

The Budgetary Review and Recommendation Report of the Standing Committee on Finance regarding the Performance of Statistics South Africa, dated 04 November 2014

The Standing Committee on Finance, having considered the performance of Statistics SA (Stats SA) for the medium term period, reports as follows:

1. INTRODUCTION

1.1 Core functions and Policy Priorities of Stats SA

Stats SA is mandated through the Statistics Act (No.6 of 1999) to coordinate statistical production among organs of the state, the private sector and any other institutions to facilitate proper planning, decision making and monitoring and evaluation of policies and projects. Stats SA is required to work with all stakeholders in the country to provide accurate, quality statistical information on economic, demographic, social and environmental factors for proper NDP implementation.

2. Financial Performance – 2013/14

2.1 2013/14 Budget

Table 1: Overall Vote 13 allocation

Vote 13:Stats SA	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2012/13	2013/14	2014/15	2015/16				
R million								
Programme 1: Administration	457.0	493.1	653.5	673.7	36.1	10.0	7.9	2.2
Programme 2: Economic Statistics	210.8	217.1	230.3	244.0	6.3	-5.2	3.0	-2.5
Programme 3: Population and Social Statistics	110.3	110.6	118.6	126.0	0.3	-5.6	0.3	-5.0
Programme 4: Methodology and Standards	71.6	81.9	87.0	92.2	10.3	6.0	14.4	8.3
Programme 5: Statistics Support and informatics	187.5	204.6	215.1	218.5	17.1	6.2	9.1	3.3
Programme 6: Corporate Relations	465.1	471.3	499.9	529.0	6.2	-18.8	1.3	-4.0
Programme 7: Survey Operations	259.4	159.2	159.7	169.3	-100.2	-108.6	-38.6	-41.9
TOTAL	1 761.7	1 737.8	1 964.1	2 052.7	-23.9	-116.06	-1.36	-6.59

Source: National Treasury (2013)

Stats SA's overall allocation for 2013/14 amounted to R1.73 billion. In terms of economic classification, current Payments received an allocation of R1.6 billion, which was 97 per cent¹ of the overall 2013/14 allocation. Transfers and Subsidies received 0.8 per cent, while Payments for Capital Assets received 1.4 per cent. Within the Current Payments budget, 63 per cent was allocated to Compensation of Employees while goods and services received 33 per cent. The Compensation of Employees budget increased by R53.9 million while goods and services declined by R64.3 million when compared to the 2012/13 financial year. The *goods and services budget declined due to* decreases in the budgets for Administration fees, advertising, consultants and professional services, contractors, property payments and Operating leases cuts, amongst others.

Transfers and Subsidies received an allocation of R14.7 million; R8.8 million (56.5%) of which was to be transferred to Higher education institutions, R5.5 million to Households (41.8%) and R0.2 million (1.3%) to Non-Profit Organisations. In addition, 4 per cent is for Departmental Agencies and Accounts.

2.2 Quarterly Expenditure

At the end of the 2013/14 financial year the department had transferred R8.2 million or 52.7 per cent of the total available budget for transfers. Transfers to Higher Education Institutions at the end of the financial year amounted to R1.5 million, all of which were to the University Of Cape Town: Capacity

¹ National Treasury (2013)

Building in Support of the National Statistics System, and University of Kwazulu-Natal: Development of Statistical Analytical Skills transfers. Payments for capital assets received an allocation of R25.9 million, the greater portion of which went to *machinery and equipment* with an allocation of R24.4 million; while *Software and other intangible assets* received 1.5 million².

Table 2: Programme Analysis

Programme	Summary of Expenditure in 2013/14
Programme 1: Administration	32.3 per cent of operational expenditure was on Administration, representing R554.5 million, mainly for goods and services with respect to operating leases, and property payments, as well as compensation of employees.
Programme 2: Economic Statistics	Expenditure was R204.6 million, the majority of which was spent on compensation of employees; mainly towards the collection, production, and publication of the quarterly and annual GDP releases; monthly, quarterly and annual industry and trade statistics; quarterly and annual financial statistics of the private and public sectors; and monthly price statistics.
Programme 3: Population and Social Statistics	Expenditure was R97.7 million, the majority of which was spent on compensation of employees. The programme's expenditure was mainly focused towards the quarterly publication of data on labour market trends; an annual report on labour market dynamics in South Africa; annual publications on the General Household, Domestic Tourism and Victims of Crime surveys; a series on water and sanitation; and a report on the social profile of South Africa.
Programme 4: Methodology and Standards	Expenditure was R69 million, the majority of which was spent on compensation of employees. The programme's expenditure was mainly focused towards the provision of expertise on quality and methodology for official statistics, standards for conducting survey and business sampling frame.
Programme 5: Statistics Support and informatics	Expenditure was R187.1 million, the majority of which was spent on goods and services (mainly for computer services) and compensation of employees. The programme's budget was spent towards software licence renewals and the replacement of computer hardware. Additional spending was on computer services, computer hardware, communication and operating payments.
Programme 6: Corporate Relations	Expenditure was R472.9 million, the majority of which was spent on compensation of employees. The programme's budget was mainly spent towards data collection and raising the profile and status of statistics at provincial and municipal levels; as well as operating leases, and payments for capital assets.
Programme 7: Survey Operations	Expenditure was R133 million, the majority of which was spent on compensation of employees. The programme's expenditure was focused towards the coordination of the collection of questionnaires for the Quarterly Labour Force Survey, General Household Survey, Domestic Tourism Survey, Victims of Crime Survey; and processing of survey instruments for the above-mentioned, as well as the Mortality and causes of death.

² Ibid

2.3 Adjustments in 2013/14

Stats SA's main appropriation of R1 737 billion at the beginning of the financial year 2013/14, which was increased by R3 .9 million to R1 741 billion. The adjustments were effected as indicated in 2013/14.

Table 3: Adjustments - 2013

Programme R'000	Main Appropriation	Virement s and Shifts	Other Adjustments	Total Adjustments Appropriations	Adjusted Appropriations
Administration	493 084	41 689	700	42 389	450 695
Economic Statistics	217 080	-3 891	760	-3 131	220 211
Population and Social Statistics	110 582	-2512	198	-2314	112 896
Methodology and Standards	81 898	-6 485	185	-6 300	88 198
Statistics Support and informatics	204 614	-3 454	233	-3 221	207 835
Corporate Relations	471 265	2 828	793	3 621	467 644
Survey Operations	159 181	-28 175	1 073	-27 102	186 283
Total	1 737 704	0	3 942	3 942	1 733 726

Note:

The Department's human resource challenges is destabilising its budgeting, as the largest adjustments were done in Compensation of employees in 2013/14. An amount of R60 million was vired or shifted from CoE due to vacant posts.

3. Financial performance - 2014/15

3.1 2014/15 Committee Budget Report

Stats SA's budget allocation increased by R500.9 million or 28.8 per cent in nominal terms to R2.2 billion in 2014/15. Over the medium-term the department's budget is projected to grow at a nominal average rate of 7.3 per cent and in real terms at a rate of 1.4 per cent.

The Department's spending emphasis over the medium term will be on streamlining statistical operations to inform evidence-based decision making and strengthening the Department's statistical production partnerships with other government departments. Expenditure on goods and services reflects increased allocations due to the provision of office accommodation related costs and computer services. The Department effected re-prioritisation budget cuts of over R35 million in the 2014 MTEF period in non-essential items such as travel and subsistence. The significant increase in capital spending is due to contribution fees for the new building project. The new building will be able to house the entire Department's head office employees, with a staff establishment of 3 430 posts with 348 vacancies. The Department states that the vacancies are largely due to the difficulties experienced in finding candidates with the appropriate specialised skills.

3.2 Quarterly Expenditure Report

Of the R2.2 billion appropriation received by Stats SA, Transfers and Subsidies account for R15.1 million of the available budget. The department had transferred R7.6 million, or 50.2 per cent of this budget at the end of the first quarter, mainly to higher education institutions and public corporations and private enterprises.

A total of 58.5 per cent of the transfer budget is for Higher Education Institutions. 39.4 per cent is transferred to Households, and 2.1 per cent is for Non-Profit Institutions. Transfers to Higher Education Institutions to the end of the first quarter were R4.5 million, all of which were to Stellenbosch University: Basic and Operational Research, In the Fields of Regional and Urban Spatial Development and Capacity Building, With the Public and Private Sectors transfer.

Transfers to Non-Profit Institutions to the end of the first quarter were R0.2 million, all of which was to the Population Association of Southern Africa: Engagements on Regional Population Issues transfer. Of this, the department had spent R381 million, or 17.1 per cent, the majority of which had been spent on compensation of employees.

The largest element of operational expenditure to the end of the first quarter in 2014/15 was R128.2 million spent under the Statistical Collection and Outreach programme mainly on compensation of employees. The next largest element was R88 million under the Administration programme mainly for compensation of employees and goods and services, followed by R49.4 million under the Economic Statistics programme, primarily for compensation of employees.

3.3 Programme Performance

Table 4: Programme performance – Stats SA’S main appropriation did not change during the 2014 adjustments process as all adjustments were virements and shifts.

Programme	First Quarter Expenditure – 2014/15	Shifts and Virements – 2014/15 Adjustments
Administration	23.1 per cent of operational expenditure in the first quarter was on Administration, representing R88 million, mainly for compensation of employees and goods and services. The main cost drivers have been property payments (security, cleaning and municipal services), operating leases (office accommodation) consultants (in relation to the new building project) and travel and subsistence.	<ul style="list-style-type: none"> • Expenditure at the end of the second quarter of 2013/14 was 30.3% of the budget. • R20.3 million that was originally budgeted for vacant posts was moved as virements to the Population and Social Statistics (R3.5 million for the living conditions survey) and Survey Operations (R14.48 million for listing of the master sample project) Programmes for compensation of employees, and goods and services (R2.28 million for the Statistical Collection and Outreach Programme for the projected shortfall for fleet service costs). • A total of R3.6 million that was originally budgeted for vacant posts (3 million – shifted to goods and services for the projected shortfall for office accommodation charges) as well as expenses related to cell-phone contracts on the standard chart of accounts that were reclassified (R591 000 – machinery and equipment under payments for

Programme	First Quarter Expenditure – 2014/15	Shifts and Virements – 2014/15 Adjustments
Economic Statistics	Operational expenditure to the end of the first quarter was R49.4 million, the majority of which was spent on compensation of employees. The main cost drivers were consultants and travel and subsistence mainly due to the monthly releases of the Producer Price Index and Consumer Price Index. Expenditure increased mainly due to consultant costs for the national accounts capacity development project.	capital assets) was shifted to other areas. <ul style="list-style-type: none"> • R238 000 expenses related to cell-phone contracts on the standard chart of accounts that were reclassified and shifted to machinery and equipment under payments for capital assets; and R 69 000 that was originally budgeted for vacant posts was shifted to fund leave gratuities to households. • R7.78 million was moved to the Population and Social Statistics programme for goods and services relating to the living conditions survey. These are savings resulting from cost-containment measures effected mainly on travel and subsistence, venues and facilities, operating payments, catering, communication, stationery and consultants.
Population and Social Statistics	Operational expenditure to the end of the first quarter was R22.9 million, the majority of which was spent on compensation of employees. The main cost drivers were operating payments, consultants and travel and subsistence expenditure in relation to the Quarterly Labour Force Survey.	R538 000 expenses related to cell-phone contracts on the standard chart of accounts that were reclassified and shifted to machinery and equipment under payments for capital assets.
Methodology and Standards	Operational expenditure to the end of the first quarter was R13 million, the majority of which was spent on compensation of employees.	R5.2 million was moved to the Population and Social Statistics (R1.4 million for goods and services and R3.6 million related to the living conditions survey programme). The virements were effected as a result of cost containment measures effected mainly on entertainment, travel and subsistence, venues and facilities, catering and stationery; as well as vacant posts. An additional R146 000 was moved to the Survey Operations programme for listing of the Master Sample Project as a result of vacant posts.
Statistics Support and Informatics	Operational expenditure to the end of the first quarter was R43.6 million, the majority of which was spent on compensation of employees and goods and services (mainly for computer services). The main cost drivers are communication and computer services (software license renewals), for operations, developers and survey systems.	<ul style="list-style-type: none"> • R24 000 expenses related to cell-phone contracts on the standard chart of accounts that were reclassified and shifted to machinery and equipment under payments for capital assets. Further shifts within this programme entailed an amount of R2.1 million from vacant posts that will move to public corporations and private enterprises for payment of an out-of-court settlement to Motion Boikanyo (pty) Ltd related to a breach of contract. • R213 000 (moved to goods and services

Programme	First Quarter Expenditure – 2014/15	Shifts and Virements – 2014/15 Adjustments
		<p>as a result of cost containment measures effected mainly on entertainment, travel and subsistence, venues and facilities, catering and stationery) and R5.1 million from vacant positions (R645 000 was moved to compensation of employees and R4.5 million was moved to fund goods and services) was moved to fund to the Population and Social Statistics programme for the living conditions survey.</p> <ul style="list-style-type: none"> • R421 000 savings effected mainly on travel and subsistence was moved to the Corporate Relations programme to bridge the projected shortfall in fleet service costs. • R1.5 million savings on cost containment measures effected mainly on computer services, travel and subsistence, venues and facilities, stationery and consultants; as well as R2.2 million from vacant posts were moved to the Survey Operations Programme for the listing of the Master Sample Project.
Corporate Relations	Operational expenditure at the end of the first quarter was R128.2 million, the majority of which was spent on compensation of employees. The main cost drivers are communication, G-fleet finance leases, Phakisa fleet operating leases and travel and subsistence which relate to the Quarterly Labour Force Survey, General Household Survey, Domestic Tourism Survey and Victims of Crime Survey and Master Sample Survey.	<ul style="list-style-type: none"> • R284 000 expenses related to cell-phone contracts on the standard chart of accounts that were reclassified and shifted to machinery and equipment. Further shifts entailed R9000 from compensation of employees as a result of vacant posts for transfers to Households for leave gratuities. • R2.59 million was moved due to vacant positions and shifted to the Population and Social Statistics programme for compensation of employees related to the living conditions survey (R2 million) and the Survey Operations programme for listing of the master sample project.
Survey Operations	Operational expenditure to the end of the first quarter was R36 million, the majority of which was spent on compensation of employees. The main cost drivers were operating payments (courier and delivery services), communications and travelling costs mainly due to the General Household Survey, Domestic Tourism Survey and Victims of Crime Survey and Master Sample Survey. The increased expenditure is mainly due to the Master Sample Survey.	R58 000 expenses related to cell-phone contracts on the standard chart of accounts that were reclassified and moved as virements to the Survey Operations programme to machinery and equipment. In addition, R8.2 million was moved from the compensation of employees budget due to vacant posts to fund compensation of employees in the Population and Social Statistics programme related to the living conditions survey

3.4 Mid-Year Expenditure and service delivery performance as at 31 September 2014

Expenditure in the first half of the financial year amounted to R871.9 million or 38.9 per cent of the budget, most of which was current expenditure for construction of the new head office accommodation, the conclusion of the living conditions survey and the listing of the master sample project. The construction of the head office was launched in September 2014 and should be completed in 2016.

As indicated by the Department during hearings with the committee, service delivery challenges are experienced mainly within the ambit of population and social statistics. This is also evident in the Adjusted Estimates of National Expenditure as some important statistical releases are underperforming. For example, regarding the number of releases on the changing profile of the population per year, the department achieved only 11.4% of its target at mid-year; and regarding the number of municipalities demarcated per year, the department achieved 20% of its target at mid-year.

4. OVERVIEW AND ASSESSMENT OF SERVICE DELIVERY PERFORMANCE

4.1 Service delivery performance for 2014/15

Stats SA had achieved 87 percent of the 1123 targets in the 2013/14 Work Programme at the end of the financial year. Furthermore, Stats SA had spent R1.728 billion on its allocated budget at the end of 2013/14 financial year, thus underspending by R13 million. This under-expenditure was mostly from the Administration Statistical Support and Information programmes; which underspent by R7.6 million and R4.7 million respectively. Figure 2 provides an indication of how budget expenditure measures against the performance targets of the department.

4.2 Key Achievements per programme

Table 2 provides a summary of the key achievements and challenges per programme for the 2013/14 financial year.

Table 2: Key Achievements and Challenges per programme

Programme	Key Achievements and Challenges
PROGRAMME 1: ADMINISTRATIO N	The Administration programme is clustered into two elements: the Office of the Statistician-General, and Corporate Services. The Office of the Statistician General cluster achieved 75 percent of its targets, while the Corporate Services cluster achieved 85 per cent of its targets. ³ Constraints that prevented the full attainment of planned targets under the Office of the Statistician-General included human resource constraints under the Policy Research and Analysis and SANSS areas, as well as delays in finalising Audit reports. With respect to the Corporative Services cluster, the challenges were the inability of the organisation to finalise vacancy appointments within 10 weeks after advertisement, and finalising performance contracts and evaluations in time. ⁴
PROGRAMME 2: ECONOMIC STATISTICS	The programme achieved 99 percent of its targets, with its main achievements including the introduction of a new product which is the Export and Import Price index, and a discussion paper on the Information Communications Technology (ICT) satellite account.

³ Statistics South Africa (2014)

⁴ Ibid

PROGRAMME 3: POPULATION AND SOCIAL STATISTICS	The programme achieved 64 percent of its targets, and about 15 percent of targets were achieved later than scheduled due to late receipt of information from other departments, as well as human resources and systems constraints.
PROGRAMME 4: METHODOLOGY AND STANDARD	The Programme achieved 91 per cent of its targets. The targets that were not achieved were mainly due to human resource constraints and the changing scope of system development projects.
PROGRAMME 5: STATISTICS SUPPORT AND INFORMATION	The programme achieved 91 percent of its targets. The targets that were not achieved were mainly due to difficulties in approving IT policies and the assignment of addresses ⁵ .
PROGRAMME 6: CORPORATE RELATIONS	The programme achieved 86 percent of its targets, mainly due to systems and human resource constraints.
PROGRAMME 7: SURVEY OPERATIONS	The programme achieved 87 percent of its targets with 2.5 percent achieved later than scheduled.

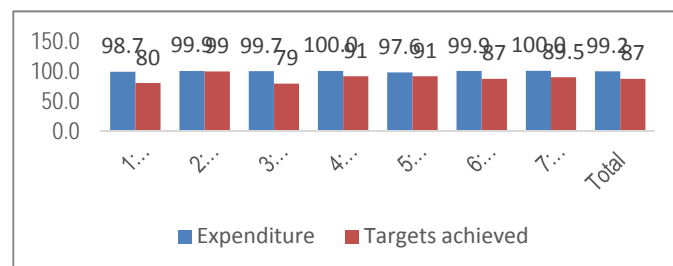
Source: Statistics SA (2014)

Figure 1 compares actual expenditure and the achievement of targets per programme for the 2013/14 financial year.

⁵ Ibid

5. OVERVIEW AND ASSESSMENT OF FINANCIAL AND SERVICE DELIVERY PERFORMANCE

Programme	Expenditure	Targets achieved
1: Administration	98.7	80
2: Economic Statistics	99.9	99
3: Population And Social Statistics	99.7	79
4: Methodology And Standard	100.0	91
5: Statistics Support And Information	97.6	91
6: Corporate Relations	99.9	87
7: Survey Operations	100.0	89.5
Total	99.2	87



6. REPORT OF THE AUDITOR-GENERAL

Statistics South Africa received an unqualified Audit Opinion with the following matters of emphases:⁶

- Corrected fruitless and wasteful expenditure in terms of recalculation of lease amounts for office space related to prior periods was noted. Note 32 also relates to corrected operating lease commitments for machinery and equipment relating to the Phakisa contract. Stats SA indicated that the Phakisa contract is held between the Department of Transport and service providers whereby government leases vehicles for 5 years had been amended to an annual renewable contract, but that there was miscommunication with the Department regarding the fact that the contracts are to be renewed on a yearly basis, and that the lease has now been corrected.
- The Auditor General identified material misstatements in the annual performance report on performance information of programme 5: Statistical Support and information. Stats SA indicated that there was a virement of R8.2 million to fund projects, and that the issues regarding this programme arose from this virement.

In addition, the following can be observed from the Annual Financial Statements

- **Irregular expenditure**

Irregular expenditure amounting to R7 339 000 is still awaiting condonation, with R311 000 of this having been incurred in the current financial year. In 2013/14, irregular expenditure amounting to R145 000 related to Procurement of goods and services without following SCM procedures and

⁶ Ibid

appropriate disciplinary measures had been taken. A further R196 000 irregular expenditure related to allowances that were paid without following Human Resource prescripts.

In terms of the irregular expenditure amounting to R6 993 000 relating to the appointment of 3 incorrectly stated as permanent instead of contract foreign nationals and R5000 relating to a foreign employee without a valid work permit, Stats SA indicated that a memo was sent to the Minister for approval and the department is still awaiting approval from the Minister, and in the latter case approval is awaited from the Ministry of Home Affairs. The committee enquired about the size of the population/community studying statistics so that South Africa does not have to depend on foreign nationals.

- **Fruitless and Wasteful Expenditure in the current year**

In the current financial year, Stats SA incurred R2 233 000 fruitless and wasteful expenditure. Total Fruitless and wasteful expenditure awaiting condonation amounts to R7 138 000, which includes balances that were carried over from the 2012/13 financial year. All fruitless and wasteful expenditure incurred in 2013/14 related to Services procured and paid for, but not utilised; as well as Office space leased and paid for, but not utilised. The Department indicated that the necessary disciplinary procedures had been followed in all cases.

- **Accruals**

Accruals amount to R44.4 million for 2013/14 and those older than 30 days amount to R24.4 million. Accruals are mainly from goods and services and this is unfavourable to the organisation as it indicates that they do not pay some their supplies within 30 days. All accruals are due to the invoices not being submitted on time by service providers. However, over 99.8 per cent of invoices have been paid.

7. RECOMMENDATIONS

The Standing Committee on Finance recommends:

1. The Committee commends Stats SA for getting an unqualified report. However, there were additional matters raised in terms of performance information. In particular, material adjustments to the performance information in Programme 5 (Statistical Support) had to be effected by the Auditor-General as there was no evidence to support what was submitted to the Auditor-General originally. This related to instances where evidence did not match performance in terms of ICT and business modernisation processes, amongst others. The Auditor-General acknowledged that there had been a problem with resourcing at some point, and indicated that next year they do not expect similar findings with regard to predetermined objectives. The Committee agrees with the Auditor-General and recommends that Stats SA attends to this.
2. Stats SA subscribes to international standards and 99% of all products related to economic statistics such as CPI and PPI were produced. Some publications were released late and therefore classified as "not achieved". Stats SA indicated that they would take the committee's advice and classify some of their delayed products as "partly achieved". When a particular publication misses the deadline, it is automatically classified as "target not achieved", including instances where social data is delayed from other departments, such as Home Affairs. Stats SA also indicated that although reliance on external bodies impacts on achievements when the work is not done timeously, they would put have additional action plans in order to ensure that they account on time. The Committee will monitor this.

3. Stats SA must put robust financial and service delivery performance management systems in place. Independent reviews and commitment to ethical behaviour are also important, and oversight accountability at all levels of governance is crucial. A combined assurance level wherein all stakeholders from top management and senior management and executive authority is required; then external oversight (National Treasury, internal audit and audit committee, AG); as well as Parliament and government, etc.; is crucial.
4. Stats SA indicated that it is committed to continuing building statistical capability and strengthening interactions with schools and municipalities while strengthening its own internal capacity. The importance of co-ordination with other stakeholders in the socio-economic environment and building a national statistical system is most important.
5. Since the 2012/13 financial year, the Committee had expressed concern about the vacancy rate and efficacy of Stats SA's recruitment and talent retention strategy, and has stressed that it wants to see improvements in this regard. In its 2013 BRRR, the committee requested Stats SA to submit a strategy to the Committee on how it would source and retain the scarce skills it requires for optimal performance within 90 days of the adoption of the Committee BRRR by the House. This recommendation is reiterated and Stats SA is now required to do this by 1 February 2015.
6. Stats SA is faced with constraints as it seeks to partner with training institutions to produce the human capital required. "Maths-for-stats" was initiated at universities over the past two months with the hope that the programme will produce the quality of teachers that are needed. A serious challenge in universities is that students studying statistics opt for other opportunities outside the academic environment. The committee recommended that incentives be implemented to get the professors to stay while an alternative, long-term solution is sought.
7. In the 2013 BRRR, Stats SA was requested to provide the Committee with a detailed report with regards to the R32 million spent on insurance. This report was to be submitted to the Committee within 90 days of the adoption of the committee's BRRR by the House. Stats SA is required to do this by 1 February 2015.
8. Although there are no major concerns regarding supply chain management, the Auditor General alluded to the fact that there are some areas of concern that Stats SA is looking into and is fully aware of. Stats SA should provide the House with a detailed report regarding the investigation into the R35.7 million expenditure on goods and services incurred in 2011/12. This was one of the key issues raised in the 2013 BRRR, and a report in this regard was to be submitted within 90 days of the adoption of the committee's BRRR by the House. Stats SA is required to do this by 1 February 2015.
9. Stats SA should provide the House with a detailed report explaining the R6.7 million fruitless and wasteful expenditure incurred over the 2012/13 financial year and its plan to prevent such expenditure in the future. This report was to be submitted within 90 days of the adoption of the committee's 2013 BRRR by the House. In addition, Stats SA should provide the committee with a detailed plan and strategy of how it will ensure that it does not incur fruitless and wasteful expenditure as well as irregular expenditure in the current financial year.
10. Stats SA has a lot of unfunded mandates (e.g. Masterfile). In 2013/14, these were financed through savings from unfilled vacancies. These unfunded mandates could pose problems in the future. There are still many vacancies, and funds have been redirected from unfilled vacancies as is reflected in the 2014 AENE to fund some of the unfunded mandates.
11. Funds that were not spent due to vacant posts should not be classified as savings, and should rather be correctly classified as under-expenditure. The vacancy rate in Stats SA related to highly skilled critical positions that are very important in terms of informing policy and economic development. It is therefore imperative that the vacancies in Stats SA in particular, are filled.
12. The Committee wants to see progress in the matters that are raised and the Department should respond to the recommendations of the Committee so that the Committee does not have to raise the issues yet again.
13. Overall, the Committee believes that Stats SA is performing reasonably well and the lessons from its experiences should be shared with other public entities.

14. The Committee believes that government should make a decision soon on which Ministry Stats SA should fall under – NT or the Department of Planning, Monitoring and Evaluation in the Presidency. The Committee believes it should be the latter.

The Democratic Alliance (DA) reserves its position on the report.

Report to be considered.