**1. JOINT REPORT OF THE STANDING COMMITTEES ON APPROPRIATIONS AND FINANCE ON THE APPOINTMENT OF THE DIRECTOR OF THE PARLIAMENTARY BUDGET OFFICE, DATED 03 NOVEMBER 2020**

**1. The Parliamentary Budget Office**

Section 15 of the Money Bills and Related Matters Act, Act No. 9 of 2009 (as amended), establishes the Parliamentary Budget Office (PBO). The PBO must provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills; with part of its core function to support the implementation of the Money Bills and Related Matters Act (the Act) by undertaking research and analysis for the Finance and Appropriations committees. A director must manage the PBO and must be appointed by a resolution of both Houses of Parliament, after a recommendation of the committees on Finance and Appropriations of both Houses. In terms of subsection 15(7) of the Act, any committee considering making such recommendation contemplated in the Act must do so in an open and transparent manner. In addition, the aforementioned committees must also recommend to the Houses of Parliament the conditions of service for the appointee.

**2. Openness and transparency of the process**

Being guided by the key principles of good governance to enhance public trust, fairness, openness and transparency as well as considering section 15(7) of the Act, which requires any committee intending making a recommendation for the appointment of the PBO Director to do so in an open and transparent manner, the following steps were implemented:

* All shortlisted candidates were subjected to public scrutiny and the public made submissions for the sub-committee to consider during the process;
* The advertisement for the post was placed in two national newspapers (Sunday Times and City Press) as well as the website of Parliament;
* All interviews and deliberations sessions were broadcast live on the Parliamentary Channel and/or YouTube;
* Allegations made against candidates in the public submissions were investigated to ensure objectivity and fairness;
* The sub-committee was briefed by the technical support team at the various stages of the selection process; and
* All sub-committee members representing the four committees and various political parties were given sufficient time to make inputs and the sub-committee reported back to the four committees regularly to ensure proper decisions were taken timeously.

Given the critical role of the PBO to support the Finance and Appropriations committees in parliament, it was vital to ensure that the process was impartial and transparent; ensuring clear accountability and that a suitable fit and proper candidate with the requisite expertise was identified.

**3. Process followed**

On 02 October 2019, the Chairpersons of the four Finance and Appropriations committees received letters from the respective House Chairpersons, dated 17 September 2019, advising them of the request from the Presiding Officers of both Houses to undertake the process of nominating a candidate for the position of a director of the PBO.

During a joint meeting of the four committees on 22 October 2019 to consider the request, it was resolved that a joint sub-committee be established to deal with the appointment processes and report back to the four committees. The sub-committee consisted of seven members representing all four committees. Four members, Mr S Buthelezi, Ms D Peters, Ms N Abraham and Mr Z Njadu were from the African National Congress (ANC); two (Mr G Hill-Lewis and Mr D Joseph) were from the Democratic Alliance (DA); and one (Mr M Moletsane) was from the Economic Freedom Fighters (EFF). Mr Buthelezi was elected as Chairperson of the sub-committee during its first meeting on 29 October 2019.

The sub-committee, together with Legal Services and Human Resources, drafted the advertisement which was approved by all four committees before being placed in two national newspapers (Sunday Times and City Press) from 08 November 2019 with a closing date of 22 November 2019.

The sub-committee recommended nine candidates for shortlisting and interviews, and the four committees agreed to the proposal during a joint meeting on 11 September 2020. The shortlisted candidates were:

1. Mr D F Chapfuwa

2. Dr D J Jantjies

3. Ms L Kaywood

4. Mr B Khumalo

5. Dr S Mohamed

6. Dr J W Mostert

7. Dr N Orlandi

8. Prof D Plaatjies

9. Mr I C Stuart.

After adoption of the shortlist, all nine candidates were contacted and informed, and their abridged CVs were published for public comment. At the same time, the processes of qualification verification and security vetting were commenced with. Subsequently, three candidates withdrew from the process before interviews were held. The candidates that withdrew, were Mr DF Chapfuwa, Ms L Kaywood and Mr IC Stuart.

On 29 September 2020, the sub-committee interviewed the six remaining candidates in Johannesburg, after it was identified as the most central place. A tight and stringent process was also followed on the day of interviews. All candidates were kept in a holding room, where their electronic devices had to be surrendered and only returned to them upon completion of their interviews. This was done in order to ensure fairness as the interviews were broadcast live.

Sadly, one of the interviewed candidates, Prof D Plaatjies, passed away unexpectedly within two weeks after the interviews.

The sub-committee met again on 30 October 2020, after the results of the qualification verification and security vetting had been received, to deliberate and identify the final three names to be recommended to the four committees on Finance and Appropriations. In the order of preference, they were –

1. Dr D J Jantjies;
2. Dr N Orlandi; and
3. Dr S Mohamed.

One sub-committee member expressed a view that none of the remaining candidates rose to the calibre of the late Professor Daniel Plaatjies, and that it would be preferable for the position to be re-advertised. The Member was further of the view that, if the sub-committee proceeded with the appointment process, Dr J W Mostert was worthy of being included in the final three.

The recommendation to the four committees was tabled in a joint meeting on 03 November 2020. Immediately thereafter, the committees considered and adopted their respective reports recommending the successful candidate to both Houses.

**4. Summary of public submissions**

After calling for public comments, eleven submissions were received within the stipulated time frame; of which –

* Six were from organisations and individuals supporting Dr D J Jantjies, indicating that he had made contributions and assisted provincial *ad hoc* committees in drafting their legislation to deal with the amendment of money Bills;
* One was in support of Dr S Mohamed, highlighting the fact that his experience included being engaged in economic development, the fiscal and broader macroeconomic policy framework, and finance and structural reform
* Two raised the issue of South African citizenship; but the candidate (Mr D F Chapfuwa) who was said to be a Zimbabwean national, subsequently withdrew from the process;
* One contained allegations of financial mismanagement and maladministration against two external candidates, Mr B Khumalo and Dr D Plaatjies, which the candidates were asked to clarify during the interviews;
* One raised concerns around three internal candidates allegedly being implicated in a forensic investigation report into the PBO. Upon investigation, the sub-committee was assured in writing by the Acting Secretary to Parliament that the above-mentioned report contained no adverse findings against any of the three internal candidates.

On 30 October 2020, a further submission was received, arguing that none of the shortlisted candidates possessed the requisite widely accepted expertise and credibility in the field of public finance, integrity and leadership required to build the Parliamentary Budget Office.

With regard to the allegations against the three internal candidates, the Sub-committee wrote to the Acting Secretary to Parliament (ASTP) and enquired about the forensic investigation conducted. The response of the ASTP stated that there had been no adverse findings against the three Deputy Directors of the Parliamentary Budget Office. The Sub-committee requested the Department of State Security (SSA) to screen all shortlisted and interviewed candidates. The SSA report indicated that nothing precluded the candidates from being appointed to the position of director of the Parliamentary Budget Office.

**5. Committee deliberations**

On 03 November 2020, the Committees deliberated on the employment terms of the Director of the PBO and agreed that there should be no changes to the normal terms of employment as stipulated in the advertisement. Essentially, the Committees agreed that the appointment of the Director of the Parliamentary Budget Office be subjected to a 5-year fixed term contract with the conditions of service being substantially the same as those of the top rank of the public service as per section 15(5)(b) of the Act and a cost-to-company salary package of R2 031 591 per annum.

**6. Conclusion and recommendation**

In accordance with paragraphs (a) and (b) of subsection (5) of Section 15 of the Money Bills and Related Matters Act, the Standing Committees on Appropriations and Finance recommend to the House as follows:

That Dr D J Jantjies be appointed as Director of the Parliamentary Budget Office with effect from 01 December 2020.

The Democratic Alliance (DA) and the Freedom Front Plus (FF+) objected to the Report.

Report to be considered.