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| **8. Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation REPORT ON THE SECOND QUARTER PERFORMANCE FOR BUDGET VOTE 12: STATISTICS SOUTH AFRICA: Dated 22 November 2017** |

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration as well as Planning, Monitoring and Evaluation (hereinafter referred to as the Committee) having considered second quarter performance for 2017/18 financial year of Statistics South Africa, reports as follows:

1. **INTRODUCTION**

Parliament through its Committees has a constitutional responsibility to oversee quarterly programme performance information of the departments and their entities throughout a particular financial year. Quarterly performance reports are a vital tools used by parliamentary Committees to ensure accountability and transparency to assess both financial and non-financial performance of the departments. In terms of the Public Finance Regulations, departments and their entities are expected to prepare quarterly report within 30 days after the end of each quarter.

On the 08 November 2017, Stats SA presented the second quarter performance report before the Committee. Thereafter, the Committee considered the second quarter performance of 2017/18 financial year of the Stats SA. The performance information was in accordance with Stats SA Strategic Plan, Annual Performance Plan and Medium Term Strategic Framework. The report provides an overview of the presentation made before the Committee mainly focusing on the achievements, output in respect of the performance indicators and set targets for the above mentioned financial year. The report outlines the findings/observations made the Committee.

1. **PROGRAMME PERFORMANCE**

Stats SA has achieved 34% of its annual targets as at 30 September 2017, of which 30% were achieved as scheduled, 3% were achieved earlier than schedule and 1% was achieved later than scheduled. Stats SA has achieved 75% of targets scheduled for the second quarter, 5% of targets were achieved earlier than scheduled, 2% of targets were achieved later than scheduled and 22% have not been achieved.

Stats SA’s original baseline allocation for 2017/18 is R2.146 billion. Of the allocated budget, 63% is for compensation of employees, 23,6% is for goods and services, 12,8% s for payment for capital assets and 0.6% is for transfer. The departmental actual spending as at 30 September 2017 amounted to R1.004 billion, which is 46.8% of the total budget allocated. The department available budget excluding commitments amounts to R1.142 billion. The department is projecting an overspending of R145.8 million in the 2017/18 financial year, mainly on compensation of employees and operational costs.

1. **Programme 1: Administration**

The purpose of the programme is to manage the department and provide centralised support services and capacity building. It coordinates statistical production among organs of state in line with the purpose of official statistics and statistical principles. The programme contributes to two strategic objectives: leading the development and coordination of statistical in the South African National Statistics System (SANSS) and improving productivity and service delivery.

Stats SA had achieved 100% of its predetermined targets under this programme in the second quarter of 2017/18 financial year.

1. **Programme 2: Economic Statistics**

The Economics Statistics programme produces economic statistics to inform evidence-based economic development and transformation in line with internationally recognised practices. Programme Management for Economic Statistics provides strategic direction and leadership.

Programme 2 on Economic Statistics had achieved 89% of its predetermine targets for the second quarter, and 11% had not been achieved.

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

The purpose of the programme is to produce population, demographic, labour 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 objectives in an effort to expand the statistical information base by increasing its depth, breadth and geographic spread for evidence-based planning, monitoring and decision-making for the use by both the public and private sector.

Programme 3 had achieved 55% of its predetermined targets in the second quarter, and 45% had not been achieved.

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. In addition, it conducts policy research and analysis on emerging policy matters. The programme contributes to enhancing public confidence and trust in official statistics.

Programme 4 had achieved 33% of its predetermined targets and 67% had not been achieved.

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. It informs policy through the use of statistical geography. The programme promotes and provides better access to official statistics. The programme contributes towards enhancing public confidence and trust in statistics and investing in the learning and growth of the organisation. Moreover, the programme collaborates with partners to build and maintain a reliable sampling frame for household surveys by updating the spatial information frame annually.

Programme 5 in the second quarter of 2017/18 financial year, there were no targets scheduled. However, 92.9% are on track to be achieved and 7.1% have been delayed.

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

The purpose of the programme is to provide data collection and dissemination services to inform policy processes and to support decision-making through statistical information. In addition, engaging stakeholders through platforms and providing effective communication services. Promoting statistical development and cooperation in South Africa, Africa and the world is also one of the crucial functions of the programme.

Programme 6 had achieved 71% of its targets for the second quarter and 29% had not been achieved.

1. **Programme 7: Survey Operations**

The purpose of the programme is to coordinate survey operations for household surveys and provide processing services to produce official statistics. The programme conducts independent household survey monitoring and evaluation activities. The programme contributes towards improving productivity and service delivery. Expanding the statistical information base for use by government, the private sector and the general public by conducting a population census every 10 years as well as large-scale population surveys between censuses is one of the focus areas.

Programme 7 had achieved 25% of its predetermined targets in the second quarter and 75% had not been achieved.

1. **FINDINGS AND OBSERVATIONS**

The Portfolio Committee made the following observations and findings:

* 1. The Committee noted Stats SA second quarter performance of 2017/18 financial year. However, the Committee stressed the importance of Stats SA in achieving all set predetermined targets in the remaining quarters of the financial year.
  2. The Committee welcomed Stats SA initiative of developing integrated indicators to support planning in the Department of Planning, Monitoring and Evaluation. Integrated indicators will assist the Department in ensuring that government priorities are influenced by statistical indicators.
  3. The Committee noted that women are still occupying a lower position in Stats SA. Stats SA was urged to achieve 50% of women in senior positions and 2% of people with disability. The Statistician-General to prioritise gender equity and people with disabilities when posts are advertised.
  4. Statistics South Africa should workshop and empower local municipalities on their statistical release so that municipalities can utilise statistical information when developing the strategic plans /or Integrated Development Plans.
  5. The Committee was of the view that Stats SA has to be fully funded by government in order to restore its independence. The Committee noted the risk associated with donor funders on Stats SA because such funding comes with conditions which might compromise the credibility of the statistics. The Committee concluded that it is therefore critically important that Stats SA be fully funded by government.
  6. Stats SA has been unable to fill critical and technical posts since September 2016, as a result of the budget shortfall experienced. Shortage of staff poses a risk on the statistical releases which must be accurate and published timeously. Stats SA in Eastern Cape and Mpumalanga provinces operates without a provincial Deputy Director-Generals.

1. **The Portfolio Committee recommends as follows:**

5.1 That the House adopts and approve second quarter performance of the Budget Vote 12 of the Statistics South Africa.

Report to be considered