II. LITERATURE REVIEW**

### **2.1 The general concept of third-party performance evaluation**

The terms "third party performance evaluation" and "government performance management" are used interchangeably. In third-party evaluations, the "independence" of the "third party" is regarded the fair beginning point that ensures fair outcomes, while the "third party's" professional and authority are considered the bases that ensure the fairness of evaluation findings. A third-party (the third-party) is defined as someone who is independent of the first party (the evaluated object) and the second party (the service object). Considering the third party has an administrative subordination relationship with the first party, and the second party also has direct interest, in general, the third party will be referred to as "independent third party". Since the African countries follow the western countries lead, third-party evaluation is primarily used to arrange the implementation of all assessment work by a third party. These responsibilities include checking financial statements and evaluate the performance using accounting ratios, conducting organizational assessments, and lastly obtaining evaluation data and disseminating the assessment results. As a "third party," some professional evaluation institutes or research organizations act as a "third party" in South Africa, non-governmental organizations. In the sphere of government procurement of public services, third-party assessment refers to the evaluation of a person or organization by an organization other than the buyer, supplier, or service object, to undertake parties and services outside of the receiving party. In theory, the third party's subject can be anything, including entrusted by research institutions' administrative agencies, professional assessment organizations (that includes research institutions, colleges and universities), professional firms, opinion, social organizations, and the general public, and so on. However, based on existing text representation at all levels of government policy and practice, this research will define the third party as an independent organization with no administrative subordination relations and a professional evaluation organization with no ties to the government, such as research intuitions, colleges and universities, as well as the folk professional appraisal institution.

### **2.2 Concepts Related To Third-Party Performance Evaluation Of Government Purchase Of Elderly Care Services**

#### **2.2.1 Third-party performance evaluation**

Third-party performance evaluation has expert benefits in the government purchase of elderly care services because it can theoretically weigh the indicators and engage in the entire operation for evaluating the performance of government purchase of elderly care services. The third-party evaluation on Ageing aims to ensure that services for older people are coordinated and integrated. It also aims to define the duties and responsibilities of many stakeholders involved in the delivery of services to the elderly. The third-party is to ensure that the elderly will have the chance to remain self-sufficient, active, and contributing members of society for as long as feasible whilst receiving standard services. The third-party evaluation outlines implementation and assessment tools to ensure effective evaluation mechanism service delivery and a better quality of life for the senior citizens. Service performance evaluation is exceedingly tough in the service sector. Quantifying community and home-based care and pension service is complex. While the evaluation of medical care and material pension services can accomplish some numeric indicators, psychological contribution services are perplex to statistically examine and qualify. The third party's experience can be used to leverage its benefits in index creation and evaluation model number construction.

Third-party performance evaluation, in the context of government purchases of aged care services, alludes to the assessment of government procurement of elderly care services and their outcomes by professional evaluation institutions and tertiary institutions that have a thorough appreciation of the elderly care service specialization

and have long been involved in elderly care service study. Assessment of the abilities of the aged, businesses and social organizations such as community and home-based nursing homes and institutional nursing facilities sponsored by the state are among the evaluation objects. Participation of a third-party is to assess of aged people's health and the actual demand for aged care services. Furthermore, third-party evaluation objective entails a third-party assessment of the real impact of public financial funds utilized to fund special pension plans. After placing the pension service settlement criterion, the government constantly transfers the pension subsidies to a third party with the aim of improving the evaluation efficiency and improve quality. Furthermore, Although the state is working to guarantee that the elderly receive all information about the old age award, information about other incentives is not reaching older people in rural areas. Therefore, in order for the older people to fulfill their additional (grandparents) responsibilities as caretakers, the third-party performance evaluation must provide all elderly with appropriate knowledge of the various sorts of grants accessible to them.

### **2.2.2 Government purchase of health-care services**

The medical and healthcare sector, as one of the South Africa's main sectors, is both an important aspect of individuals' everyday lives and a major economic driver. A doctor's visit, ambulance services, drug prescription and emergency hospital, or the purchase of medical supplies, as well as health insurance, are all required by South African citizens. Government purchase should be implemented because medical and healthcare supplies are a necessity to individuals and communities.

Government purchase of healthcare services refers to government acquiring services (health insurance, medical care, supplies and equipment), from the non-governmental organizations and other commercial providers. The government's purchase ensures the supply of high-quality insurance, medical, and healthcare services for individuals who require long-term care from the state, such as the elderly.

Unluckily, we rarely learn specifics regarding the type of care that the older persons receive. While some citizens receive excellent care, others may have restrictions on which doctors or clinics they can visit for treatment. When instances like this develop, state governments frequently hire outside third-parties to assess the purchase's success. The government's role is to safeguard and enhance society's interests through providing high-quality health-care services.

### **2.2.3 Government purchase of pension services**

South Africa was colonized by some of the countries in the west thus, Government Purchase Services (GPS) was adopted from Western Industrialized countries where it began in the 1960s and has been evolving for almost a century now. In this context, government procurement points out to the fact that the state "purchases" services from competent social organizations for the purpose of social development and improving people's well-being, and then finances the service costs after assessing the quality and quantity of services supplied by market-oriented or social organizations in line with the pre-established standards. Since SA is a middle-income developing country, both means-tested social pensions for the poor and private/occupational pensions are unusually advanced, and integrating these two modalities of social security for retirement, in which the means test plays a key role, is hard.

Government procurement of aged persons care services is a novel type of government purchase in which the government entrusts the contract administration, cashing in and out and appraisal of elderly care services to social corporations. The government is the entrusting subject of the government's pension service procurement, and the entrusted party is the pension body as well as related social organizations. The pension service is the object being purchased. The particular form is an obligatory "purchase" action in which the government pays all or part of the expense. Purchasing aged care services is the government's way to ensure a viable strategy to increase the quality of public services. Direct subsidy, non-competitive procurement, state subsidy, formal purchase, and competitive purchase, are all examples of pension service purchase. South Africa's pension structure is comprise of means-tested public benefit program, a non-contributory, voluntary savings and provident and various fund arrangements.

### **2.2.4 Government purchase of community and home-based care services**

To reach entire frail aged in a community, the government's home-based care services should be reinforced. Collaboration with civil society is essential for effective service provision to the elderly because the government cannot supply this service alone. In many urban locations, a huge number of non-profit organizations provide community-based care and support services in form of service centers, luncheon clubs and day care centers. The government has purchased home-based elderly-care services include three parties that is, the social organizations or market-oriented private care suppliers, the government and the general public. In order to

accommodate public demands, the government purchases home-based elderly-care services from social organizations. As a result, a wise government purchase will result in inputs and outputs that are in sync, as well as ideal performance. Through an accurate performance evaluation, the performance is utilized to measure the government pension service supply capability. Ammons believes that performance evaluations should be diversified in terms of output, quality, efficiency, fairness, results, value, customers.

### **2.3 The Necessity Of Introducing Third-Party Performance Evaluation In The Practice Of Government Purchase Of Elderly Care Services**

#### *2.3.1 Third-party introduction is necessary for increasing the efficiency of the national fund service*

When the government provides public service in the long run, South Africa has focused on equity investment rather than the essential assessment of what amount to produce, this has had a significant impact on the efficiency with which fiscal funds are used. Currently, in order to increase the efficiency of fund service, the state should focus more on output per input efficiency, putting funds for crucial fund service use, in the course of constructing an "efficient government". The third-party performance evaluation serves as a useful guide for allocating and utilizing financial resources.

#### *2.3.2 Introducing third-party evaluation, which broadens the scope of evaluation, can ensure that the public's interests are protected*

The public nature of public policy characteristics, from conception to application, assessment, then the feedback to modify, should be indicated as the comprehensive interests of the public. The diversity's attribute is the variances of interest and the interests of distinction, the diversity should be acknowledged if we need to admit the interest's differences and differed interests. "Our contemporary society is a self-governing populist society, which has non-identical interests, the ascendancy of the people accomplished by group campaigns, alliances and special interest groups or task groups, each of which should be the representative of at least one of the various merits, this implies that a society that is already opened is split, various parties counterbalance and highlight the assortment of the interests, just like the liberal theorists, the diversity is considered as a beneficial thing," Swartz, a well-known scholar in the West, said. In the government's acquisition of community and home-based care services, it is vital to include third-party evaluations in addition to internal evaluations. Only in this way will we be able to enhance the social and public good.

#### *2.3.3 The introduction of third-party evaluation can help in improving the service's level of satisfaction for the public*

Due to the absence of a dominant body of professional independent third-party evaluation in preceding government's evaluation, the government has been unable to hear the voice of the public. This may result in lots of policies and the presumed outcome is far from the expectations, which, in turn, may reduce the government's acknowledgement and support from the public. The public opinions may be gathered and disclosed to the state through third-party evaluation institutions, allowing the government to efficiently respond to the public's voice. This may drastically improve the government's ability of providing targeted public services and result in public fulfillment and appreciation.

#### *2.3.4 The use of a third-party evaluation can ensure that the assessment process is fair and just*

Nowadays legal theory, particularly the rise of public choice theory, has taught us that we must diversify evaluation and provide an outside mechanism of third-party review in order to maintain fairness and open-mindedness of the evaluation process. The principle of one's choice related to market-oriented economic activities governed by reason, according to public choice theory, is also correlative in the domain of political or legal activity. This means that, the state and the state officials mirror the characteristics of the rational "economic man" in the course of social activities and market proceedings. The state and its public servants have some own personal interests, or the government's objective of its particular interests is a complicated function that encompasses not only the government's unique public interest, but also the benefits of small groups and

personal interests of internal workers. As a result, the state and its civil workers do not always reflect the public good. On the other hand, even if the government essentially represents the overall public interest, public interest on its own has a contradictory scope and rank classification as a result of this. There are numerous disparities in the aspect of the ultimate purpose of public interests between the local government and central government as diverse interest object, to add on to their personal interests request object, to add on to their personal interests request. As a result, the importance of introducing the professional independent third-party performance evaluation in government purchase of elderly care endowment service appraisal has grown more and more as a means of avoiding disputes between government in-house assessment subjects affecting the evaluation's scientific and impartial.

#### **2.4 Government Purchased Organizations Involved In Community And Home-Based Care Services**

The South African Plan of Action on Ageing focuses on the three primary priority areas indicated in the Madrid Plan of Action on ageing; promoting health and well-being in old age, creating an enabling and supportive environment and older population and development. The Older Persons Act, Act 13 of 2006, which was passed by parliament in June 2006, integrated these priorities. The Act 13 makes it clear that the government, civil society, and the private sector are all responsible for the care, protection, development and support of older people. It provides us with an opportunity to raise the profile of elderly people in the country. The motives of government purchase are to meet the large demands of elderly care services under the tight budget impediment, and to attain the proliferation of service coverage and the refinement of service quality from a purchase contract linked to privately owned elderly care service givers and promotion. Government purchase in organizations has fulfilled vital roles particularly for humanitarian-oriented affairs, which are not tackled by market or profit driven institutions, such as well being, informal education, relief and capacity building, cushion wildlife and human resource inclusion. The government is perturbed with the complications of marginalization within society, so the purpose of government purchase has been crucial, not only at national, but also at a worldwide level. The government purchase has attracted a considerable amount of awareness from the public and academic, particularly as purveyors of welfare provision, protagonists of radical citizenship, and conservator of the common and greater good in the community through the special features and principles.

In co-creation and co-production theories, the government purchase of elderly care services commitment in community and home-based elderly care focus on attaining a public interest which permits to accelerate the volume and quality of elderly care services and encourage equitability in the consumption of elderly care services and consumer contentment. In South Africa, swift aging, absence of popular fortification for frail elders, and the failure to satisfy the needs of the older people have led to encompassing nonprofit organizations as contributors in the welfare for the elderly. The concept of government purchase can not only inflate the efficiency and effectiveness of the service but also have an affirmative impact on the democratic nature of service delivery.

The government purchases of elderly care are facing fattened forces to performance-focused, when they mobilize the establishment of resources and supply services. By government purchasing, as the government strive to the objective of public profit optimization, it is advisable to assure development of such activities not just by enlarging the subsidies, but mostly by correct management systems and thorough elimination of anything that is not adding any value. Performance evaluation of third-party institutions in government purchase is becoming indispensable for decision-making for governments for the quality of services provided to the elderly people. Performance evaluation assists in clarifying the expectations, encouraging consistency, providing risk indicators, encouraging motivation and enhancing solutions to issues, improving liability and intensity objectivity, enabling precision as well as factual future predictions. Taking into consideration that most government purchased services need to build confidence and certainty, it is the broadening of advantages from performance evaluation by the third-party also.

#### **2.5 Performance Management And Evaluation**

The measurement, analysis, presentation, interpretation, and assessment of performance is referred to as performance evaluation. In addition, the quality control of an investment selection process is described as performance evaluation, which allows third-party institutions to evaluate risk and return, understand the behavior of a portfolio of assets, communicate with government service and other stakeholders like, in this case, the older people, and identify how performance may be improved. performance evaluation is positively linked to strategic performance of organizations. Performance evaluation and measurement are used to calculate a performance score by measuring key performance signals, conduct analysis based on this score, and continuously improve performance. As a result, the score of performance evaluation and measurement is identifying and managing performance indicators. Financial indicators of government purchased services have

been studied in the previous researches. However, because government purchases are mission-driven (rather than profit motivated) organizations, financial performance evaluation cannot be used to assess their overall success.

## **2.6 Theoretical Basis of Third-Party Evaluation For Government Purchase Of Elderly Care Services**

### **a.6.1 Principal-agent theory (PAT)**

PAT is an independent body of work, which investigates the conflicts of interests that arise among various project parties with direct interest, development and performance management charged with its acquisition, as well as providing the disclosed targets of the project itself. A principal-agent relationship is established between the beneficiary's pension service object and the purchaser's government civil affairs department, as well as between the purchaser's civil affairs department and the undertaking's pension institution, in the course of government's purchase of pension services. Due to the fact that these three parties (beneficiary's pension service object, purchaser's government civil affairs department and undertaking's pension institution) have different footings and identifications, their behavioral objectives may be conflicting, causing the government's purchase of pension services to fail to meet the standards of the entrusting party. To guarantee that pension institutions operate in line with the subject interests of endowment service object demand, the main body of civil administration of government administrative services must purchase endowment, and a third-party performance evaluation main body should be established to supply needed pension services for the old-age service object through productive checks and balances, individualistic, as well as professional attested supervision.

### **a.6.2 360-Degree all-round performance evaluation theory**

The 360-degree evaluation was initially used during the Second World War whereby the German military began gathering feedback from various sources in order to evaluate performance. 360-degree performance evaluation also known as multi-rater feedback is the end result of amalgamating performance management and present human resource management, as well as external customer appraisal, to effectively address the absence of self-evaluation and enrich the evaluation findings. The direct feedback from the employee's peers, subordinates, and manager(s), as well as a self-evaluation, are frequently included in the 360-degree feedback. The 360-degree theory may also incorporate feedback from external sources, like the third-party, in the scenario of this research. The performance evaluation of the government's purchase of aged care services can also be done using the 360-degree performance evaluation of the service. The outcomes from a 360-degree evaluation are usually used by the person acquiring the feedback to scheme and map certain procedure in their development. The appraisal is to determine whether or not the government departments' self-performance evaluations are mistrusted for "crawling", whether or not the government's purchase of pension services satisfies public needs and whether or not the use of monetary sources is suitable. The theoretical basis for the execution of third-party performance evaluation in government procurement services comes from the 360-degree all-around performance review. The goal of 360-degree performance evaluation is to broaden the area of evaluation subjects and improve the accuracy and comprehensiveness of the evaluation outcomes. The government purchased services may use 360-degree feedback surveys to better understand their strengths and weaknesses if they are correctly executed. Multi-rater feedback systems, when implemented properly, can result in significant positive change and increased performance at the individual, team, and organizational levels (Wimer and Nowack, 1998). The 360-degree feedback system tabulates and presents the results in a way that assists the feedback recipient in developing a development plan.

### **a.6.3 Information asymmetry theory**

The implications of the accelerating role of information in the government purchase of elderly people services that is, health system, pension system and home and community-based system. The health system information asymmetry emphasizes on institutional arrangements for the older people object to widely access the information about their health care and health insurance. This is to create trust mechanism and understanding among the parties involved and address the gap between the supplier and consumers. The pension service object is the income subject, the government civil affairs sector is the purchasing subject, the pension institutions are the undertaking subject, and the third-party is the assessment subject in the government purchase of aged care services. Among the four sorts of subjects, there is information asymmetry. The aging service item is in a most fragile position due to a lack of information. It is essential to bring in a third-party evaluation mechanism to

assess the performance of the government's purchase of pension services based on specialization and scale effect in order to shrink the cost of civil affairs departments and pension service objects obtaining data related to pension services, in order to ensure the quality and efficiency of the government's purchase of pension services.

**a.7 Knowledge Gap**

Regardless of the fact that population ageing is expected to increase the disease hardships associated with multiple chronic conditions and chronic, there has been little research done in South Africa on this topic and its implications for the planning and budgeting to cater for older population needs in terms of health. Upcoming researchers have interested in the study of government purchase of older age services particularly in community and home-based senior care. Prior research, on the other hand, has mostly focused on the examination of government purchase conversion, purchase mode selection, issues, and countermeasures. Few academics have looked at the performance evaluation of government purchase services that provide home-based aged care, pension and health care and insurance policy. Academic research on performance evaluation is currently at an advanced stage. The evaluation of government purchase performance has steadily become a hot study topic. However, previous research on government procurement has mostly focused on the concept of government purchase in a narrow sense, that is, governmental non-profit organizations and foundations, as well as public institutions with a strong administrative nature, such as hospitals, universities, and sports organizations. There are few researches on the performance evaluation of government purchase of elderly care services that provide community and home-based senior care and health insurance policy, a little bit better focus on pension services so this study is to tackle all the elderly care services.

**III. DATA COLLECTION AND METHODOLOGY**

**3.1 The Project Status Quo Of Purchasing Home-Based Elderly Care Services And Third-Party Performance Evaluation In South Africa**

**3.1.1 Elderly population in South Africa**

South Africa has swiftly penetrated an aging society, as shown below in Table 1, SA's elderly population aged 60 going up has been persistently growing, reaching 12 percent of the total population (7,248,000), in 2023, exceeding the international benchmark of 8.5% (NIH-funded census bureau report) for the elderly community. South Africa's aged population has, higher speed of growth, large number of people and higher dependency ratio. Over the last 50 years, South Africa's population aged 60 and above has increased significantly from 3.8 percent to 9.2 percent, accounting for an annual rate of 2.23 percent increase in 2021. Over the past ten years, from 2012 to 2021, the proportion of older adults to the aggregate population of South Africa has been gradually increasing and is anticipated to reach 17% by 2055 as illustrated in figure 1.

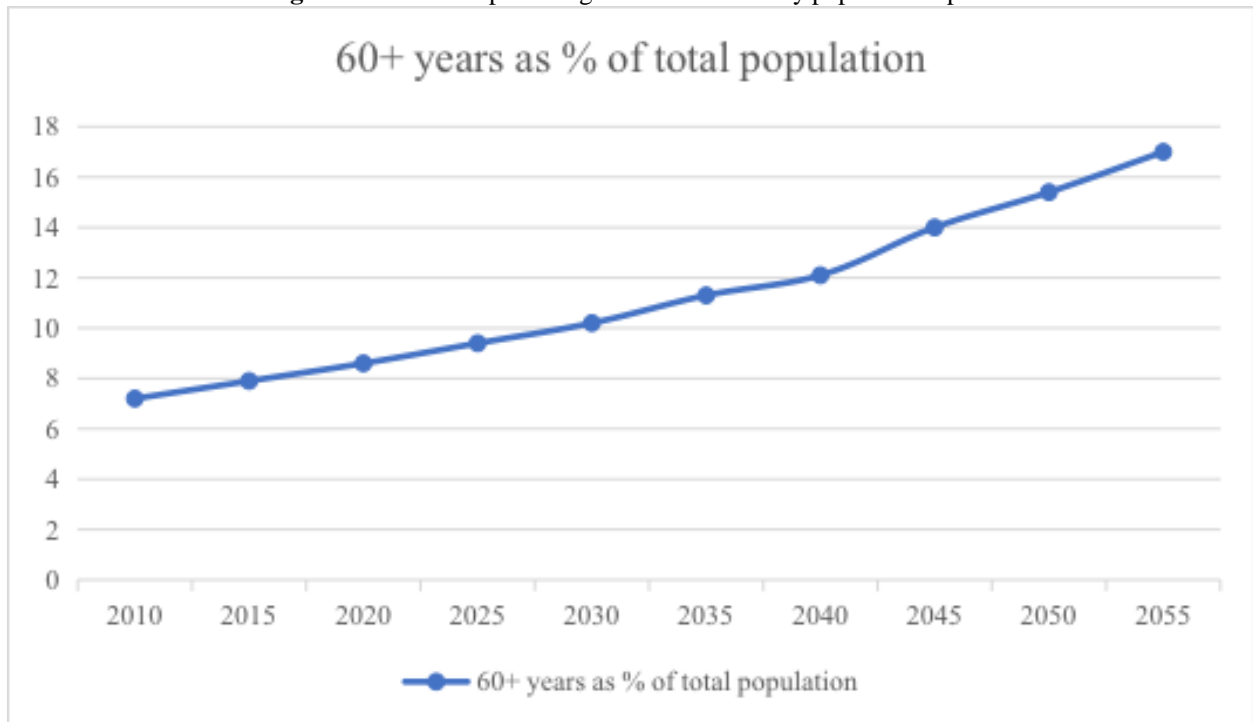
**Table 1.** Population aged 60 and above as a percentage of the total population (Population is based on the de facto definition of population)

Date	Value in %	% change
2023	12	57.27
2022	7.63	17.07
2021	9.2	2.23
2020	8.6	1.74
2019	8.4	1,83
2018	8.2	1,89
2017	8.1	1.89
2016	8.0	1.84
2015	7.9	1.54
2014	7.7	1,22
2013	7.6	

The percentage of people aged 60 going up increased from 7,4 percent in 2012 to 9.2 percent in 2021, that is, 3,909,616 to 5,523,863 million older people respectively. This is some of the results of the Older Persons' profile in the report for South Africa, which was issued by Stats SA during the Population Association of South Africa (PASA) conference in East London.



**Figure 1.** Estimated percentage increase in elderly population up to 2055

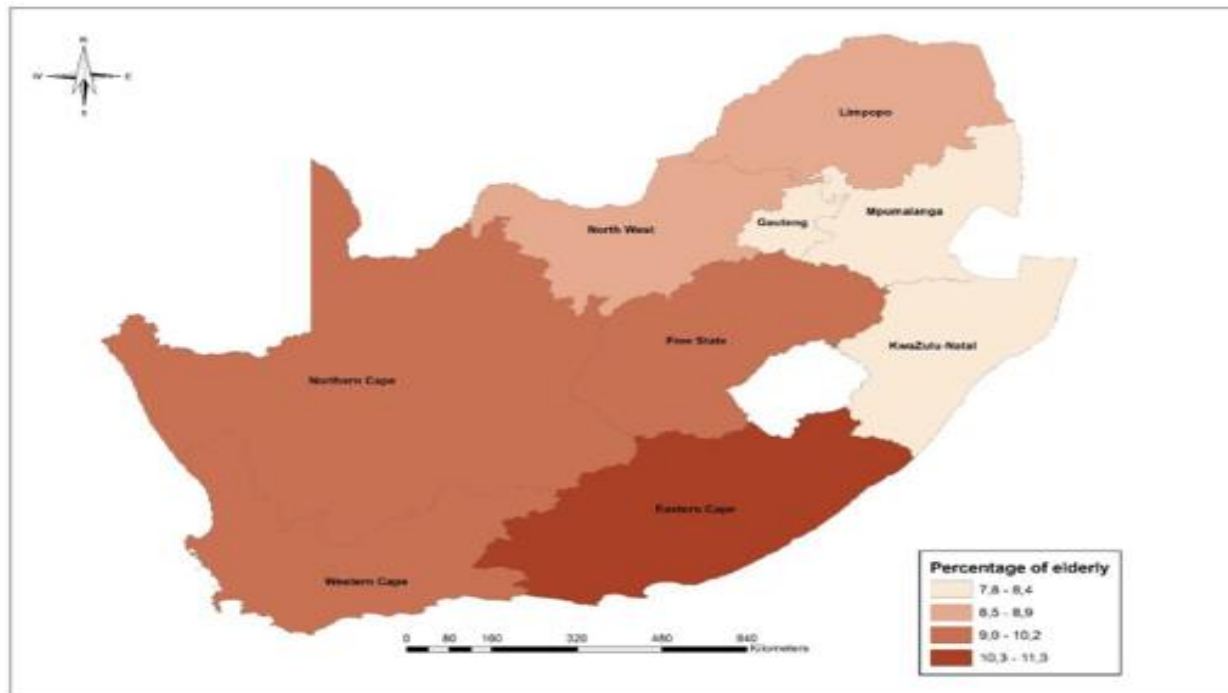


The elderly population has shown a gradual growth in the past decade, however, in these coming decades up to 2050, South Africa is expecting a tremendous expansion of older adults population. As shown in figure 1, approximately 15.4% in 2050 will be recorded as a proportion of elderly who are 60 years and above to the whole population which is anticipated to be 75,517,909 by then.

**Table 2.** SA total population distribution by province, 2021

Province	Elderly 60+	Adults (15-59)	Children
Eastern Cape	11.5	55.8	32.7
Free State	9.15	64.85	26
Gauteng	8.2	60.5	31.3
KwaZulu-Natal	9.0	57.0	34.0
Limpopo	8.1	62.6	29.3
Mpumalanga	10.1	60.7	29.3
Northern Cape	9.0	62.4	28.6
North West	10.4	65.2	24.4
Western Cape	9.2	62.5	28.3
South Africa			

**Figure 2.** Distribution map of elderly aged 60+ by province in 2023



When compared to the national population, in 2023, South Africa's total population that is 60 years and above reached 7,248,000, composing for 12 percent of the entire population and 0.7 greater than the global old age populace. As shown in Figure 3, the proportion of people above 60 years old who registered as aged population in South Africa has elevated from 7.6 percent to 12 percent from 2013 to 2023 respectively. The percentage of people who are 65 years old and older increased to 57.27 percent in 2023. The proportion of people who are 80 years old and above went to 0.991 percent in 2023. The distribution is expanding, indicating that not only is the aging crisis worsening, but also that the aging issue is getting progressively critical. The aging older population has a higher dependency rate therefore older persons will consume more medical care resources, more home and community based care as well as more elderly living facilities, putting a strain on nation's pension system.

**Table 3.** Total by age group, SA's old age population in 2023

Age	(In 1000s)	Proportion to the Total Population
60 to 64 years	1,816	3.025
65 to 69 years	1,423	2.370
70 to 74 years	1,024	1.705
75 to 79 years	647	1.078
80 years and older	595	0,991

### 3.1.2 Analysis for pension services in SA

South Africa has developed a variety of policies for acquiring care services for older persons of various age groups. Most old people are eligible for a stipend (grand) to help get through golden years. People above the age of 60 are eligible for an older person's award. The old age pension was the previous name for this grand. This grand is received by older persons who are South African citizens, refugees living in the country, or permanent residents; The older person should not be receiving any other type of social assistance or care from a state facility; These old people should not be earning more than ZAR172, 560 if married and ZAR86, 280 if single, and they should not have assets worth more than ZAR2, 455, 200 if married and ZAR1, 227, 600 if single, as shown below in table 4

**Table 4.** Old age award eligibility table

1.	<b>South African citizens, refugees residing in the country or permanent residence above the age of 60</b>
2.	Older person who is not receiving any other social assistance or care from a facility
3.	Earning less than ZAR172,560 annually if marriage
4.	Earning less than ZAR86,280 annually if single
5.	Asset net worth of less than ZAR2,455,200 if married
6.	Asset net worth of less than ZAR1,227,600 if single

The maximum grant that elderly receive every month is R1 980, however if the the senior is above the age of 75, he/she will receive R2 000 in accordance with the South African Social Security System.

In SA, the Five Pillars of Procurement are a set of behavioral characteristics that govern proper and successful government purchase. They're best defined as pillars because if even one of them fails, the entire procurement system crumbles. Open and effective competition, Equity, Value for Money, Ethics and Fair Dealing and Accountability and Reporting are the Five Pillars. These Guidelines point out the Five Pillars and establish a set of basic requirements to be followed. Individual Accounting Officer Procurement Procedures issued under the general authority contained in the Public Finance Management Act, 1999, will be supplemented by the Guidelines.

### **3.2 The Current Situation Of Purchasing Elderly Care Services In South Africa**

One of the fast developing nations in Africa is South Africa. As at end of 2021, South Africa's population both permanent and non-permanent residents is ranked number five with approximately 59,357 million people which results in a PPP GDP per capita of \$20,357. In the World Economics Global Wealth rankings, South Africa is ranked 68th overall and 3rd in Africa. At the end of 2019 just before the Covid-19 pandemic, South Africa's real GDP was expected to be \$430 billion US dollars. South Africa's economy has expanded at an average annual rate of -1.2 percent over the last four years, and now it is Africa's third largest economy. In addition, South Africa is highly ranked in terms of national development, livelihood index and comprehensive competitiveness. The entire demand for aged care services in SA is continuously expanding, service quality standards are persistently improving, but financial means are restricted. As the disparity between government supply and rising demand for elderly care and assistance service, quality and quantity of pension service and medical and healthcare service becomes increasingly apparent, therefore, a viable approach to increase the level of service supply is through government purchase of elderly care services.

### **3.3 Types Of Contracts Subject To Procurement Regulations In SA**

When a state organ contracts for goods or services, sells or lets state assets, or signs into a public-private partnership (PPP), such as for an infrastructure project, procurement regulations are applied. Even if the activities leading up to an award of tenders, such as marketing of a tender or purchase negotiations, do not ultimately concludes a contract, the expression "contracts for goods and services" is often used. Petty cash may be used by procuring entities (government) for contracts worth up to ZAR2,000. Written or verbal quotations may be utilized for contracts ranging from ZAR2,000 to ZAR10,000. The procurement organ should request a written quotation for contracts ranging from ZAR10,000 to ZAR500,000. Contracts worth more than ZAR500,000 must be subjected to a competitive tendering process. The very threshold values are applied at the municipal purchase level, except that for contracts between ZAR10,000 and ZAR200,000, written quotations are necessary, and contracts over ZAR200,000 should go through a competitive bidding process (Regulation 12 of the Municipal SCM Regulations). The threshold values can be reduced but not raised.

#### **3.3.1 Government procurement methods and bidding process in SA**

##### **3.3.1.1 Procurement methods and principles**

1. The minister should authorize;
  - a. different types of purchasing methods, such as procuring from a state organ as specified in section 239 of the Constitution; and
  - b. the standards and procedures to be followed for each procurement method mentioned in (a).
2. Regardless of the purchase method, an institution can specify in the bid files that bidders must quote in South African currency (ZAR), inclusive of any relevant taxes.
3. To circumvent the stipulated threshold, an entity may not split purchase of services, products or infrastructure or utilize various procurement procedures.

### 3.3.1.2 Bidding process

An organ must produce an invitation to a bid that invites bidders to submit offers for services or goods other than infrastructure or consultations. The bidding process includes;

1. invitation to bid
2. producing bid documents
3. assess if bidders meet qualifications and criteria
4. submit the bid
5. re-advertise the bid if it has been rejected
6. verify the bidders or suppliers
7. award procurement contract

### 3.3.1.3 Transversal procurement

1. All transversal term contracts for services, goods, or infrastructure that the National Treasury has identified as transversal must be facilitated by the National Treasury.
2. After consulting with the National Treasury, a provincial treasury can enable the purchase of a transversal term contract for services, infrastructure or products for provincial entities in the province that are not covered by terms of (1).
3. Transversal term contract procurement must;
  - a. follow a strategic sourcing mechanism and utilize buying power to generate economies of scale; and
  - b. be in line with a system certified by the Regulator that must be equivalent to the system for competitive bids, as far as practically possible
4. The suitable treasury should provide entities with a list of services, infrastructure or goods that are put forward to be purchased through transversal term contracts in the following financial period so as to establish the extent of the demand for such services, infrastructure or goods that could be provided by such contracts.

### 3.3.1.4 Public-private partnerships

- A public-private partnership is an contract between a private party and an institution in which the private party;
- a. undertakes to perform a task on the behalf of the purchased institution.
  - b. the private party receives a benefit to perform the task at hand, either in the form of compensation using public funds, fees paid to the private party by the service users or a combination of such fees and compensation.

### 3.3.2 Analysis for allocation of special funds to provinces in SA

The allotment of national pension service's special funds in eight provinces of SA from 2010 to 2021 is sorted out as exhibit in Table 5. Whilst the aggregate of registered senior people are increasing, the distribution of national special funds for pension is also widening, according to the data analysis. The pension service assets had a budget of less than \$100 billion U.S. dollars in 2011 and 2010 and all the other years before, there was a gradual increase of pension asset funds from 2012 to 2019, due to the impact of the pandemic, COVID-19, there was a drastic decline in pension asset funds in 2020 then a slight increase in 2021 as the economy is striving to get back on it's feet. The overall financial expenditure has been under constant strain as a result of its aging population. When distributing resources, the national financial budget favors the less developed provinces such as Limpopo, Northern Cape, Mpumalanga and Western Cape.

**Table 5.** Pension assets distribution by province in billion U.S. dollars

Year	Total amount in billion dollars	PROVINCE DISTRIBUTION								
		CT	FSG	KZN	LIM	MPL	NC	NW	WC	
2023										
2022										
2021	160.1	16.0	15.3	14.8	26.5	20.0	23.4	15.1	28.0	
2020	154.7	15.5	14.2	14.1	26.0	19.5	23.1	14.5	27.8	
2019	181.5	18.9	17.7	16.8	28.1	22.9	26.4	17.6	33.1	


2018	172.4	17.3	16.3	15.8	27.5	22.0	25.4	17.1	30.0
2017	167.3	16.2	15.8	15.8	26.5	21.5	24.4	16.6	29.0
2016	162.2	16.0	15.3	15.4	26.5	21.0	23.6	15.5	28.8
2015	157.4	15.3	14.3	14.8	25.5	20.0	23.4	15.1	28.0
2014	145.1	14.0	13.3	12.8	23.5	19.0	21.4	13.1	27.0
2013	126.6	12.0	11.3	10.0	20.5	17.0	19.2	11.1	24.5

Because of the powerful economic influence in cities such as, Johannesburg, Cape Town, Pretoria and Durban that are in North-west province, Cape Town province, Gauteng province and KwaZulu Natal province, respectively, the provinces possess assurance of their own supporting pension funds therefore the provision of government pension funds in those provinces is minimal. Because of the slow economic activity in the province, cities in provinces like Western Cape receive almost as double as those in KwaZulu Natal, for instance, in 2021, Western Cape province received US\$28 billion whereas KwaZulu Natal province only received US\$14.8 billion. While the South Africa's distribution for the special funds in the provinces is not perfectly aligned with the number of old population that is registered, typically, it is consistent. South Africa is expected to continue promoting the elderly services procurement, as well as to continue expanding the old-age special funds investment

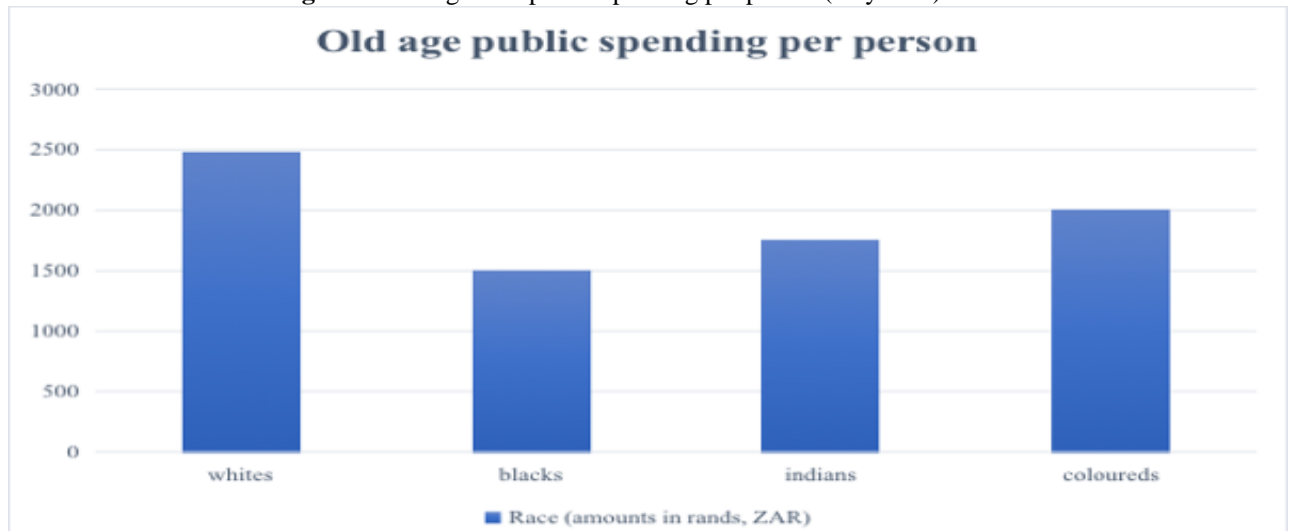
### 3.3.3 Analysis for allocation of old people social security funds in SA

In 2019, the segment of old white people aged 60 and above to the total white population was 25%, percent significantly greater than the ratio of older black Africans to the whole black South African population. Nonetheless, between 2009 and 2019, in terms of other population groupings, Indians/Asians reflected a higher yearly growth rate for 60 years and above persons. Elderly white and Indian/Asian people constituted a greater socio-economic status than black African and colored people. The proportions of wealthy white senior citizens were significantly higher than those of black African senior citizens (80,7 percent and 8 percent respectively).

**Figure 3.** Per capita estimated spending (in South African Rand) by government on care of older persons, by race group, 2019

		pending per member of	
		Total population	Pensionable age population
	White	ZAR120	 ZAR2,475
	Blacks	ZAR70	ZAR1,500
	Indians	ZAR88	ZAR1,750
	Colored	ZAR100	ZAR1,200
<b>Total</b>		ZAR 378	ZAR6,925

**Figure 4.** Old age care public spending per person (60 year +)



Based on the finance and social welfare of old age, in 2019, a total amount of ZAR272 million was spent on aged blacks, while ZAR500.8 million for senior whites. 15,000 slots in nursing homes for the elderly were allotted for blacks out of a total of 54 000. According to data received from the Department of Welfare and Population Development, the number of elderly Indian-asian, white, and black persons in institutional care spent more than 39% of the total government expenditure on welfare services. Based on the South African National Council for the Aged, Even in prosperous societies, the level of institutionalized care for older whites is excessive. South African white people use institutions to a considerably greater extent than whites in other nations. As demonstrated in figure 3 and figure 4 the per capita estimated spending for white people is ZAR2,475 per person for the elderly and ZAR120 when considering the whole population. The national spending per one black adult is ZAR1,000 less, as shown in figure 4 above. South Africa is however trying to minimize this system of unequal distribution of the old peoples' funds among races. The welfare service department analyzed that the older black people needed more funding as they have higher poverty rate. Even though more homes for the elderly are needed to serve the underserved black population, the high cost and the entail to keep old adults in the society for as long as possible should warn against placing too much emphasis on such costly plan of caring for older people which is u for a nation with South Africa's inadequate resources. Already, out of every ZAR5, ZAR2 of public expenditure on social welfare services (including both government-provided and private welfare organization subsidies) goes to elderly care. In spite of the limited fund problems, SA is still trying to fairly distribute the public funds therefore government purchases of elderly care services are being encouraged and the third-party plays a vital role by evaluating the performance of the purchased services.

### 3.3.4 Main achievements of purchasing elderly care services in SA

1. *There has been an improved efficient use of public funds and faster transformation of government functions*

just like other fast developing countries, South Africa is stepping up its efforts to develop a public finance structure that is compatible with the market economy. Market failure is employed as the economic base for positioning the financial function, and popular demand is given as a requirement for financial expenditures. Other kinds of public services that may be supplied by the market are certainly supplied by the market through government purchase, and state functions are relocated toward areas where the market mechanism cannot be employed. The majority of government purchase is for quasi-public goods. Since South Africa has been developing rapidly, therefore, emerging of quasi-public goods has been expanding and "pure public goods" are becoming fewer and fewer as science and technology advances. That is to say, there could be additional public services that the state could purchase.

2. *Community Elderly Care Facility Construction Has Been Hastened*

In South Africa, the number of rural and urban community home-based care service centers has amounted to at least 58% and 78%, respectively. By the time we reach 2030, the nation will have erected a minimum of 90,000 nursing beds and more than 1000 nursing home facilities all around South Africa. About 100,000 elderly beds are operated and overseen by social organizations, implying that the state is indeed purchasing aged people care services. For combined healthcare and African traditional medicine, there is a proportion of 2.5 beds per 1000 elderly people, nursing beds. South Africa has encouraged community-based elderly care service centers to brand, socialize and expand their chain. The government has constructed about 100 day-to-day care centers, approximately 600 community-based senior adults care facilities for the in growth points, townships and towns. Furthermore, the state has also provided more than 5,000 assisted food provisions, in form of grain, groceries and crops as well as assisted meals, for the aged population in societies and home-based elderly care services to at least 2,8 million elderly people, each year over the past years. The country's pension asset special fund is expected to reach USD230 billion by 2030.

3. *Integration of medical and elderly care has progressed further*

The state developed and released a notice on medical care improvements in the institutions for opinions of the elderly and integrate the development of medical-care and elderly care. These new policies will enable establishment of an initial policy mechanism for the unified growth of elderly and medical care. In the establishment of health records and accomplishing health supervision for the aged, both modern and traditional medicine health institutions have had good outcomes. South Africa has established a total of 11,000 beds of combined elderly care nursing facilities and medical care by strongly promoting and expanding the building of nursing homes. South Africa is determine to stimulate intense integration of nursing homes with health resources and medical facilities, support healthcare service organizations to supply resident facilities in nursing homes, and put in place a system of medical institutions visitations to nursing homes.

### **3.4 Analysis For Third-Party Performance Evaluation Of Purchasing Elderly Care Services In South Africa**

The third-party performance evaluation instructions draws its special experiences to deal with government's public purchase as well as in-depth awareness social milieu to advise the parties involved on a wider range of their rights. The goal is to help the interested parties achieve quality services in the most economical and effective way possible. The Minister of Finance declared that the Chief Procurement Officer's initiatives will be expanded to include supervision of government-owned enterprises' purchase arrangements and supply chain operations, and also value-for-money inspection of contracts over ZAR10 million. The third-party evaluation institutions comprise of independent researchers and should be acknowledged by their competence in the area of study. Third-party performance appraisers Third-party performance appraisers emphasize on the on the South Africa's procurement constitution which mandates the guiding principles such as independency, transparency, fairness, cost-effectiveness and competition. The main objective is to corroborate the value of service being provided by the government to the elderly population.

#### **3.4.1 Third-party performance evaluation of purchasing elderly care services in SA**

All persons who apply to purchase aged care services in South Africa are directed to third-party professional assessment organizations by Municipal Civil and Social Affairs department. Information registration, capacity evaluation, domestic surveys and agency clearance will be carried out by a third-party, reducing the preliminary inspection procedure in societies. The aged are able to conclude the application confirmation process in the comfort of their homes, and they can take use of government-procured pension services in accordance with the clause. Generally, there are three aspects to the third-party pension evaluation:

1. *Performance evaluation in advance of elderly care services purchase: how the old people's ability evaluation is carried out?*

The government's decision to procure nursing homes and home and community care services is based on the elderly's capability evaluation. Certified third-party performance evaluation institutions possessing professional assessment competence are identified via government purchase bids. A required minimum number of examiners from the third-party evaluation institute must have acquired a social worker or old age nursing qualification certificate, have a nursing or medical academic background, and have been properly educated to acquire an evaluator qualification certificate. The third-party evaluation institute will assess each old person's capabilities

and determine whether or not they meet the disability or semi-disability criteria for those who acquire pension services. In SA 5.5 million persons will have gotten home and community care services as a result of government-procured elderly care services by the end of 2022. The specialization, informatization and standardization of ability evaluation make it more swift, efficient and convenient, while also ensuring the assessment's impartiality and fairness as well as enhancing the government's credibility.

*2. The manner in which performance evaluation for nursing homes service quality is implemented*

Third-party assessment is based on several inspection requirements for nursing homes' quality of service which include, service employees to satisfy service needs; to get corresponding service credentials in accordance with the law by examining categories; article, facility and equipment conditions; dispute resolution, elderly crisis involvement; provide essential life-care services for old people who are living alone; initiate a service atmosphere that is both safe and comfortable; provision of necessary living care services for the elderly people who are disabled; systemize service supervision; provision of cleaning services for rooms; to serve nutritious and well-balanced meals; services in health care; psychological counseling provision; perform cultural amusement activities that are appropriate for the elderly's mental and physical features; encourage the elderly's health management; prevent infection in nursing homes; assist new senior residents in adjusting to life in a nursing home; fire safety must be ensured, as well as the safety of unique equipment and the proper handling of emergencies; coordinate volunteers to assist the older persons, and encourage them to support one another, just to mention a few. There are a few primary standard indicators among them, with the rest being improved indicators. The state provides one-time construction funds to elderly care service institutions based on the number of beds they have. State payments for the running of institutions should be categorized in line to the extent of the elderly's infirmity. The third-party evaluation concentrates on ensuring that one person has only one record, that the number is correct, and that the level of handicap is accurate. The state's special pension subsidies are distributed to eligible aged care institutions and home-based and community-based service centers in the form of awards, based on location special fund requirements. In the recent years, economically depressed societies receive greater government assistance than those with stable economic. Furthermore, rural-area subsidies are relatively high. It is SA's main objective to distribute more funds to poor societies. For example, in economically depressed areas such as Limpopo, in 2021, the government funded the province with ZAR26.5 billion to finance for elderly care services especially the home and community care service centers in villages, whereas in provinces like Northern West, USD15.1 billion was funded. Brand new rural community and home care service institute, to satisfy project specifications, each, subsidy of USD1 billion in stable economies, USD1.5 billion in medium economies, and USD2 billion in unstable economies. State-run "homes" in rural areas may receive as much as USD20 billion in subsidies, which is a way more than other urban areas.

*3. The manner in which performance evaluations for home and community care services is carried out*

A third-party evaluates the older person's physical health to conclude if they qualify for home care services. Thousands of people use government-funded home care services to satisfy disability and semi-disability criteria and receive kinds of aid such as, assisted crops, assisted grain, assisted groceries, assisted meals, assisted baths, assisted medical services as well as assisted emergency care. Based on current statistics, semi-disabled senior persons receive a monthly home care services of ZAR2,530, whereas handicapped old people receive ZAR3,000, according to civil affairs guidelines. The subsidies for on-site survey and assessment for home and community-based elderly care are ZAR300 for one person for one time, and the funds for capacity evaluation of older persons in nursing homes are ZAR550 for one person for one time.

**3.4.2 Analysis for third-party performance evaluation of purchasing elderly care services in SA**

The prime goal of designing policies for older people is to ensure that quality services for them are available, cheap, comprehensive, and equitable. Policies also aim to provide an enabling atmosphere for older people who live in the community and in homes. To fulfill the great potential of ageing, the policy demands for improvements in frame of mind and implementation in all sectors an at all levels. Policies advocate for older people to age in safety and dignity while also empowering them to take part within their communities and families. Whilst the Social Development development is the principal agency for protecting, supporting, caring for, and developing older people, the fact is that it cannot fulfill its mandate on its own. The key to achieving this goal is by introducing the third-party performance evaluation to ensure emphasis on the implementation of the policies. The third-party evaluation must ensure that the civil society and state departments both, are pooling resources to provide comprehensive services to the elderly, with the elderly at the center of all actions. In addition, third-party evaluation ensures that policies that aim to guarantee that issues affecting older people are addressed in a holistic and collaborative manner are implemented.



### 3.4.2.1 Third-party performance evaluation system for government purchase service in SA

The design principles of the index system for purchasing senior care services in SA, according to the SA's Finance Department Third-party Performance Evaluation Index System of Government Purchasing Services, include; Firstly, there is the goal-oriented principle. The performance appraisal must consider both the overall and the individual goal, and examine the problem as a whole. Secondly, there is the notion of combining uniqueness and generality. Thirdly, the merge of quantitative and qualitative indicators. Qualitative indicators must not account for more than 25 percent of the total system quantity. Fourthly, there is the potential and stability combination. Fifthly, analyze the performance and complaisance.

Third-party performance evolution institutions in South Africa employ Key Performance Indicators when assessing government purchased elderly care services. The Key Performance Indicators outline the aspects essential for organization to benchmark and monitor. The evaluation approaches bring forth a mechanism to measure and analyze the identified parameters in order to assess progression or impact. Third-party evaluation institutes use KPIs to define what will be measured, while assessing procedures describing how and when it will be done. Third-party evaluators use a metric (measure) that defines and assesses an organization's success. Typically, third-party evaluation express the appraisal in terms of progress toward the organization's long-term objectives. The evaluation includes data on the sources, computations, and definitions for each metric, as well as a schedule for periodic data input.

Third-party performance evaluation institutes identify and track progress for government purchases toward set goals and objectives. After the government has assessed its mission and determined its objectives toward the elderly care services purchase, it must track the progress toward those objectives. Third-party evaluation institutes serve as a tool for assessing performance. Third-party performance evaluation helps government purchased institution determine if it is on track, that is, if it is working toward and achieving a positive outcome or improvement on elderly care service delivery. There are as many types of indicators that the third-party evaluation institutes could use. Performance indicators could be used to track older adults' adoption as the government purchase is implemented. In addition, it could be used to track the timeliness and quality of service delivered by the government, in this scenario, third-party performance evaluation could be used to track whether records services adhere to agreed-upon delivery times for correspondence as part of a Service Level Agreement (SLA), especially for home-based one-on-one care services.

**Table 6.** Basic indicators of third-party performance evaluation for governmental purchase services

First Level indicators	Second level indicators	Third level indicators
Capital investment (government funds)	Funds carried out	Capital availability ratio = (available fund / investment plan) *100
		On-time rate = (timely funding / due funds) *100
Process management	Business management	The management system impact
	Financial management	System implementation effectiveness Management system impact Compliance of the fund use
Output	Project output	Quality index Quantity index
Effect	Project benefits	Economic efficiency Social effect, public and customer satisfaction

Currently, the performance evaluation reference structure in SA is roughly made up of basic indicators (see Table 6). The review is carried out by a third-party based on basic parameters, such as; The policy system development, plans, implementation and evaluation of local supporting is the main focus of policy formulation implementation; Fund management activities, financial fund investment, fund use, fund allocation progress and fund management system construction are all assessed by project fund management; The project's completion primarily assesses the progression and quality with which the fund assignment task indicators were completed. In the current years, each province in SA has been active as part of the "Governmental Purchase Service third-party Performance Evaluation Index System" model, with each province selecting significant pension schemes for annual performance evaluation.

**Table 7.** Financial management indicators and scores involved in third-party performance evaluation (units are in points)

Financial management		17
Financial management system	Create a payment management system, set up a payment approval process, and put it in place	2
	Create a donation fund management system in place and use given monies according to the donor's desires and applicable requirements	2
	Must have annual financial audit and audit report	2
	Must have a fixed asset and current asset management system in place and put it into action	2
	Create and use an accounting file management system	2
	The accounts should be separate and transparent accounts for government subsidy funds	1
	Create a budgeting and cost-management system and put it into action	1
	There should be a budgeting and cost-control system in place, and it should be applied. A price management system exists, and it will be applied. Any change in the price of services charged to the older adults must be communicated to them in advance, and no mandatory fees must be charged	1
	Financial personnel management requirements	Accounting personnel should hold Accounting qualification certificate
Financial workers should be proficient in the use of computerized accounting software		1
The person in charge of the financial department should not also be working as a buyer; the person who fills out the bills and receipts should not also be working as an auditor; and the cashier and bookkeeping staff should be distinct and not be working together.		1

Third-party performance evaluation institutions will also score the pension services using the South African Implementation Guide of National Standards for Grading and Evaluation of Pension Institutions (Trial). A sum

of 17 points have been assigned to financial management indicators, as illustrated by Table 7, (out of a full score of 100 points). The financial management system (complete score 11) and the financial management personnel needs are separated. Pay close attention to whether or not an accounting file system and implementation as well as a financial audit and audit report, are available.

### **3.4.2.2 The analysis of the status quo of third-party performance evaluation of purchasing elderly care services in South Africa**

#### *a. Status analysis*

The Performance Management and Development System (PMDS) is used as South African third-party evaluation agent to manage the performance of all government purchase of Senior Care Service. The Department of Public Service and Administration (DPSA) phased in the elderly care service Handbook in 2003, which substituted circular 2/3/1/1/P on May 12, 1999, to guarantee that the system is utilized by all subjects involved. The Handbook for elderly care services is a comprehensive manual that outlines the steps on how to maximize satisfaction for the older adults throughout the evaluation period. The regulations and legislation linked to PMDS have been reviewed over the years, with the latest review being in 2017. The 'Directive on the PMDS for the older people' which took effect on April 1, 2018, was developed as a result of this review. To improve the quality of services being provided for the elderly residing in SA, in the past, the PMDS conducted several studies on the administration of the public service demands, with a particular emphasis on elderly population. A further research looked into another method, Performance Agreement (PA), the third-party evaluation agencies could also use for monitoring the performance of government purchase of elderly care services.

According to Sections 195 and 196 of the Constitution of the Republic of South Africa, 1996, and the Public Service Commission (PSC) Act, 1997, the PSC is responsible for monitoring and investigating compliance with relevant mechanisms, proposing measures to guarantee efficient and effective performance of government purchases, and advising national and provincial organs of state on personnel operation in the Public Service. According to Section 195(1) of the Constitution, public administration shall be governed by the Constitution's democratic values and principles. According to Section 196(4) (a) of the Constitution, the PSC is responsible for promoting the ideals and principles outlined in Section 195, as well as investigating, monitoring, and evaluating the involved parties', administration, as well as personnel. The PSC's duties and functions, according to Section 196 (4) (c) of the Constitution, include suggesting "steps to guarantee effective and efficient performance within the Public Service."

#### *b. Reason analysis*

Sean Philips, head of third-party evaluation of government purchases, gave "the president with draft agreements to sign with each of the 34 ministers" to oversee each province or city's performance. The president or head would then evaluate ministers' performance against these agreements on an annual basis. Performance is evaluated using indicators and targets hence, performance, accountability, learning, and decision-making should all be improved through evaluations. In 2009, President, Jacob Zuma, founded the department of performance evaluation of government purchases under the Presidency in response to unhappiness of the residents with public services. The dissatisfied residents were mainly the children who do not have enough time to take care of their parents because of their demanding daily schedules and elderly population in need of one-on-one care services, who live in homes and those who need to take care of their unemployed children and grandchildren. The goal for this third-party performance evaluation department was to make government ministries more collaborative and accountable, as well as to urge them to focus on policy making, monitoring, and analyzing their policies' impact.

Establishing special funds in pension is given prime concern to, with the performance assessment, based on each province, every evaluation period, the third-party performance evaluation institute determines various principal pension programs of central assessment, the assessment outcome will be on the platform of the government to buy endowment service performance evaluation of the third-party is still in a pioneer stage, the present public bidding of the state to buy endowment service performance appraisal of the third-party is still unpopular. An accounting firm and a research institute are currently the main bodies of third-party evaluation. The proportion of fund utilized for third-party performance assessment is quite small in comparison to the total national pension special fund set aside. Furthermore, while some provinces in South Africa have acquired third-party performance evaluation, there is still no third-party performance evaluation fund in the budget. Because there is a need to put together finances for third-party performance assessment, third-party performance assessment system is far more behind in poorest areas of SA.

*c. Analysis of effects*

The third-party performance evaluation of the government's pension fund service purchase serves an effectual exterior supervisory task for the undertaking subject, allowing the undertaking subject to become well informed on the flaws of the services that are currently being provided in order to continually enhance the quality and level of the pension service. Because of third-party evaluation, there has been advocacy for the standardization of third-party performance evaluations for government purchases of aged care services. South Africa is basically the first, in terms of medical raise special funds, pioneer countries in Africa, to encourage institute funding, community funding, and home-based aid through various means, a third party in the performance assignment of government purchase financing service operation, may persistently locate issues from the actuality of external level, and stimulate the expansion of procurement endowment service standardization.

Third-party aids the government in detecting issues. Third-party performance evaluation institutes assist the state in identifying flaws in the evaluation process, particularly in budget management, budget preparation may not be done thoroughly, total budget control of major projects may be lacking some particular project budget analysis, and there may be some randomness in the project budget arrangement. In terms of performance management, the department has yet to build a comprehensive and uniform system for managing overall performance evaluations. Furthermore, the use of government's special finances for the elderly has been made more efficient. Third-party performance evaluation institutes oversee special pension fund performance assessment as well as monitor their use from the four perspectives of input, process, output, and effect, which may successfully boost the special pension funds' use efficiency and encourage monetary growth and reasonable allocation for resources. With the development of third-party performance appraisal mechanisms, there will be closer concentration on the variation in the actual expenditure and budgeted expenditure of government pension funds, as well as the use of funds used for government acquisitions, with important performance assessment indicators included. This will increase the pressure on pension beneficiaries and push them to continually maximize the use of government funding.

To add on, the happiness and gain of an individual has enhanced. With the implementation of a third-party performance assessment mechanism, the society is not concerned about the services supplied by pension beneficiaries anymore. The older adults' children also gained more faith in the government's services and are now more willing to let their parents reside in the house. This helps to decrease friction amongst youngsters who want to help the elderly but don't have the energy and time, and it increases people's sense of satisfaction. There has been improved growth of aged care services in the community. The inclusion of third-party performance evaluation in the assessment of the government's purchase of elderly care services can strongly monitor how funds are used by the pension undertaking party, and the service level being provided by the pension undertaking party as well as accelerate the pension undertaking party's service quality development.

## **IV. RESULTS AND DATA ANALYSIS**

### **4.1 Form The Performance Evaluation Mechanism Of The Third-Party For Purchasing Elderly Care Services In SA**

In compliance with elderly care service matters, for the third-party assessment methods, it is encouraged to construct a third-party evaluation mechanism. The mechanism establishes a practical framework for assessing and improving the compliance status of parties involved in providing services for the elderly. To build the third-party evaluation system, it is required to ensure that the system plays a significant role in the government's acquisition of elderly services, that it plays a significant role in preventing formalism, and that it averts governmental risk avoidance or transfer behavior.

#### **4.1.1 Building third-party performance evaluation mechanisms for government purchases of elderly care services: Principles**

##### *1. People-centered livelihood planning*

The government must maintain the aged population as its primary priority in the development of a third-party evaluation mechanism for government purchases of elderly care services, uphold the concept of people-centered and assessment for the people, broaden the public involvement passages, guarantee and enhance people's livelihood and the standard of elderly care services, indicate the most affluent citizens and govern need complacency and analysis questionnaires, surveys and interviews on public care services for the elderly. The third-party performance evaluation must help the aged care services excellently fulfill the growing demand for old persons.

### *2. Collective administration*

Pension service is essential to the entire society not just the state therefore, it is a public demand. The state must moderately transition to governance in the exercise to deliver elderly services as part of the modernization of national administration. Consultation and coordination connections can be built, and common awareness in elderly care services can be obtained, on account of effective contact between the public and the state, so as to actualize the administration of public elderly care services. When forming a third-party performance evaluation system for government purchases of elderly care services, social drivers must take old people's fulfillment as the core evaluation index, concentrate on indicating the real issues of public pension service recipients, be identified and stimulated to take part in public pension fund service, concentrate on diverseness of the subjects of public pension service supply, by the development of an implicit collective administration mechanism which will address the issues of inefficiency, limited supply, poor quality, as well as biased formation in the public pension system, in order to efficiently meet the demand for pension services.

### *3. Concentrate on performance*

The conceptualization of performance must be consolidated into the entire evaluation process in order to concentrate on the output and outcome of pension service earned by financial investment in the course of forming a third-party evaluation system for government purchases of elderly care services. In SA, the most compelling technique and measure for the state to execute pension service administration is performance supervision. In addition, one of the primary aspects of performance supervision is performance evaluation. Performance supervision for the budget is a paramount aspect of state public service administration, and the foundation of budget performance supervision is fiscal expenditure performance assignment. The budget expenditures eventually reflect the the government's procurement of pension assets services, and performance evaluation is required. As a result, the third-party evaluation of the government's purchase of elderly care services is exactly focused at stressing performance-oriented budget expenditure, boosting financial resource allocation, enhancing the quality of elderly care services, bettering budget expenditure supervision, and concentrating on fiscal accountability and regulation.

## **4.2 Formation Of A Third-Party Evaluation Mechanism For Government Purchases Of Elderly Care Services: Key Points**

When developing a third-party performance evaluation system, there must avoidance of prejudiced perceptions of "specialty theory," "independence theory," "substitution theory," and "uniqueness theory," and rectification of false practice of substitution of the third-party performance evaluation for individual assessment and re-examination conducted by the undertaking subject, or purchasing and finance departments. Third-party performance appraisal must be a standard feature of the evaluation mechanism for government purchases of aged care services, so that information and results can be shared with other assessments.

Nevertheless, it should be apparent that the third-party independent evaluation of the endowment service purchased by the government does not imply that the active main body engagement is not required; rather, the third-party performance evaluation must be exposed, expeditiously incorporate the subject's purchase, service's object, and other interested parties to take part in, particularly when exercising specific evaluation. To improve the sensation of purchase of service objects, there must initiate an endowment service welfare object feedback passage and use the fulfillment as a significant evaluation index. Internal and external evaluation must be merged to form pattern for diverse collective engagement, and the function of third-party performance evaluation must not be too prejudiced, to avert the complication of non-professional evaluators, particularly third-party performance evaluation.

### *1. Formulate a boundary framework*

The extent of the third-party evaluation system and things to assess must be defined. The third-party performance evaluation system must be included throughout the operation, including prior, during, and after the procurement pension services by the government. With a few stages of evaluation, pension objects must be assessed first and then assessed after.

- a. The third-party evaluation system is involved in the entire procedure for government procurement and operation for the focal body to supply, pension service decision-making and scheme set up, and advantage of the focal body to receive and take satisfaction in, at the stage of pension service supervision.

- b. The third-party evaluation system is involved in the entire procedure for budget development, budget execution, and the closing accounts for the purchased aged care services, at the budget supervision stage.
- c. The third-party performance evaluation system must be included in the entire procedure for creating and breaking down performance targets, execution and stimulation, inspection, assessment, and administration of outcomes, at the performance supervision stage.

#### 2. *Creating a support mechanism*

In order to develop the third-party performance evaluation system's element requirements and defining how evaluation work.

- a. Reinforce organizational support. The building of a third-party performance evaluation system must be reinforced with standards and documentation to lay out a concrete organizational base and robust organizational assurance or the flawless establishment of third-party performance assessment, and the missions, systems, duties, and major motifs of third-party performance evaluation must be illuminated so that third-party evaluation agencies can abide by the laws and regulations. To reinforce the formation of third-party performance evaluation professional levels, lay out the professional benchmarks of key personnel and organizations involved in third-party evaluation, and regulate the administration mechanism.
- b. Standard support should be bolstered. Escalate the development of the commensuration categorization, coherent and comprehensible third-party performance evaluation standards, and grasp reforming regulation, based on the simple elderly service standards previously confirmed by the government, in order to bring forth a distinct model to quantify the success of the government's performance goal in procuring elderly services.
- c. Reinforce indicator support. According to the Common Index System Framework of Budget Evaluation, common indexes must be assigned in accordance with the exact affair of state procurement of public elderly care services and persistently ameliorate based on the attributes of third-party assessment and the demands of the exact task when conducting a third-party performance evaluation of government purchase of elderly care services. Individual persona evaluation indexes must also be created based on the features of pension service initiatives. Different evaluation indicators must be acknowledged by systematic and acceptable value, evaluation benchmark must be described and developed, and any suitable third-party performance evaluation indicator mechanism must be built all at the same time.

#### 3. *Formulate progressivist system*

The third-party evaluation system must compellingly address all parties' concerns and lay out the reasons to evaluate. It is critical to stress technical cost-effectiveness while forming a third-party performance evaluation system for government purchases of elderly care services. Nonetheless, establishing a basic, single-sided, and short-term notion of procuring aged care services in order to cut costs is unnecessary. Instead, the third-party evaluation must apply the value for money principle to create a service performance benefit-driven approach. Third-party performance evaluation for government purchases of public elderly care services is not simply to lessen the charge of the government procurement service for the motive; it is to examine if the aged care service indeed delivered accomplishes the objective of value for money. The Government's accrued procurement rumination is not deducted if the evaluation satisfies predetermined performance goals at the same time predetermined performance payout, providing a favorable inducement system that benefits the general public, government, and providers of pension service.

The government's procurement of evaluation services from third-party evaluation institutions must be judged by the value for money criteria, not only the lowest price. Provided third-party performance evaluation helps to enhance the efficiency and standards of state-funded aged care services, the government should pay the associated evaluation service charges. The standard of evaluation services should determine the discretion of third-party evaluation institutes, rather than the price of the service, such that third-party evaluation firms with high-standard have most profits, a larger market, and a better reputation. Through this way alone, can the third-party performance evaluation field's regulated establishment be progressivist managed.

#### 4. *Formulate standard system*

The third-party evaluation system must upgrade standard while also illuminating the type of assessment to deliver. Setting up and perpetuating an assessment standard management mechanism not only is a functional way to guarantee third-party evaluation standard, it is also a requirement for third-party evaluation organizations

to enlarge their growth and market, along with one of their legal liabilities. Third-party evaluation organizations must persistently rise the standards of agencies, systematically establish assessment platforms, naturally integrate hierarchical project assignment with standard management assessment of evaluation organizations, and successfully enhance third-party performance evaluation standards. On the same note, to guarantee the standard of appraisal task, suitable state ministries must implement a stochastic investigation system for the assessment standard of third-party evaluation organizations.

#### 5. *Construct an Application Mechanism*

The system for third-party performance evaluation must be functional and establish the purpose of assessment. The third-party evaluation system for government purchases of elderly care services must emphasize the thorough and effective utilization of assessment outcomes, prompt response of third-party evaluation outcomes to recipients and procurers of elderly care services, encouraging them to correct issues identified in the assessment, and boosting the development of elderly care service supply levels. Third-party performance evaluation outcomes will be linked to government pension assets, and the inducement and constraint system for recipients will be improved. The outcomes of the third-party performance evaluation will be integrated with the state's budget plan for acquiring aged care services through a system. In theory, subsidies will be lowered or terminated if the appraisal outcomes are poor and if the outcomes are appealing, government funding will be given precedence to.

## V. IMPLICATIONS, RECOMMENDATIONS AND CONCLUSION

### 5.1 Route Optimization For Third-Party Evaluation Involvement In An Innovative Government Purchase Of Elderly Care Services

South Africa is now substantially deepening utilization of funds and enhancing the government's procurement level and capacity. In this setting, third-party evaluation will steadily emerge in the stature of government purchase of elderly care services in SA as a key tool for monitoring system efficacy and assessing service competency. Because SA's third-party performance appraisal practice antedates the development of an evaluation mechanism, and evaluation system formation, SA must reinforce third-party evaluation formation and steer the growth of third-party evaluation implementation.

#### 1. *Cultivate home-based organizations' third-party evaluation institutions*

Government and local evaluation and management body should be constituted and report to the highest central and local authorities, respectively. Determining assessment projects, regulating professional cooperative to establish evaluation indexes, issuing assessment finances, appointing and endowing evaluation institutes, monitoring appraisal procedure, accepting and reviewing assessment reports, as well as preparing assessment budgets for the following period should all be responsibilities of evaluation bodies at all stages. The national and municipal governments will each contribute special evaluation funding. The closing evaluation report must be presented to the highest authority at both stages for review and certification, and the final report's evaluation conclusion is the responsibility of the third-party evaluation institutes.

#### 2. *Improve the self-assessment-based comprehensive evaluation system*

First and foremost, departments' self-examination mechanism at all stages must be strengthened. At all stages, departments must produce semi-annual and annual self-assessment reports. The self-assessment report must be sent to the internal evaluation bodies for initial review and to the third-party evaluation institute for final review.

#### 3. *Third-party evaluation systems' independence*

Third-party evaluation's competence, independence, and trustworthiness must be improved. To begin, professional evaluation organizations must be promoted and developed, then accelerate the formation of evaluation terms and training of specialists, and lastly, colleges, research institutes and universities, should be encouraged to use their facility pools to up-skill a considerable number of assessment professionals. To add on, systematic research policies can guide systematic research institutes at all stages to reinforce state performance evaluation research and practice, raise funding in systematic research, and improve research on the principle, mechanism, and technology of public service evaluation. Market forces may also be used to foster great assessment agencies and professionalize third-party evaluation institutions in society by the competitive system.

*4. Increasing public participation in third-party evaluations*

First and foremost, public knowledge of third-party evaluation involvement should be raised. To improve public acknowledgment and respectability for third-party performance evaluation, the state must shift its focus away from major seminar endorsement and toward mass-media publicity. To boost the public's education level, enhance the public's capability to engage in third-party assessment, create different types of professional and adult education, reinforce the execution of public mandatory education, and consistently expand the period of obligatory education.

*5. Strengthen third-party performance evaluation institutions' supervision and management*

The state must reinforce third-party evaluation institutions' oversight and management. External supervision can be reinforced through the examination of government purchased institutions. Elderly care service appraisal is a critical measure for encouraging public service transformation, regulating public service behavior, and promoting the growth of public services, according to both SA policy and worldwide experience. The concepts of receptiveness and transparency must be followed during the assessment procedure, which means that the assessment procedure and outcomes of service provided must be accessible to the public for the public to apprehend the true state of their operations. Third-party assessment institutes' evaluation index mechanisms must be built around the public's needs and the state's related services, and the assessment outcomes must be transferred to the state as certified documents for execution. This will guarantee that the state does not influence the evaluation and supervision affairs and that the outcomes are unbiased and just, as well as drive the state to deliver services in line with the needs of the elderly, ensuring that the government is qualified in the evaluation. This allows for impartial public evaluation of government behavior as well as public oversight of the government, ensuring that the government is dedicated to delivering services to the elderly and proving its dependability.

*6. Create a system for selecting third-party evaluating institutions*

The assessment must be carried out by suitable institutes, as this is the foundation for a bland and effectual evaluation. To ensure the long-term success of appraisal activities, the election of evaluation organizations must be systematically formulated and structured. The state can begin the process of selecting, confirming, and entrusting evaluation institutes at the operational stage. To have a clear head, internal examination of the existing difficulties of social organizations must be undertaken prior of the third-party evaluation institution selection, for the performance of assessment approval. Performance evaluations are intended to promote job efficiency and improve state activities, yet they may undermine the interests of particular sectors and parties. As a result, prior to considering official administration of the third-party performance evaluation, stakeholders must be identified and resistance issues in the execution process must be addressed. Furthermore, implementing public bidding for evaluation organizations and revising the entrustment contract to explain third-party assessment institutes' responsibilities and guarantee that their actions do not exceed the range of performance evaluation, should be considered. Professional firm evaluation model, university expert evaluation model, public participation evaluation model, and social representative evaluation model are the only innovative third-party evaluation models available in South Africa.

## **5.2 Improve The Third-Party Performance Evaluation Measures And Suggestions For Purchasing Elderly Care Services In SA**

### **5.2.1 Third-party evaluation entity**

*a. Prior to and after the service, increase third-party participation in the government's purchase of old-age services*

Third-party evaluation organizations must increase their involvement in the entire process of procuring elderly care service projects, including the ability examination of the aged beforehand and the assessment of the regulation of financial funds use after. To strengthen involvement regulation, the two must work together.

*b. Reinforce and systemize the third-party evaluation process management*

In line with the scientific and systematic performance assessment practice, the third-party will create and enhance the performance evaluation detail accuracy mechanism. Because manufacturing and supply are closely linked, it is crucial to increase the pre-assessment of the service process instead of emphasizing just on the assessment of service outcomes. Acquiring facts on the pension service procedure is difficult since it necessitates the tracking of the entire process. A third-party professional assessment organization must be involved in the entire procedure of obtaining aged care services as well as the overall performance management system. Simultaneously, an assessment engagement mechanism must be formed to allow assessed pension



service objects and pension service organizations to engage and interact with the assessment outcomes, as well as a systematic and acceptable engagement method. When developing pension approaches, legalization and democratization of third-party evaluation should be verified.

*c. Create and improve a reputation incentive system for third-party elderly care service evaluation*

Improve the third party's internal governance, strengthen brand building, talent development, increase social impact, and assessment service capability, in order to give better evaluation service.

## **5.2.2 Government purchasing entity**

*a. Enhance information transparency on government purchases of elderly care services*

There must be an establishment of work assurance scheme and a reduction of information barriers. The foundation for ensuring the influence of third-party evaluation on government purchases of aged care services is complete information and accuracy. State sectors must diligently receive the public's assessment, ensure the citizens' right to take part, to know and demonstrate, and extend the mediums for disclosure, and promptly report factual information like, specifications, standards, fund planning and budget, aged care service undertakers and procurers, according to the SA regulations on the disclosure of public service information and pertinent arrangements on government purchase of elderly care services. When purchasing elderly care services, there must be a development of elaborated regulations or strategy, and formulation and monitoring of information released standard structures and procedures, as well as development of information disclosure, feedback, and adjustment mechanism and attainment of obliging communication, mutual perception, and support between the various subjects of pension services.

*b. Establish a long-term third-party performance evaluation system*

The deficient utilization of elderly care special funds is due to flaws in policy formulation and fund framework layout, and faults at this stage are frequently basic and directional. As a result, performance supervision for special pension funds should begin from the origin, with the development of a third-party performance evaluation system for significant schemes and operations beforehand, and encourage performance supervision to advance. Prior performance assessment must be undertaken at the time of operation confirmation for important new schemes and operations. To synthesize experience and build a long-term system for third-party performance evaluation, as well as to avoid difficult decisions which are also a technological support for systematic execution of performance assessment in the near future.

*c. Increase public awareness of third-party performance evaluation organizations*

The state must utilize various media platforms to raise public knowledge and comprehension of third-party performance evaluation, in order for the public to be aware of the importance of its corporeality and may diligently take part in it. The state may create a forum for citizens to convey their opinions and proposals, and then put the sensible and favorable parts into action.

*d. Third-party performance evaluations should be organized systematically*

The center of pension asset execution management is third-party performance evaluation of pension service procurement, and the link between quality and quantity must be carefully managed. To address the issue of quantity, comprehensive insurance of pension asset performance self-assessment must be adopted. Civil affairs departments can therefore encourage departments to increase the quality of self-assessment practice by administrating re-assessment and using third-party organizations to conduct onsite inspections and analysis of crucial data, inspect self-assessment work, and request third-party evaluation outcomes to be made public. Furthermore, in order to solve the qualitative issues, it is necessary to increase the accuracy and quality of key assessment indexes for pension special funds.

*e. Improve government oversight and management of third-party performance evaluations of pension service purchases*

I) Increase third-party assessment institution oversight both in the course of and after the government purchase, and provide a system for welcoming and encouraging reports and grievances of third-party evaluation

organization infractions of laws and regulations. Third-party evaluation agencies are urged to be supervised by the general public.

II) The legal position of third-party evaluation of government purchases of elderly care services has been established in the South African Policy For Older Persons and Department Of Social Development. The amendment of the legal administration for the supervision of third-party assessment subjects will be encouraged so that third-party performance evaluation can take place smoothly at any stage of procuring elderly care services based on the reality.

III) Reinforce third-party bidding and oversight, strengthen the third-party selection mechanism, and assure third-party evaluation's independence.

IV) Determine the amount of work and establish a cost baseline. Since the evaluation service must be paid for, the use of performance evaluation funding should be based on results as well.

V) Improve personnel guidance and management in order to complete work. The state is constantly improving third-party guidance, increasing the third-party assessment personnel, and raising the degree of performance appraisal.

*f. Establish a home-based care and Community-based facility practice for purchasing elderly care services*

SA must be proactive in preparing for population aging. The aged population in SA has increased from 3,909,616 in 2012, 7.4 percent of aggregate population of 52,832,659 to 5,523,863 in 2021, 9.2 percent of SA's aggregate population of 60,041,996 according to the statistics of registered aged population in previous decade exceeding the global benchmark of 8.5%. SA's special pension assets are US\$109,9 billion in 2012, and US\$181,5 billion in 2019, just before COVID-19 and a sharp decrease to US\$154,7 billion in 2020, then a gradual increase to US\$160,1 billion in 2021. There must be continuous persistence in prioritizing home-based care while developing pension policy, at the end of the day, the elderly's well-being has improved, their financial income has increased, and their sense of comfort at home and in their everyday surroundings is more. There should be expansion of community-based aged care, primarily as old people homes and day care centers, and address the funding and long run administration issues that come with broadening the range of government procurement of elderly care services since state financial resources are inadequate, and relying entirely on the state for pension service is impractical. At the moment, in SA, only persons who are 60 years old and above are eligible for government purchases of elderly care services. It is essential from the standpoint of the entire process to acquire a third-party expert pension assessment organization, which, due to its long-term thorough study and pension proficient philosophy for the aged society subsidization service specifications of various types, the extent of imperativeness, the course of scientific study, third-party may encourage the state to establish a home and community-based service endowment policy so as to optimize the use efficiency of pension assets under the constraints of inadequate financial resources.

### **5.2.3 Pension undertaking entity**

*a. The third-party evaluation outcomes must be part of the appraisal of work objects of the pension undertaking entity*

It is essential to attain and enhance the pension service entity's information disclosure system, emulate the information disclosure system of humanitarian institutions or companies on Stock Exchange, regulate the pension service undertaking entity's information disclosure mechanism, particularly the running and organization of information disclosure, and collaborate with third-party evaluation. By a third-party evaluation manifesto for social monitoring, facts about the pension entity and its employees will be made available to the state and the general public.

*b. Reinforce internal staff education*

To increase the standard of services for aged care beneficiaries, an educational system has been devised. The nurses in nursing homes must not only have a certificate, but also be evaluated often, with the hardworking being recognized and the indolent being penalized. Aged care service providers must form skill education systems and strive to enhance service levels on a continuous basis.

## **5.3 Guidance On Improving The Third-Party Evaluation Model In Government Purchases Of Elderly Care Services**

### *1. Determination to maintain Independence*

First and foremost, third-party civic evaluation organizations and agencies must declare communal finance projects and collaborate with the state to review project commissioned performance. The third-party may

actively extend the organization using collective fundraising platforms and actively seek social donations to supplement its own funds. This way third-party can ensure maximal independence while avoiding being dependent on the state. Second, as a third-party evaluation establishment, it is important to remember the objective of an organization's "independent detachment" status. Third-parties must assume the role of public opinion was leaders, conduct presumptive and extensive study on government performance evaluation in order to increase research quality, and operate as a watchdog and critic of the state. Third, as a third-party evaluation establishment, it is crucial to create a clear relationship with the state. The relationship between an independent third-party and the state is one of amicable cooperation rather than subordination. Third-parties can increase the performance of government services and public contentment with the state by conducting systematic assessment of government performance. It is possible to say that the third-party and the government interests are aligned. Therefore, the third-party evaluation institution must engage with state departments more regularly, optimize the amount of time the proposal has been accepted by the government, and give system assistance.

### *2. Efforts to make third-party more systematic*

The specialist team of the third-party evaluation establishment must be strengthened. Government performance assessment is a difficult task that is well-known around the world. In SA, establishing third-party independent assessment is complicated and demanding in the early stages of the government's performance evaluation mechanism. Government performance assessment concept is comprehensive, and the exercise of state performance assessment schemes necessitates a research group with backgrounds in mathematics, economics, psychology, politics, management, sociology, statistics, and other fields. This necessitates the formation of professional talent teams by private research institutions. Furthermore, the third-party evaluation agencies and institutions must work together more, communicate more, and complement each other to increase the quality and quantity of evaluation. Third-party institutions must build a conversation and collaboration system with one another to boost performance assessment outcomes, achieve a win-win situation in their own establishment, and stimulate government reform.

### *3. Consciously establish authority*

A third-party evaluation organization's authority stems from social public acceptance and the concept of sophisticated and scientific evaluation. So, the firm must remember its objective and continually increase awareness of the organization's and its employees' duties. Additionally, third-party assessment organizations must build and strengthen internal governance systems, using sophisticated management theories and approaches to ensure that the organization operates efficiently and that work performance is evaluated. Furthermore, to obtain additional support, the third-party evaluation institution should be capable of collaborating with the general public, the media and other relevant parties.

## **5.4 Conclusion**

The quality of administrative decision-making is greatly influenced by third-party evaluation outcomes. The introduction of a third-party evaluation mechanism to government purchases performance evaluation activities not only does it broaden the scope of review subjects, but also significantly improve the operational methods as well as pension fund use efficiency. The following elements should be considered in future study: First, conduct an in-depth examination of the current state of local third-party evaluation based on case studies, and define the formation system of third-party assessment characteristics for SA's elderly care service purchases. Second, place a focus on the public sector as the entrusting party, and investigate ways to improve communication between it and the third-party evaluation institution so that it may completely release its competence and independence. Lastly, emphasize the objectivity and fairness of third-party organizations to encourage concept innovation.

The appropriate definition of the performance evaluation of the government purchasing elderly services has now become third-party evaluation. It is imperative to properly comprehend and justifiably place third-party evaluation so as to adjust to the demands of the advanced conditions and responsibilities, and then strongly stimulate the implementation of third-party evaluation in a manner that allows third parties in SA to take part in the evaluation of elderly care services. Throughout the entire procedure, a third-party evaluation of government purchases of elderly care services must be conducted. Before procuring a pension project proposal, assess and scrutinize the viability of doing so. Monitor the procurement of elderly care services both in the course of and after the project's implementation. Improve the creation of third-party evaluation subjects, induce social forces in support of the aged, and develop evaluation techniques and results implementation. Develop a long-term strategy for performance evaluation of third-party involvement in purchasing elderly care services, with strong

supervision as an assurance. Distribute elderly care special funds in a more systematic and rational manner, and utilize and manage the government funds raised from the public, effectively so that the benefits of reform are shared more fairly.

As the practice of government performance evaluation becomes more common, third-party evaluation will become increasingly crucial. Third-party institutes must grasp the chance to advance the concept of cooperating themselves, guided by the standards of independence, system, and authority, to continually improve the capability of institution evaluation, in order to encourage government function transformation, enhance public elderly care service quality, and boost public satisfaction service.

South Africa faces numerous economic issues as a result of its aging population. These are not the issues faced by established rich cultures, which are coping with the economic cost of aging on a scale never seen before, and must make big changes to their social-security systems to stay afloat. These challenges are also not comparable to those in most developing nations, which rarely have a advanced occupational retirement insurance system or a major social assistance program offering old-age pensions like South Africa does.

Because of the distinctiveness of the South African economic difficulties of ageing, SA must design its unique system with distinct characteristics, even though SA may acquire more knowledge from other nations. It is strange that SA's political legacy has left the country ahead of other middle-income nations in terms of social security, but with a backlog in terms of providing social care to the elderly. Instead of attempting to extend the institution-based model of care that emerged for whites to the entire population, which will be unaffordable, institutional adjustments are required.

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