**2. BUDGETARY REVIEW AND RECOMMENDATIONS REPORT (BRRR) OF THE PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION AS WELL AS PERFORMANCE MONITORING AND EVALUATION ON STATISTICS SOUTH AFRICA, DATED 17 OCTOBER 2017**

1. **BACKGROUND**

The Portfolio Committee on Public Service as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly, which is in line with Section 5 of theMoney Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 to consider and report on the Annual Report of the Statistics South Africa tabled as follows:

1. **INTRODUCTION**

Parliament derives its mandate from the Constitution of the Republic of South Africa. The strategic objectives of the Portfolio Committee are informed by five strategic goals of Parliament. The functions of the Portfolio Committee on Public Service and Administration as well as Monitoring and Evaluation are as follows:

* Participating and providing strategic direction in the development of the legislation and thereafter passing the laws,
* Conducting oversight over the Executive to ensure accountability to the Portfolio Committee towards achieving an effective, efficient, developmental and professional public service,
* Conducting public participation and engaging citizens regularly with the aim to strengthen service delivery; oversee and review all matters of public interest relating to the public sector,
* Monitoring the financial and non-financial aspects of departments and its entities and ensuring regular reporting to the Committee, within the scope of accountability and transparency,
* Supporting and ensuring the implementation of the PSC recommendations in the entire public service
* Participating in the international treaties which impact on the work of the Committee.

1. **PURPOSE OF THE BUDGETARY REVIEW AND RECOMMENDATIONS REPORT**

Section 5 of theMoney Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 the National Assembly, through its Committees, must annually compile Budgetary Review and Recommendations reports (BRRR) that assesses service delivery and financial performance of departments and may make recommendations on forward use of resources. The BRRR is also a source document for the Committees on Appropriations when considering and making recommendations on the Medium Term.

Moreover, the Money Bills Amendment Procedures and Related Matters Act, section 5 (3) highlights focus areas on the budgetary review and recommendation report as:

* Providing an assessment of the department’s service delivery performance given available resources;
* Providing an assessment of the effectiveness and efficiency of the departments use and forward allocation of available resources; and
* Including recommendations on the forward use of resources

**3.1** **Method**

The Portfolio Committee on Public Service and Administration as well as Monitoring and Evaluation compiled the 2016/17 BRRR using the following documents:

* The National Development Plan: Vision for 2030.
* Medium Term Strategic Framework 2015-2020.
* State of the Nation Address 2016.
* Strategic Plans of the Statistics South Africa 2015-2020.
* Annual Performance Plans 2016/17 of the Statistics South Africa.
* Annual Report 2016/17 of the Statistics South Africa.
* Auditor-General South Africa’s outcomes of audit findings 2016/17.
* The Portfolio Committee met with the leadership of the Statistics of South Africa

1. **NATIONAL DEVELOPMENT PLAN VISION 2030**

The National Development Plan highlights the need for South Africa to build a state that is capable of playing a developmental and transformative role. This requires the state to formulate and implement policies that support that role. The NDP and the Medium Term Strategic Framework are informed by statistical information provided by Statistics South Africa, which publishes more than 200 statistical releases per year. The publications present statistical research that measures the development and transformation of the economy and society in a range of context.

Changing economic and societal realities have expanded the demand for statistical information: more detailed statistics are needed and more frequently if policies are to be responsive and effective. Statistics in the public domain must be of high quality. Responding to the increased demand for high quality statistics will require a national effort, and collaboration and partnerships between the producers and the users of statistics.

1. **MANDATE** **OF THE STATISTICS SOUTH AFRICA**

Statistics South Africa is a national government department accountable to the Minister in the Presidency: Planning, Monitoring and Evaluation. The department’s activities are regulated by the Statistics Act (1999), which mandates the department to advance the production, dissemination, use and coordination of official and other statistics to assist organs of state, businesses, other organisations and the public planning, monitoring and decision making. The Act also requires that the department coordinate statistical production among organs of state in line with the purpose of official statistics and statistical principles.

However, there is a legislation reform on the cards for the institution. This legislative reform will inform the full planning cycle of government, from planning to evaluation, including the implementation of the Spatial Data Infrastructure Act. Stats SA has started the legislative review process.

1. **STRATEGIC PRIORITIES**

Statistics South Africa aims to contribute towards realisation of the ideals of the National Development Plan (NDP) by providing accurate data policy implementation to overcome social challenges such as inequality, poverty and unemployment. Stats SA work in conjunction with all stakeholders in the country to provide accurate statistical information on economic, demographic, social and environmental factors for proper NDP implementation. The institution has identified the following strategic priorities which are:

1. To promote and ***inform the nation*** through an expansion of statistical products and services.
2. To ***increase statistical trust*** through sound quality principles that are in line with international standards. This will ensure that users of statistics products have confidence and trust official statistics.
3. To promote ***partners in statistics,*** international cooperation and participation in statistics.
4. To invest in the learning and ***capable organisation***.
5. To promote ***statistical leadership*** through investment in schools and tertiary programmes to increase statistical skills at grass roots level.
6. **DEPARTMENT PROGRAMME PERFORMANCE**

**7.1 Statistics South Africa**

**7.1.1 Budget Allocated and Expenditure 2016/17**

The budget appropriated to the Statistics South Africa for the 2016/17 financial year was R2 538 108 billion. Actual expenditure was R2 461 205 billion for all the programmes which is an estimated of 97.0% of the total allocated budget. The bulk of the budget was allocated to the administration programme with R707 647 million, followed by Statistical Collection and Outreach with R630 088 million and Survey Operations with R529 830 million. Budget reduction has been noted on a number of programmes more particularly in Programme 1: Administration as compared to the previous financial years.

The underspending is on the capital contribution towards construction and unitary fee payments for the Head Office building project and the continuation of the Community Survey 2016 dissemination. Stats SA will request a rollover in the 2017/18 financial year. A savings of R7 412 million were realised on Compensation of Employees due to anticipated budget cuts on the employee budget during the subsequent year. The amount forms part of the funds to be surrendered to the National Treasury.

**Appropriation per programme (R’000)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **2015/16** | | | **2016/17** | | |
| **Final Appropriation**  **(R'000)** | **Actual Expenditure**  **(R'000)** | **Expenditure as % of Final Appropriation** | **Final Appropriation**  **(R'000)** | **Actual Expenditure**  **(R'000)** | **Expenditure as % of Final Appropriation** |
| **Programme 1**:Administration | 849 840 | 800 124 | 94.1 | 707 647 | 671 188 | 94.8 |
| **Programme 2:** Economic Statistics | 218 651 | 218 651 | 100.0 | 233 312 | 233 312 | 100.0 |
| **Programme 3:** Population and Social Statistics | 154 385 | 161 188 | 104.4 | 119 146 | 114 498 | 96.1 |
| **Programme 4:** Methodology, Standards and Research | 58 711 | 58 149 | 99.0 | 70 202 | 70 202 | 100.0 |
| **Programme 5:** Statistical Support and Informatics | 226 418 | 220 177 | 97.2 | 247 883 | 247 883 | 100.0 |
| **Programme 6:** Statistical Collection and Outreach | 575 785 | 575 785 | 100.0 | 630 088 | 630 088 | 100.0 |
| **Programme 7:** Survey Operations | 239 466 | 239 466 | 100.0 | 529 830 | 494 034 | 93.2 |
| **TOTAL** | **2 323 256** | **2 273 540** | **97.9** | **2 538 108** | **2 461 205** | **9.0** |

**7.1.2 BUDGET ALLOCATION 2017/18**

Estimates of National Expenditure for 2017 budget projected Stats SA budget as vote 12. The budget appropriated to the Statistics South Africa in 2017/18 financial year was R2 146 billion. In 2017/18, the budget allocated was significantly reduced as compared to 2016/17 financial year. The significant decrease of the budget was on the following; programme 1 from R744.7 million in 2016/17 to R687.5 million in 2017/18 and programme 7 from R528.0 million in 2016/17 to R191.4 million in 2017/18 financial year. The spending focus over the medium term will be on the legislative reform to strengthen coordination between organs of state and improve the capabilities of information collection. Stats SA budgeted an amount of R88 million. Stats SA has a staff complement of 1 352 in 2017/18 as compared to 1 408 employees in 2016/17. There is significant decrease of funded posts in the current financial year.

**Table 1: Budget per programme**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme R'000** | **Revised**  **Estimates**  **2016/17** | **Medium Term Expenditure Estimates** | | |
| **2017/18** | **2018/19** | **2019/20** |
| 1. Administration | 744.7 | 687.5 | 709.5 | 752.8 |
| 2.Economic Statistics | 229.4 | 228.8 | 236.9 | 254.4 |
| 3. Population and Social Statistics | 124.4 | 128.2 | 202.3 | 141.8 |
| 4. Methodology, Standard and Research | 71.1 | 66.8 | 67.4 | 72.4 |
| 5. Statistical Support and Informatics | 250.3 | 258.4 | 267.2 | 284.8 |
| 1. Statistical Collection and Outreach | 590.3 | 585.1 | 608.0 | 651.9 |
| 1. Survey Operations | 528.0 | 191.4 | 157.6 | 151.2 |
| **Total** | **2 538.1** | **2 146.1** | **2 248.8** | **2 309.1** |

**Estimates of National Expenditure 2017**

**7.1.2.1 Programme Performance**

Statistic South Africa has seven programmes which are as follows:

1. **Programme 1: Administration**

The purpose of the programme is to provide strategic leadership management and support services to the department, and capacity building. This programme aims to lead the development and coordination of the statistical production system among organs of state. Secondly, the programme provides direction and leadership through driving strategic and operational planning and monitoring. It also provides corporate support services on an ongoing basis.

The programme has achieved 86 % of its targets as scheduled in the Work Programme and 14% were not achieved. The programme has contributed to providing strategic direction to the organisation, planning and monitoring its performance, leading the development and coordination of the national statistics system and to enhancing corporate governance and administration.

Having noted enormous budget cuts on the programme, Stats SA has spent R671 188 million of the total allocated funds of R707 647 million. Of the total expenditure, an amount of R228 720 million was spent on compensation of employees, whilst an amount of R259 573 million was spent on goods and service, operating leases and property payments. The main cost drivers on the programme are good and services, and compensation of employees. The programme spent 94,8% of its allocated budget.

Challenges for not achieving the 100% targets was due to delay in the finalisation of the Draft Amendment Bill to commence with the National Statistical Development Strategy (NSDS). Consultation around the amendments of the Statistics Act, 1999 is currently ongoing. The legislative reform will be the enabling vehicle necessary for the development of the NSDS amongst the organs of state. Consultations with international statistical agencies have commenced and the work will continue in 2017/18.

The overall programme performance has contributed to leading the development and coordination of statistical production in the South African National Statistics System (SANSS) by providing technical support and advice to SANSS partners, providing SASQAF and coordinating quality assessments against SASQAF. Two service level agreements for data sharing were signed and three reports on improving information management in the SANSS were compiled. Improving productivity and service delivery achievements include conducting an internal audit to promote good governance through assessing risk management, internal control systems and governance processes.

Stats SA further provides human resource management services to the organisation and facilities the development and implementation of a people development programme to enhance the skills and competencies of staff. The sub-programme Management for Corporate Service key achievement include resolving of 83% of grievance cases within 30 days, resolved disciplinary cases within 60 days, implementation of e-recruitment for the appointment of contract staff and the placement of staff affected by the relocation of Stats SA. All valid invoices received were paid within the 30-day period of receipt. The Stats SA developed Invoice Tracking System, which was further demonstrated to over 30 government departments. The Stats SA has in this year under review relocated to new premises. Stats SA as declared the National Key Point (NKP) by the SAPS. Guidelines for the implementation of security classification was sent to the State Security Agency.

1. **Programme 2: Economic Statistics**

The Economics Statistics programme aims to produce economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices. Its main objectives are to expand the economic statistics information base by increasing the depth, breadth and geographic spread for evidence based planning. Programme Management for Economic Statistics provides strategic direction and leadership.

The programme has spent R233 312 million of the allocated funds. Of the total expenditure, an amount of R210 384 million was spent on compensation of employees whilst an amount of R21 225 million was spent on goods and services items such as consultants, travel and subsistence and operating payments. The programme actual expenditure when compared against the benchmark was 100% when applying straight-line analysis.

Key achievements included monthly, quarterly and annual releases in line with the international Special Data Dissemination Standards. The programme informed economic planning, monitoring and decision-making by providing accurate, relevant and timely statistical information on the level of economic activity in relation to the primary, secondary and tertiary sectors of the economy, financial information on private sector businesses and government and information on sustainable resource use and management.

1. **Programme 3: Population and Social Statistics**

The purpose of the programme is to produce population, demographic, labor market and social statistics to meet user requirements in line with internationally recognised practices. Population and social statistics inform evidence based socio-economic development and transformation in line with internationally recognised practices. Programme 3 contributes to strategic objective in an effort to expand the statistical information base by increasing its depth, breadth and geographic spread.

Stats SA has achieved 74% of its targets as scheduled in the Annual Performance Plan, of which 6% were achieved earlier than scheduled and 19% were achieved later than scheduled. A total of 26% of targets were not achieved. Challenges included late and incomplete data received from other departments and human resource constraints. The programme published the Census Survey (CS) 2016 results and contributed to informing social and economic development planning, monitoring and decision making by providing relevant, timely and accurate statistical information on living conditions, population dynamics, vital events, employment, crime and poverty levels.

The programme spent R114 498 million of its allocated budget. Of the total expenditure, an amount of R101 460 million spent on compensation of employees, whilst an amount of R11 618 was spent on goods and services such as travel and subsistence and operating payments. Actual expenditure compared against the benchmark spending was 96.1%. The key outputs included statistical releases on poverty and expenditure patterns in South Africa and a research document on the use of administrative/external data source for the poverty and inequality statistics agenda.

During the year under review, Stats SA key outputs were releases on labour market information, an annual report on labour market dynamics in South Africa and a report on the survey of young people. A quarterly release on employment and earnings was postponed for publication in April to allow for linking of the historical series. Annual publications on marriages and divorces, documented immigrants and perinatal deaths were not published due to data accessibility challenges and quality assurance processes.

Reasons for late publications were mainly as results by concerns by Stats SA relating to the quality of administrative data received from the Department of Home Affairs. Stats SA continues to collaborate and support the Department of Home Affairs to enhance the quality of administrative records.

1. **Programme 4: Methodology, Standards and Research**

The purpose of the programme is to provide expertise on quality and methodology for official statistics, standards for conducting surveys, and business sampling frames. This will be done by improving the comparability and accuracy of statistical information and by ensuring accurate and reliable statistical information for users. Additionally, this programme conducts policy research and analysis on emerging policy matters. Therefore, this programme provides statistical support and advice to policy makers by annually conducting policy research and analysis.

Stats SA achieved 89% of its targets as scheduled of which 2% were achieved earlier than schooled and 2% were achieved later than scheduled. A total of 11% of targets were not achieved. The programme contributed to improving the credibility, comparability and accuracy of statistical information by applying appropriate quality criteria, standards, classifications and procedures, providing methodological and system support services.

The programme has spent R70 202 million of the budget allocated. There was a budget increase in this programme as compared to the previous financial year. Of the total expenditure, an amount of R67 150 million was spent on compensation of employees, whilst an amount of R2 264 million was spent on goods and services. The main cost drivers are travel and subsistence, operating and machinery and equipment. Actual expenditure as compared against the benchmark spending was 100%.

Amongst key achievement in the year under review include providing strategic guidance on statistical methodology, monitoring the implementation of the Work Programme and Maintaining relations with the South African Revenue Service on the Business Register. Additional activities during the past financial year included SADC selected economic and social indicators for 2015, International Comparison Program Africa, World Health Organisation, and produce local municipality GDP estimates using Zipf’s rule.

1. **Programme 5: Statistical Support and Informatics**

This programme aims to enable service delivery programmes by using technology in the production and use of official statistics. This includes promoting collaboration with potential stakeholders in building and maintaining reliable household surveys. This programme further assists in modernising business processes and supporting the department’s production of official statistics.

Stats SA has achieved 50% of its targets as scheduled and 50% were not achieved. The programme contributed to improving the measurement of the economy and society by providing and maintaining a frame for accurate sampling of household surveys. The programme provided editing, publishing and distribution services. A key deliverable during the financial year was a secure and operable IT environment with the relocation of Stats SA to a new building.

The programme has spent R247 883 million of the allocated budget. Of the total expenditure, an amount of R126 189 million was spent on compensation of employees, whilst an amount of R94 130 million was spent on goods and services. The main cost drivers on the programme include publication services such as the payment of computers and contractors. The programme spent 100% of the allocated budget.

The programme contributed to improving the measurement of the economy and society by providing and maintaining a frame for accurate sampling of households survey and a complete and up-to-date database of dwellings for planning and conducting of survey and censuses. The programme contributed to the editing, publishing and distribution services and a stable and functional network infrastructure and business modernisation in Stats SA.

Among key deliverables on the programme included the quality assurance and integrating of 64 municipalities, demarcation and maintenance of EA layers in two provinces. Stats SA further also achieved compilation of multidisciplinary publications and the development of 206 electronic datasets for statistical data. Research reports on a data repository and alternative data delivery channels were not compiled due to a change in the operating procedure and human resource constraints. During 2016/17 financial year, ICT were reviewed and the targets scheduled in the APP were not achieved. This included the building of a new data centre at the new premises and the development of a disaster recovery infrastructure.

1. **Programme 6: Statistical Collection and Outreach**

The purpose of the programme is to provide statistical information to support policymakers. Manage stakeholders to provide effective communication services. Promote statistical development and cooperation in South Africa, Africa and the World. The programme contributes in enhancing public confidence and trust in statistics; improve productivity and service delivery; lead the development and coordination of statistical production within the SANSS; invest in the learning and growth of the organisation; and promote international cooperation and participants in statistics.

Stats SA has achieved 88% of the targets and 12 % were not achieved. The programme contributed to increasing awareness and marketing, and communicating and disseminating official statistics to relevant stakeholders through effective stakeholder management, internal communication and public and media relations. Furthermore, contributed in expanding the statistical information database through integrated fieldwork, continuous data collection, stakeholder management, increased collaboration and strengthening partnership within SANSS, promoting the harmonisation of statistics in Africa, strengthening statistical capacity on the continent, promoting international statistical best practice and building international partnerships.

The programme has spent R630 088 million of which is equal to 100% of appropriated budget. Of the total expenditure, an amount of R493 921 million was spent on compensation of employees, whilst an amount of R118 970 million was spent on goods and services. Cost drivers are fleet services (R19 188m), communication (R15 172m), operating lease (R55 176) and travelling costs (R19 643m). The contributing factor to cost drive was mainly due to surveys such as the Quarterly Labour Force Survey, General Household Survey, Domestic Tourism Survey, the Victims of Crime Survey and the Master Sample Survey.

In terms of the sub-programme on Provincial and District Office, key achievement included data collection, stakeholder workshops, conducting CS 2016 and dissemination of results, provincial fact sheets and the implementation of quality improvements in surveys. The establishment of partnerships with the organs of state was not done in six provinces due to human resource constraints, stakeholder consultation and lengthy signing processes. Provincial statistical coordination structures were not established and the mining of data sources were not done in four provinces due to HR and skills constraints.

1. **Programme 7: Survey Operations**

The purpose of the programme is to provide collection and processing support to produce official statistics. Conduct independent household survey monitoring and evaluation activities. The programme contributes in improving productivity and service delivery.

Stats SA has achieved 83% of the targets and 17% were not achieved. The programme contributed to informing social and economic development, planning, monitoring and decision-making and to increase the efficiency and effectiveness of survey operations.

The programme has spent R494 034 million of the allocated funds. The programme spent 93% of the allocated budget. Of the total expenditure, an amount of R143 943 million was spent on compensation of employees, whilst an amount of R342 155 million was spent on goods and services. Cost drive on the programme was due to minor assets relating to tablets procured for data collection, agency and support services relating to the payment of fieldworkers and travel and subsistence mainly due to the Community Survey 2016.

Stats SA conducts periodic population censuses and large-scale population surveys. During the year under review, Stats collected data collection for the CS 2016, checking of questionnaire for quality, reports on the maintenance of the master sample and monitors the quality of field operations of households surveys and censuses.

1. **AUDITOR-GENERAL OUTCOMES**

The Auditor-General has audited the financial statements of the Statistics South Africa, which comprise appropriation statement, the statement of financial position as at 31 March 2017. The statement of financial performance, statement of changes in net assets and cash flow for the year ended as well as the notes to the financial statements including a summary of significant accounting policies. The Auditor General opinion indicates financial statements are present fairly, in all material respects, the financial position of Statistics South Africa and its financial performance and cash flows for the year are in accordance with the Modified Cash Standard and the requirement of the PFMA.

Statistics South Africa received clean audit in consecutive years.

**8.1** **Predetermined objectives**

The Auditor-General performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. The AG did not identify any material findings on the usefulness and reliability of the reported performance information on selected programmes.

**8.1.1** **Achievement of planned targets**

The AG referred to the annual performance report on page 32 to 65 for information on the achievement of planned targets for the year under review. An explanation for the under/overachievement of a number of targets was provided in the abovementioned pages.

**8.1.2** **Adjustment of material misstatements**

The AG identified material misstatements in the annual performance report submitted for auditing on the reported information for Programme 5: Statistical Support and Informatics and programme 6: Statistical Collection and Outreach. Management subsequently corrected the misstatements. The AG did not identify any material findings on the usefulness and reliability of the reported performance information.

**8.1.3 Internal Control**

Internal control in the Stats SA was considered to be relevant to AG audit of the financial statements, annual performance report and compliance legislation. The AG did not identify any significant deficiencies in the internal control.

1. **OBSERVATIONS AND KEY FINDINGS**

The Portfolio Committee made the following observations:

* 1. The Portfolio Committee commends Statistics South Africa for receiving a clean audit. However, the Committee urged Stats SA to achieve 100% of its targets. The Committee commended Stats SA for sterling performance in achieving their set targets and ensuring it remains a conduit of trust for statistical information in South African and globally.
  2. Statistics SA experienced significant budget shortfall. The Committee was deeply concerned about the manner in which the National Treasury decides to cut budgets despite taking into consideration sound governance in the department. Budget cuts compromised the credibility of statistical information and its independence in delivering faster and high-quality statistical data. Budget shortfall puts statistics at risk of pre-preparation of the Census 2012 and delaying statistical releases which compromise the reliability of the statistical data. This matter was frequently raised during the Budget Reports and Budgetary Recommendation Reports.
  3. The Committee raised concerns of the budget cut of R509, million from Stats SA over the medium term period. The Committee was of the view that the matter should receive necessary attention of the Minister of Planning, Monitoring and Evaluation and Minister of National Treasury.
  4. The Committee noted with discontent the budget shortfall on both the compensation of employees and operations. Critical posts in Stats SA have become vacant for a long time as a result of budget cuts. The National Treasury has drastically cut Stats SA budget. The situation has resulted Stats SA losing competent employees. Stats SA can nor longer afford to appoint competent personnel which will in future compromise the quality of statistical data produced by the department.
  5. The Committee noted with concern the high staff turnover rate as a result of budget shortfall, which might in future result into the Stats SA outsourcing most of its work.
  6. The Committee emphasised the importance of statistic information in ensuring government enhances its planning and policy making by relying on evidence-based results, which are of quality and without any prejudice. Factual evidences assist government and private sector in ensuring sustainable development.
  7. The Committee noted factual statistical information produced by Stats SA to improve efficiency, effectiveness and good governance in all sectors. Credible statistical information assists in improved planning and better allocation of scarce resources. The Committee urged government departments to often utilise statistical information to improve service delivery, particularly at the local government level.
  8. The Committee noted with concern the amount incurred on the irregular, fruitless and wasteful expenditure as a result of travel and non-compliance with supply chain management related cases. The Committee condemns such malpractices and urged the management of Stats SA to address the root causes.
  9. Employment of women in senior positions has to be prioritised in Stats SA. The Committee noted on the employment equity targets that women’s employment in senior management positions are still below 50 % acceptable level.
  10. The Committee identified an anomaly with regard to permanent employees at levels 6-8 and 9-12 taking sick leave more than other bands. A total of 13 423 days were lost in sick leave at the cost of R35.7 million. Stats SA management was required to consider reducing the abuse of sick leave which impacted negatively on the performance of the institution.

1. **RECOMMENDATIONS**

The Portfolio Committee recommends that:

**Legislative and policy aspects:**

* 1. Statistics South Africa should fast track amending the Statistics Act (1999) to drive statistical reform in order to inform government planning. The amendments to the Act should firmly respond to the evolving environment and effect alignment with the objectives of the National Development Plan. Statistics SA in concurrence with the Ministry for Planning, Monitoring and Evaluation must ensure amendments to legislation, enhance better statistical coordination between organs of state.

**Administrative Aspects**

* 1. Stats SA should develop a mechanism to curb the abuse of sick leave which impacts negatively on the performance of the institution. Stats SA should urgently conduct an internal analysis on the abuse of the sick leave to understand the cause. Stats SA should develop mitigation plans and implementation plans and report to the Committee on a quarterly basis.
  2. Stats SA should develop an action plan in responding to the matters raised by the Auditor-General audit outcomes for the 2016/17 financial year. Stats SA must report to the Committee on the progress of the action plan on a quarterly basis.
  3. Stats SA should respond to the Committee on a quarterly basis about the progress made with regard to the implementation of the Budget Review and Recommendation Report.

1. **CONCLUSION**

South Africa currently relies on Statistics SA to measure progress in implementing the National Development Plan and meeting the Sustainable Development Goals (SDG). Therefore, Statistics South Africa plays an important role in South Africa’s drive to development and greater growth rates. This is evident through the organisation’s continued improvements in the management of the institution and its products. The contribution of Stats SA in global statistical development has been manifested again by hosting successful first United Nations World Data Forum in the country. The outcome of the UN World Data Forum was the adoption of the Cape Town Global Action Plan for Sustainable Development Data. The implementation of the Action Plan for Sustainable Development Data shall serve to advance national statistics and statistical coordination in response to the global 2030 Development Agenda.

Report to be considered.