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2020

ANNUAL REPORT

2021



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PARLIAMENT

OF THE REPUBLIC OF SOUTH AFRICA

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA ANNUAL REPORT 2020/21

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PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Hon N.N. Mapisa-Nqakula, Speaker of the National Assembly and
Hon. A.N. Maseko, Chairperson of the National Council of Provinces,

I have the honour of submitting the Annual Report of the
Parliament of the Republic of South Africa for the period of 2020/21.

Ms PN Tyawa

Acting Secretary to Parliament

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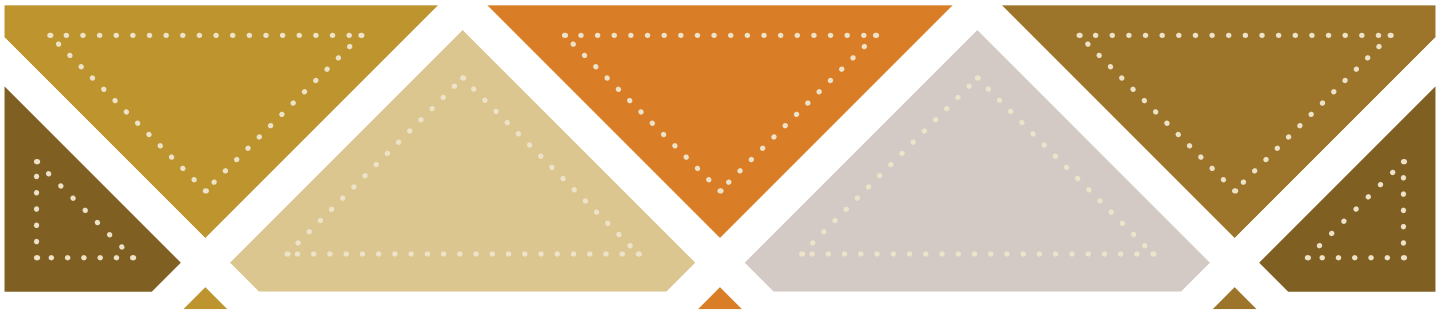
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LIST OF ABBREVIATIONS

APP	Annual Performance Plan
DPW	Department of Public Works
EC	Eastern Cape
FMPPLA	Financial Management of Parliament & Provincial Legislatures Act, 2009
HR	Human Resources
ICGEB	International Centre for Genetic Engineering and Biotechnology
ICT	Information and Communication Technology
MP	Member of Parliament
NA	National Assembly
NCOP	National Council of Provinces
NHI	National Health Insurance
NRF	National Revenue Fund
OISD	Office on Institutions Supporting Democracy
PBO	Parliamentary Budget Office
PDOs	Parliamentary Democracy Offices
SANDF	South African National Defence Force
SAPS	South African Police Service
UN	United Nations



EXECUTIVE AUTHORITY STATEMENT

We present the 2020/21 Annual Report of Parliament as a full account of the work of the national legislature over the period in review.

The year in review has been one characterised by unique challenges given the impact of the Covid-19 pandemic on the nature and structure of work in institutions globally. As a country, and as this institution of Parliament, we couldn't escape this unprecedented scourge which forced us to adapt and find new ways of working and managing operations of Parliament.

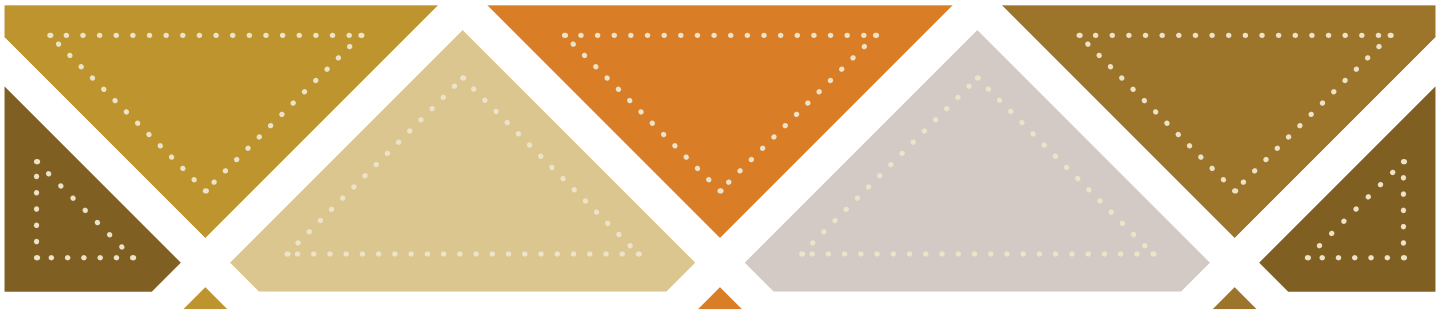
On 16 March 2020, the President of the Republic of South Africa declared a national state of disaster in order to set in motion measures to deal with the effects and impacts of the Covid-19 pandemic.

The Covid-19 pandemic brought about an unparalleled disaster in our own society, with more than 1,8 million people infected in South Africa, and some 63 000 fatalities. The pandemic adversely affected South Africa's healthcare systems and impacted negatively on economic growth, increasing unemployment. It has triggered an economic contraction so large that the output levels of 2019 may only be seen again by 2023. It is becoming clear that the impact of the pandemic on our society will still be felt long after the virus is overcome.

The vaccination programme launched by government in February 2021 provides us with renewed hope and determination to conquer the pandemic and other related challenges, and to ensure we regain lost ground in the fight for a better life for all. In this, the Constitution confers the powers on Parliament to represent the people and to ensure responsive and accountable government. Strengthening oversight over the Executive, so as to increase government's responsiveness and accountability, is the main policy priority of the 6th Parliament.

Globally, world leaders are classifying the Covid pandemic as the biggest disaster in 100 years. As a result of response measures in dealing with the pandemic, the prevailing way of life was altered significantly. Substantial shifts were required in society, organisations and business to cope with the pandemic. It required sudden changes in policy, systems, resource allocation and behaviour. Most organisations and communities were forced to adopt new working methods, systems, processes and skills toward more technological enabled systems.

The Covid-19 pandemic lock-down measures compelled Parliament to rapidly adopt technology into its business processes since March 2020. As an immediate response, committees of Parliament began conducting meetings using virtual platforms in order to ensure a functioning Parliament. At the start, some challenges were experienced with this new way of doing things, but a more systematic process is now leading to Parliament ceasing the opportunity to incorporate technology into its processes, increasing effectiveness and efficiency. By the end of the 2020/21 financial year Parliament conducted 1481 virtual committee meetings. Plenary meetings in virtual



and hybrid modes were also introduced to deal with the business and orders of the day. This enabled Parliament to continue to pass legislation, approved the annual budget and adjustments budgets, and conduct oversight over the Executive's action. In this way Parliament persisted with its constitutional duty of holding the Executive accountable.

Virtual meetings and plenaries are now the order of the day, including the taking of decisions through voting. This sudden change, brought about by the Covid pandemic, will have a lasting impact on the way Parliament conducts its business.

Following the general elections in 2019, the 6th Parliament determined its main priority: to strengthen oversight over the Executive so as to increase government's responsiveness and accountability. Implementing this policy priority requires the institution to ensure more time for committee oversight work, conducting deeper scrutiny of executive action, and enhancing public involvement in Parliament. It will also require that we implement more technology enabled processes, ensure programmes to deliver the necessary skills and capacities, and improve research and information services provided to Members of Parliament.

This year we celebrate 25 years of our Constitution, and the Bill of Rights as the cornerstone of democracy in South Africa, enshrining the rights of all people in our country and affirming the democratic values of human dignity, equality and freedom. Our Constitution ensures the foundation for our democratic and open society, based on democratic values, social justice and fundamental human rights. And it gives us direction and hopefulness in dealing with an uncertain future. The Constitution seeks to:

- *Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;*
- *Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;*
- *Improve the quality of life of all citizens and free the potential of each person; and*
- *Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

As this year has shown, the Constitution remains a beacon of hope and direction in challenging and difficult times. In this, Parliament's role remains that of protecting and upholding our constitutional values, representing the interest of the people in government, and ensuring that government is open, responsive and accountable.

Ms Nosiviwe Nolutando Mapisa-Nqakula
Speaker of the National Assembly

Mr Amos Masondo
Chairperson: National Council of Provinces



ACCOUNTING OFFICER'S STATEMENT/ REPORT

It may be that history recalls the 2020/2021 financial year as the year the world reeled from the combination of an unprecedented global pandemic, shocks to the economic system and general uncertainty to our established way of life and the world of work. Whilst these challenges cannot be disputed, I choose instead to remember it as the year in which the human spirit triumphed against adversity, the year that resilience and adaptability triumphed over fear and the year that hope triumphed over despair. The year was characterised by moments of revelation and reminders of how much humanity can accomplish when we work in unison towards common goals.

I recall that in March 2020, just before the financial year began, to deal with the COVID-19 crisis, we convened a Crisis Management Team in the Parliamentary Administration with the key objectives of ensuring compliance with National Directives, minimising the risk of transmission within the Parliamentary Precinct, providing essential support to Members of Parliament and enabling the continuity of the business of Parliament by supporting the work of the National Assembly, National Council of Provinces and Parliamentary Committees. These objectives were met through the identification, prioritisation and enablement of critical business processes from a people, facilities, information and technology point of view. The crisis management team also considered key risks facing the institution and formulated mitigation measures. Furthermore, scenarios were developed, which considered the various levels of National Lock-down and appropriate institutional responses to these. As a result of these interventions, a virtual Committee model, hybrid plenary model, a comprehensive facilities management plan and ICT enablement plan was developed to ensure that the critical business of Parliament continued uncompromised. This was the start of our new virtual and remote operating model, which has been a resounding success. Our strategies going forward seek to make these a permanent feature of Parliament as we have realised the efficiency and productivity gains and significant operating costs reduction. There is great potential to build on the systems and mechanisms we have already put in place, which will be a prominent feature of our future strategic initiatives, and our way of work.

The report herein presents a sustained period of fiscal discipline and our ability to meet predetermined objectives, despite a few challenges in the 1st quarter, which were as a result of transitioning to a new virtual operating model. I am glad to say that this was affirmed by our 7th successive clean audit opinion conferred to Parliament by the Auditor General. Most of our performance were achieved against targets that had been set in a pre-Covid operating environment and subsequent budget cuts that the institution needed to contend with.

It is evident that the world of work has been altered permanently and the implication arise that Parliament should modernise its operations. It is in this context that the parliamentary administration has to be more agile and enhance the use of appropriate technologies, for members of parliament to receive high-quality, professional services in seamless and user-friendly ways.

We will continue to focus on our common goals of supporting Members of Parliament to the best of our abilities, growing our Parliament as the premier institution of democracy and serving the people of South Africa with humility, honour and ethics.


Ms PN Tyawa
Acting Secretary to Parliament



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GENERAL INFORMATION

- a) Vision, Mission & Values • b) Organisational Structure
- c) Legislative and other Mandates
- d) Offices Reporting to the Executive Authority

VISION, MISSION & VALUES

Parliament exists to represent the people and to ensure that government delivers on its promises and undertakings to the public. Parliament also provides a national forum for the public consideration of issues, and the representation of provincial and local government interests in the national sphere. In so doing, Parliament must ensure meaningful public involvement in its processes. Parliament is guided in its work by its vision, mission and values.

VISION

To be an activist and responsive people's Parliament that improves the quality of life of South Africans and ensures enduring equality in our society.

MISSION

Parliament aims to serve the people of South Africa by providing:

- A vibrant people's assembly that intervenes and transforms society and addresses the development challenges of our people;
- Effective oversight over the Executive by strengthening its scrutiny of actions against the needs of South Africans;
- Participation of South Africans in the decision-making processes that affect their lives;
- A healthy relationship between the three arms of the State, that promotes efficient co-operative governance between the spheres of government, and ensures appropriate links with our region and the world; and
- An innovative, transformative, effective and efficient parliamentary service and administration that enables Members of Parliament to fulfil their constitutional responsibilities.

VALUES

In keeping with its vision and mission, Parliament has adopted the following values in carrying out its mandated work.

- | | |
|-------------------|------------------|
| • Openness | • Responsiveness |
| • Accountability | • Teamwork |
| • Professionalism | • Integrity |



ORGANISATIONAL STRUCTURE

The parliamentary administration provides professional support services to the Houses of Parliament, committees and individual Members of Parliament. This primarily takes the form of information and advisory products and services and facilities management services, which capacitate and enable Members of Parliament to fulfil their constitutional obligations. The organogram below depicts the new operating model for the Parliamentary Administration.

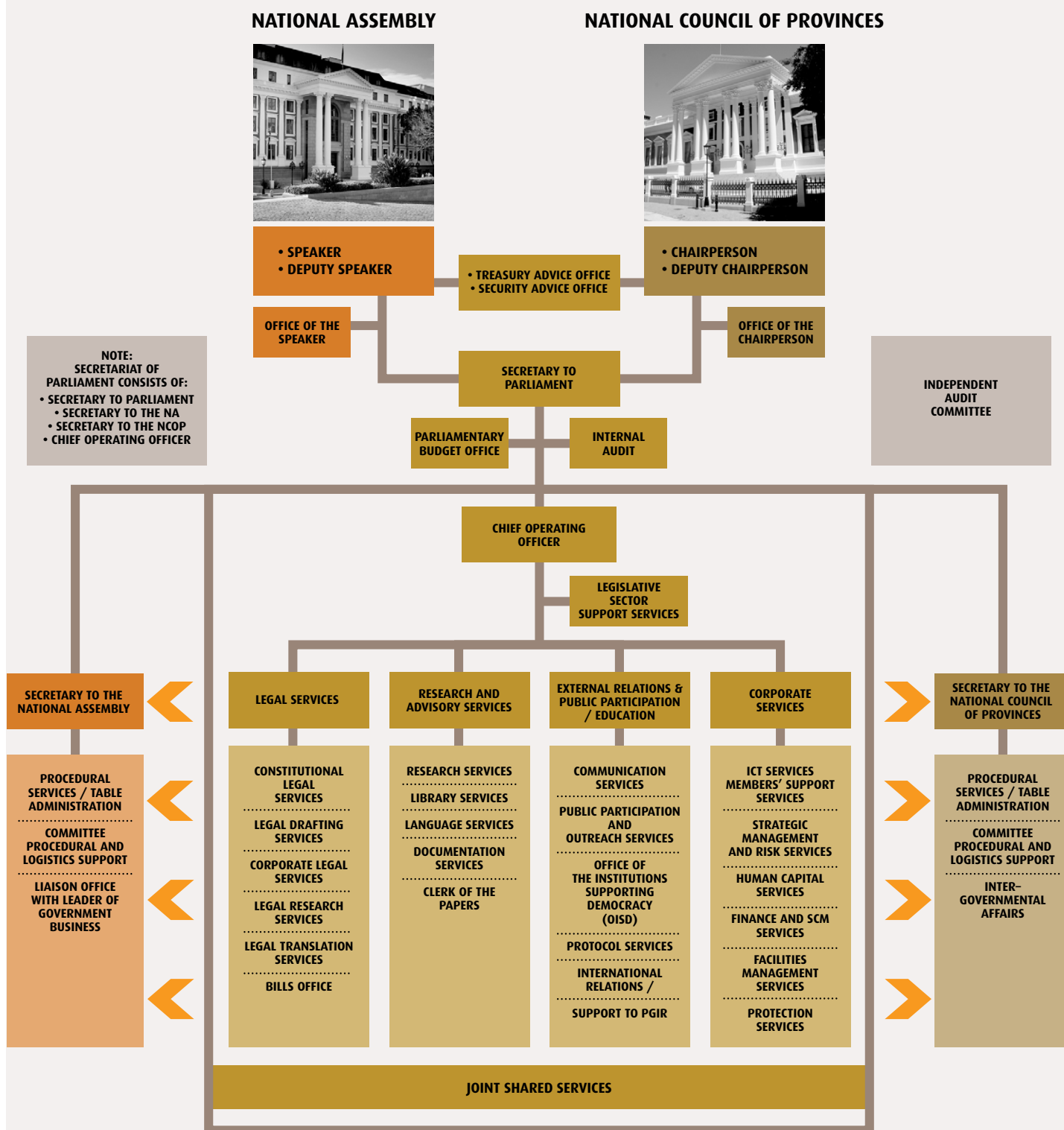


Figure 1: New Operating Model of the Parliamentary Service

C. LEGISLATIVE AND OTHER MANDATES

Parliament is guided in its mandate by the key laws depicted in the table below:

Table 1: Legislative Mandate of Parliament

NO.	LEGISLATION/ MANDATE	PURPOSE
1	Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	Chapter 4 of the Constitution stipulates how Parliament must conduct its work – its composition, functions and powers.
2	Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)	To regulate the financial management of Parliament in a manner consistent with its status in terms of the Constitution; to ensure that all revenue, expenditure, assets and liabilities of Parliament are managed efficiently.
3	Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009) as amended	To provide for a procedure to amend money Bills before Parliament and for norms and standards for amending money Bills before provincial legislatures and related matters.
4	Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004 (Act No. 4 of 2004)	To define and declare certain powers, privileges and immunities of Parliament, provincial legislatures, Members of the National Assembly, delegates to the National Council of Provinces and Members of provincial legislatures; and to provide for incidental matters.

D. OFFICES REPORTING TO THE EXECUTIVE AUTHORITY

The following offices report to the Executive Authority (EA) of Parliament:

Table 2: Offices reporting to the Executive Authority

NAME OF ENTITY	LEGISLATION/ RESOLUTION	NATURE OF BUSINESS
Parliamentary Budget Office (PBO)	Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009)	To provide independent, objective and professional advice and analysis to Parliament on matters related to the National budget and other money Bills. To support the implementation of the Money Bills Act by undertaking research and analysis for the committees referred to in section 4 of the Act.
Office on Institutions Supporting Democracy (OISD)	National Assembly Resolution 21 of November 2008	To facilitate and co-ordinate all engagements between Parliament and the constitutional Institutions Supporting Democracy (ISDs). To enhance and provide support to the National Assembly in discharging its constitutional obligations of oversight, accountability and support relevant to these institutions via the Speaker of the National Assembly.



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HIGHLIGHTS ON THE BUSINESS OF PARLIAMENT

*Oversight and Accountability • Law-making
Public Participation • International Relations
Awareness-raising campaigns*



The strategic outcome, budget programme structure and the organisational structure of Parliament are predicated on the business of Parliament, as set out in the Constitution. The Constitution is the supreme law of the Republic and lays the foundation for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law. It stipulates the values and mechanisms for governance of a people-centered democracy.

Parliament represents the people and provincial interests in order to ensure government by the people, under the Constitution. Such representation takes place through the activities of passing legislation, overseeing and scrutinising executive action, the facilitation of public involvement, co-operative government and international participation. Although these processes are somewhat distinct in their nature and operations, they are also interconnected and interrelated.

Oversight and Accountability

One of the most important responsibilities of Parliament in ensuring service delivery to the citizens of South Africa is provide oversight over the government's implementation of policies and legislation and holding the government accountable. The key mechanisms used to accomplish this include calling members of the executive and other entities to various committee meetings in both Houses (National Assembly and National Council of Provinces).

During the 2020/21 financial year, 1577 committee meetings were held of which 1481 were held on virtual platforms. Furthermore, 40 oversight visits were undertaken (of which one was held virtually), 42 virtual committee public hearings and 18 physical public hearings were held. This contributed to the efforts to strengthen oversight and accountability. Despite the lock-down restrictions, committees continued with their work throughout the entire parliamentary oversight cycle and this culminated in the production of 408 reports.

The timeous finalisation of four key interventions also contributed to efforts to strengthen cooperative government and intergovernmental relations as well as ensuring that both national and provincial governments support and strengthen the capacity of municipalities to manage their own affairs. The key interventions included:

- The Select Committee on Cooperative Governance and Traditional Affairs completed deliberations on interventions issued in terms of Section 139 (1) (b) of the Constitution in Kwazulu-Natal Local Municipalities.
- The Joint Standing Committee on Defence dealt with Letters from the President on the Extension of Employment of the SANDF in support of the SAPS and other State Departments.
- The Select Committee on Cooperative Governance and Traditional Affairs dealt with the Draft report on consideration of the notice of intervention in Renosterberg Local Municipality.
- The Ad Hoc Committee on section 100 Intervention in North West was established by the NCOP and the committee conducted several meetings as well as an oversight visit to North West during the period 15 – 19 March 2021

Law-making

Key pieces of legislation were passed after conducting public hearing campaigns some of which were held in various provinces. Moreover, adverts were issued in most cases in all languages to reach the broader community. This also contributed to the strengthening of the legislative capacity of Parliament. Some of the key pieces of legislation processed during the financial year include:

- **National Public Health Institute of South Africa Bill**
[B16D-2017 (s76)] (Sepedi) (assented to 5 August 2020; GG 43604)
- **Border Management Authority Bill**
B9D-2016 (s75)] (Setswana) (assented to 16 July 2020; GG 43536)
- **National Minimum Wage Amendment Bill**
[B9-2019 (s75)] (Tshivenda) (assented to 5 August 2020; GG 43603)
- **Division of Revenue Bill**
[B3-2020 (s76)] (IsiXhosa) (assented to 22 June 2020; GG 43467)
- **Defence Amendment Bill**
[B18B-2017 (s75)] (IsiZulu) (assented to 5 August 2020; GG 43606)
- **Appropriation Bill**
[B4-2020 (s77)] (Setswana) (assented to 22 June 2020; GG 43468)
- **Division of Revenue Amendment Bill**
[B9-2020 (s76)] (IsiXhosa) (assented to 5 August 2020; GG 43605)
- **Adjustments Appropriation Bill**
[B10B-2020 (s77)] (Setswana) (assented to 14 August 2020; GG 43624)

The Bills office processed 29 Bills which were introduced. 24 Bills were passed and 24 Bills assented to. A total of 195 Announcements Tabling Committees (ATC's) were published during the period under review.

Some of the other key matters dealt with by Parliamentary Committees during the 2020/2021 financial year included:

- **The drafting of the 18th Constitution Amendment Bill seeking to amend section 25 of the Constitution to provide for expropriation of land without compensation:**

Towards the end of the 5th Parliament, the ad hoc committee drafted the bill amending Section 25 (S25) of the Constitution in accordance with its objective to initiate and introduce legislation amending S25 of the Constitution.

The Bill (Constitution Eighteenth Amendment Bill) was then introduced in the 6th Parliament for processing. The aim of the Bill is to amend the Constitution of the Republic of South Africa, 1996, so as to provide that where land and any improvements thereon are expropriated for the purposes of land reform, the amount of compensation payable may be nil; and to provide for matters connected therewith. There were 17 physical public hearings conducted on S25 in all nine provinces.

- **The National Health Insurance Bill**

The National Health Insurance Bill (NHI) seeks the realization of the constitutional vision of provision of universal access to quality health care for all South Africans. The Portfolio Committee on Health undertook a number of public hearings in the previous financial year and called for written submissions from the public on the NHI Bill. When the committee finished the public hearings in all the nine provinces, it received requests from over 130 organisations and institutions to make oral submissions and contribute towards the NHI Bill. It is currently considering these oral inputs into the Bill whilst the report on the voluminous submissions received, is being processed. The committee received a total of 347 568 submissions on the Bill.

- **Expropriation Bill**

This Bill provides for the expropriation of property for public purposes or in the public interests. One public hearing took place in Parliament during the 2020/2021 financial year. The Committee has scheduled a number of public hearings across the nine provinces for the next financial year to glean public sentiments around the provisions in the Bill.

Public Participation

Despite the Covid lockdown restrictions, Parliament continued to engage with citizens to ensure public involvement in the work of Parliament and its committees. Public participation practices needed to adapt to ensure that not only those who have access to virtual platforms but also citizens in deep rural areas are able to participate in parliamentary activities.

During this period, only one Parliamentary tour was conducted as all tours were suspended due to the lockdown conditions as a result of the pandemic. For the 2020/2021 financial year, 158 206 information materials were distributed both electronically and via courier and 40 workshops were held in support of committees and public hearings.

International Relations

The Portfolio Committee on International Relations and Cooperation conducted an unprecedented virtual oversight programme from 17 - 19 March 2021, criss-crossing three continents to ensure accountability and service delivery by eleven South African missions abroad.

The Select Committee on Education and Technology, Sports, Arts and Culture processed an Agreement between the Government of the RSA and the International Centre for Genetic Engineering and Biotechnology (ICGEB) on the Establishment of an International Centre for Genetic Engineering and Biotechnology (ICGEB) Component in the RSA on the 26 May 2020.

One international agreement was finalized by the Portfolio Committee on Mineral Resources and Energy. The agreement between the Government of the Republic of South Africa and the European Atomic Energy Community (EURATOM) for Co-operation in the Peaceful Uses of Nuclear Energy, was tabled in terms of section 231(2) of the Constitution, 1996, and Explanatory Memorandum thereto.



Awareness-raising campaigns

Parliament facilitated awareness-raising campaigns with key internal and external stakeholders. These included the:

- **Women's Parliament** which included an extensive programme to review the Women's Charter and a report on Gender Based Violence and Femicide,
- **Children's Parliament** which included planning meetings with the Departments of Social Development and Basic Education as well as the Save the Children Foundation and the Nelson Mandela Children's Foundation.
- **Men's Parliament** included the participation of various stakeholders, i.e. the Khayelitsha Health Forum, Nelson Mandela Children's Fund (National), Department of Basic Education, Khula Community Development Programme (EC), The Khayelitsha Health Committee and 2 Child Ambassadors from the Western Cape
- **Youth Parliament** included a virtual public education workshop with 50 participants before the Youth Parliament.

2020/21 PERFORMANCE

105

NA SITTINGS

44

NCOP SITTINGS

60

PUBLIC HEARINGS



33

BILLS CONSIDERED - NA

6

BILLS CONSIDERED - NCOP

5317

OVERALL QUESTIONS

[4200: NA + 1117: NCOP]

24

STATUTORY APPOINTMENTS

2

INTERVENTIONS

2

SECTION 139 INTERVENTIONS

11

INTERNATIONAL AGREEMENTS



12092

TRAVEL CLAIMS

1407

INTERPRETATIONS



24

PETITIONS

40

OVERSIGHT VISITS

1577

MEETINGS



368

HOUSE PAPERS



55

LEGAL OPINIONS

664

PROCEDURAL ADVICE

54

POLICY ADVICE

429

REPORTS



1783

MINUTES

House and Committee Meetings



1392

RESEARCH



277

INFORMATION REQUESTS



41

BUDGET ANALYSES



136

HANSARD REPORTS



606

TRANSLATIONS



795634

WEBSITE HITS

862705

YOUTUBE VIEWS

747419

TWITTER FOLLOWERS

22864

INSTAGRAM FOLLOWERS

75697

FACEBOOK LIKES



65

PUBLICATIONS

158206

PUBLICATION COPIES





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INTRODUCTION & BACKGROUND



The Accounting Officer is required to give a report on performance of Parliament's administration as per the legislative mandate outlined in the FMPPLA (Act No. 10 of 2009). This annual account of programme performance is drafted as per the revised 2020/21 Annual Performance Plan (APP) tabled in July 2020. This report tracks 14 indicators, some aligned to the previous APP and others new. Of the 14 measures tracked, the 9 indicators that met target included the following:

- % of analysis reports provided within agreed timeframes
- % of capacity building programmes implemented
- Number of reports prepared on implementation of Sector Strategy
- Number of annual parliamentary frameworks adopted
- Number of NA programmes adopted
- Number of NCOP programmes adopted
- % of population who are aware of the business of Parliament
- % universal access
- % increase in talent management index

The 5 indicators that missed target are as follows:

- % of legal and procedural advice provided within 7 days
- % of information available as per Service Charter levels
- % Population having access to participate in parliamentary processes
- % Population participating in parliamentary processes
- % clients satisfied with service levels (ISSD)

As seen in figure 2 below, Parliament achieved 9/14 indicators which translates to 64% institutional performance.

Figure 2: Overall Institutional Performance



Table 3: Overall Performance

TOTAL INDICATORS	14
INDICATORS TARGETS MET	9
INDICATORS TARGETS NOT MET	5



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INFORMATION ON PRE-DETERMINED OBJECTIVES

*a) Overall Performance • b) Aim of the Vote • c) Overview of the Service Delivery Environment • d) Overview of the Organisational Environment
e) Parliament's Revenue, Expenditure and Transfer Payment
f) Capital Investment, Maintenance and Asset Management Plan*

INFORMATION ON PRE-DETERMINED OBJECTIVES

A. OVERALL PERFORMANCE

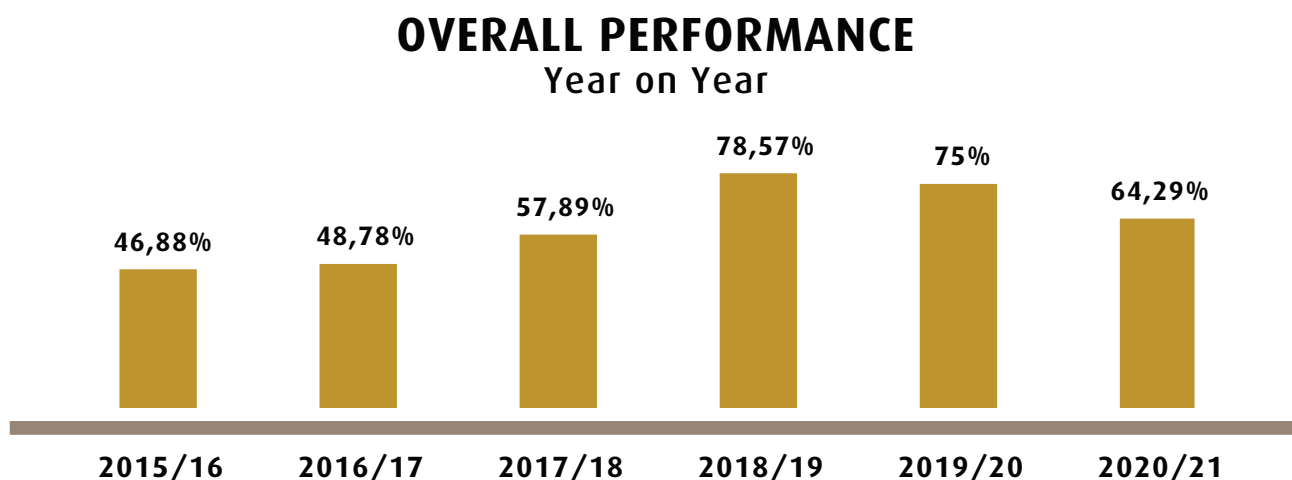
Table 4: Programme Performance Summary

PERFORMANCE BY INDICATOR		STATUS
PROG. 1	% of legal and procedural provided within 7 days	
	% of analysis reports provided within agreed timeframes	
PROG. 2	% of programmes implemented	
	Number of reports prepared on implementation of Sector Strategy	
PROG. 3	Number of annual parliamentary frameworks adopted	
	Number of NA programmes adopted	
	Number of NCOP programmes adopted	
	% of information available as per Service Charter levels	
	% Population having access to participate in parliamentary processes	
	% Population participating in parliamentary processes	
PROG. 4	% of population who are aware of the business of Parliament	
	% of universal access	
	Client satisfaction level (% clients satisfied with service levels)	
	% increase in talent management index	
TARGET MET		TARGET NOT MET

As illustrated in Table 4 above, of the fourteen indicators measured in this financial year, nine indicators met target and five indicators did not meet target.

Figure 3 below shows progress over the last six financial years.

Figure 3: Year on Year Improvements on Overall Performance



Over the last couple of years, institutional performance increased despite significant budget cuts that impacted the operational environment, largely as a result of strategic interventions and operational efficiencies that were pursued.

Institutional performance for the 2020/2021 financial year decreased by 11% from the previous financial year largely as a result of Covid-19 lockdown conditions. The first and second quarters were particularly impacted as the institution adjusted to new working conditions and a virtual operating model. Institutional performance bounced back in quarter three and four of the financial year as both lockdown conditions eased and the institution settled into the new operating model. Indicators on “Public Awareness”, “Public Access” and “Facilities Management” were particularly impacted.

Table 5 below depicts the fact that Parliament has over the last six years refined and reduced the number of indicators in its APP to the most strategic measures, whilst moving operational indicators to the operating plans of business units. It should be noted that thirteen of the indicators previously measured in the Core Business Programme (Programme 3), have been consolidated into a single Service Charter indicator.

Table 5: Year on Year Overall Performance

YEAR	TARGETS MET	TARGETS NOT MET	TOTAL INDICATORS	PERCENTAGE OF TARGETS MET
2015/16	15	17	32	46,88%
2016/17	20	21	41	48,78%
2017/18	11	8	19	57,89%
2018/19	11	3	14	78,57%
2019/20	12	4	16	75%
2020/21	9	5	14	64,29%



B. AIM OF THE VOTE

The aim of the vote is to provide the support services required by Parliament to fulfil its constitutional mandate, assist political parties represented in Parliament to secure administrative support and service their constituents, and provide Members of Parliament (MPs) with the necessary services and facilities they require to discharge their constitutional responsibilities.

C. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT

The 2020/21 was characterised by an unprecedented shift in the way the administration supports Members, and the way that Members of Parliament conduct their work.

D. OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT

The 2020/21 was characterised by an unprecedented shift in the way the administration supports Members, and the way that Members of Parliament conduct their work.

E. PARLIAMENT'S REVENUE, EXPENDITURE AND TRANSFER PAYMENT

Revenue: Parliament's main revenue is tax revenue relating to funds appropriated and direct charges. Parliament is not required to return to the National Revenue Fund (NRF) any money appropriated for a particular financial year but not spent in that year in terms of section 23(1) of the FMPLA. Section 23(4) of the FMPLA provides that Parliament must surrender to the National Treasury for depositing into the NRF funds that are a direct charge against the NRF for any requirements related to Parliament in terms of any legislation for a particular financial year, but not spent in that year.

Expenditure trends: Parliament's planned expenditure in terms of the Annual Performance Plan (APP) for this financial year was more than the amount appropriated, which resulted in adjustments to the planned programme of activities.

Transfer payments: Parliament makes transfer payments to political parties represented in Parliament in proportion to their representation, to enable the parties to effectively perform their functions in terms of section 57 of the Constitution of the Republic of South Africa, Act 108 of 1996 and section 35 of the FMPPLA. Political parties must annually prepare and submit to Parliament annual financial statements which must detail how the allowances received in the previous financial year were expended, and be audited by a registered accountant and auditor who is subject to the Public Accountants' and Auditors' Board.

F. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Capital investment: Parliament is occupying buildings owned by the Department of Public Works (DPW), which is also responsible for maintenance thereof.

Asset Management: Parliament has the following fixed movable assets under its control:

- **Furniture**
- **Motor vehicles**
- **Office equipment**
- **Computer equipment**

Maintenance: Parliament does not have expenditure on normal maintenance of property assets, as the DPW owns the buildings occupied by Parliament.



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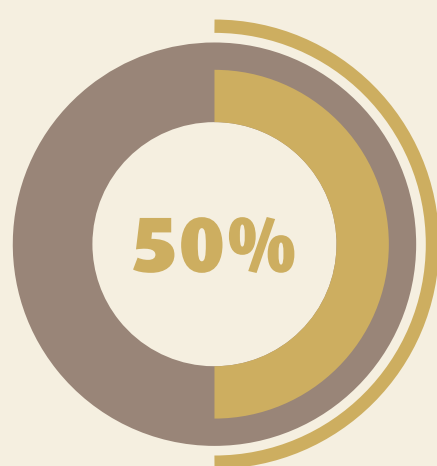
PROGRAMME PERFORMANCE

*a) Strategic Leadership and Governance • b) Administration
c) Core Business • d) Support Services • e) Associated Services*

A. PROGRAMME 1: STRATEGIC LEADERSHIP AND GOVERNANCE

The purpose of programme 1 is to provide political and strategic leadership, governance and institutional policy, communication and co-ordination, and oversee the development and the implementation of Parliament's strategic plan, annual performance plan and budget. The programme includes the Office for Institutions Supporting Democracy and the Parliamentary Budget Office.

Figure 4: Programme 1 Overall Performance 2020/21



PROGRAMME 1 ANNUAL PERFORMANCE 2020/21

INDICATORS MEASURED: 2

TOTAL MET: 1

TARGETS NOT MET: 1

The performance indicators of Programme 1 include 2 indicators - analysis reports on Institutions Supporting Democracy and reports on ISD related resolutions and strategic, procedural, legal advice and support on ISDs. One indicator met the target and the other did not, resulting in overall programme performance of 50%. The table below shows the performance of each indicator in the programme.

Table 6: Programme 1 5-Year Performance Per Indicator

STRATEGIC LEADERSHIP AND GOVERNANCE					
Indicator	Performance				
	2016/17	2017/18	2018/19	2019/20	2020/21
% of legal and procedural provided within 7 days	n/a	n/a	n/a	80%	83,33%
% of analysis reports provided within agreed timeframes	n/a	n/a	n/a	100%	100%

I. PARLIAMENTARY BUDGET OFFICE

The Parliamentary Budget Office (PBO) is established by the Money Bills Amendment Procedure and Related Matters Act no 09 of 2009 to provide analysis and advice (technical support) to the Finance and Appropriations Committees of Parliament over Money Bills and related matters. The PBO has set a performance target for the delivery of 30 reports for the 2020/21 financial year. The reports comprise a range of economic, policy, and finance outputs, which are directed at the enhancement of the public finance oversight capacity of Parliament. The PBO currently has no formal targets in the APP, however for the reporting period, April 2020 to March 2021, forty-one (41) reports were produced by the PBO to support the public finance oversight mandate of Parliament.

II. OFFICE ON INSTITUTIONS SUPPORTING DEMOCRACY

The Office supporting ISDs (OISD) in Parliament acts as a conduit between the National Assembly (NA) and the state institutions supporting democracy, who are accountable and report to the National Assembly. The mandate of the Office is to enhance the capacity of the National Assembly to perform its functions of oversight, accountability and support relevant to Institutions Supporting Democracy (ISDs), and to co-ordinate all interaction between the NA and ISDs.

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE & MITIGATION FACTORS
Procedural and legal to support Parliament on ISDs related matters.	% of legal and procedural provided within 7 days	90%	83,33% (65 of 78)	-6,67%	All reports were produced, however 18 were not done within the 7-day timeframe due to the fact that there was a significant increase in work volumes arising from committee activities.

Performance Trends

In respect of the strategic, procedural and legal advice prepared, 70 of the 88 were provided within the required 7-day turnaround time – 100% of advice was provided.

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE & MITIGATION FACTORS
Analytical services (research, content and secretariat support) to support Parliament on ISDs related matters.	% of analysis reports provided within agreed timeframes	100%	100% (12 of 12)	0%	

Performance Trends

All analysis reports for the year were produced within the agreed timeframes.

B. PROGRAMME 2: ADMINISTRATION

The purpose of this programme is to provide development programmes for Members, and consists of the Legislative Sector Support.

Figure 5: Programme 2 Overall Performance 2019/20



PROGRAMME 2 2020/21 PERFORMANCE

INDICATORS MEASURED: 2
TOTAL MET: 2
TARGETS NOT MET: 0

The objective of this programme is to improve capacity building programmes provided to Members by increasing the usefulness, relevance and accessibility of these programmes. The objective is accomplished through ensuring integrated capacity building programmes based on the needs of Members.

Table 7: Programme 2 5-Year Performance Per Indicator

ADMINISTRATION					
Indicator	Performance				
	2016/17	2017/18	2018/19	2019/20	2020/21
% of programmes implemented (Number of programmes implemented)	100% (4 of 4)	100% (8 of 8)	8	1	100% (4 of 4)
Number of reports prepared on implementation of Sector Strategy	n/a	n/a	n/a	4	4

I. LEGISLATIVE SECTOR SUPPORT

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/OVER PERFORMANCE & MITIGATION STRATEGIES
Members' capacity-building programmes	% of programmes implemented	100%	100% (4 of 4)	0	

Performance Trends

The four (4) capacity building programmes implemented during the 2020/21 reporting year included the following:

- Advanced Governance and Public Leadership: University of the Witwatersrand
- Continuing Education Programme (CEP) by the University of Johannesburg
- Post Graduate Diploma in Public Policy and African Studies at the University of Johannesburg
- Personal Mastery Course (In-House)

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/OVER PERFORMANCE & MITIGATION STRATEGIES
Legislative sector cooperation	Number of reports prepared on implementation of Sector Strategy	4	4	0	

Performance Trends

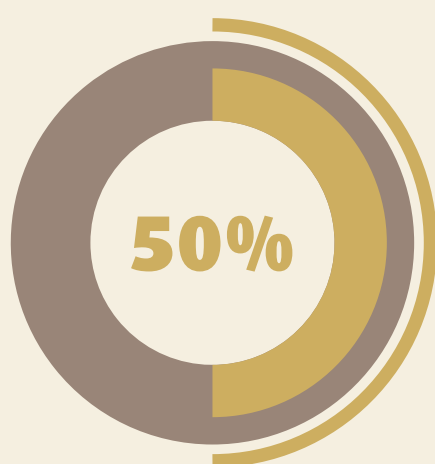
The SA Constitution, requires that Parliament and Provincial Legislatures maintain oversight over the Executive to ensure government that is open, responsive and accountable.

The outcome of the Legislative Sector is as a result of the collaboration between Parliament and the Provincial Legislatures. The collaboration is not only orientated towards ensuring a responsive and accountable government, but at the Sector level the overarching outcome is the capability and robustness of the Sector in its' response to the needs of the people of South Africa – "a capable and robust Legislative Sector that is responsive to the needs of the people of South Africa". In line with the determined priorities of the Sector, its desired impact and the overarching Sector outcome, the report on the sector strategy outlines work aimed at deepening the cooperative and collaborative approach of the SA Legislative Sector during the 6th Term.

C. PROGRAMME 3: CORE BUSINESS

The purpose of this programme is to provide procedural and legal advice, analysis, information and research, language, content and secretarial and legislative drafting services for meetings of the National Assembly, National Council of Provinces and their committees; to provide public education, information and access to support public participation and to provide analysis, advice and content support for international parliamentary engagement.

Figure 6: Programme 3 Overall Performance 2020/21



PROGRAMME 3 2020/21 PERFORMANCE

TOTAL INDICATORS: 6
TOTAL MET: 3
TARGETS NOT MET: 3



Programme 3 has six performance indicators. Three indicators met target and three did not meet target, as depicted by the table below. This resulted in an overall programme performance of 50%.

Table 8: Programme 3 5-Year Performance Per Indicator

CORE BUSINESS					
Indicator	Performance				
	2016/17	2017/18	2018/19	2019/20	2020/21
Number of annual parliamentary frameworks adopted	n/a	n/a	n/a	n/a	1
Number of NA programmes adopted	n/a	n/a	n/a	n/a	4
Number of NCOP programmes adopted	n/a	n/a	n/a	n/a	4
% of service provision as per Service Charter	85,39%	83,64%	93,33%	91,57%	87,33%
% Population having access to participate in parliamentary processes	11,5%	10%	10%	14%	13%
% increase in participation in the House and Committee activities	8,7%	6%	15%	7,2%	-2%

I. THE PROGRAMME OF PARLIAMENT

A key input towards the strengthening of committee oversight include adequate time for committees to conduct oversight. Committees will require more dedicated time in the form of committee weeks. For this change to occur, the Parliamentary Service must prepare a programming framework based on the statutory and strategic requirements, the direction provided by the Executive Authority, and that of the Programming Committees.

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/OVER PERFORMANCE & MITIGATION STRATEGIES
Joint parliamentary programming	Number of annual parliamentary frameworks adopted	1	1	0	
National Assembly	Number of NA programmes adopted	4	4	0	
programming	Number of NCOP programmes adopted	4	4	0	

Performance Trends

The programming framework was implemented over time, with a strategic shift between dedicated constituency, committee and plenary weeks. The new framework started to schedule joint committee and joint inter-sectoral work. In addition, the Parliamentary Service prepared a draft Oversight Plan, based on the inputs of Officer Bearers and key stakeholders, to direct the oversight work of Parliament.

II. SERVICE CHARTER

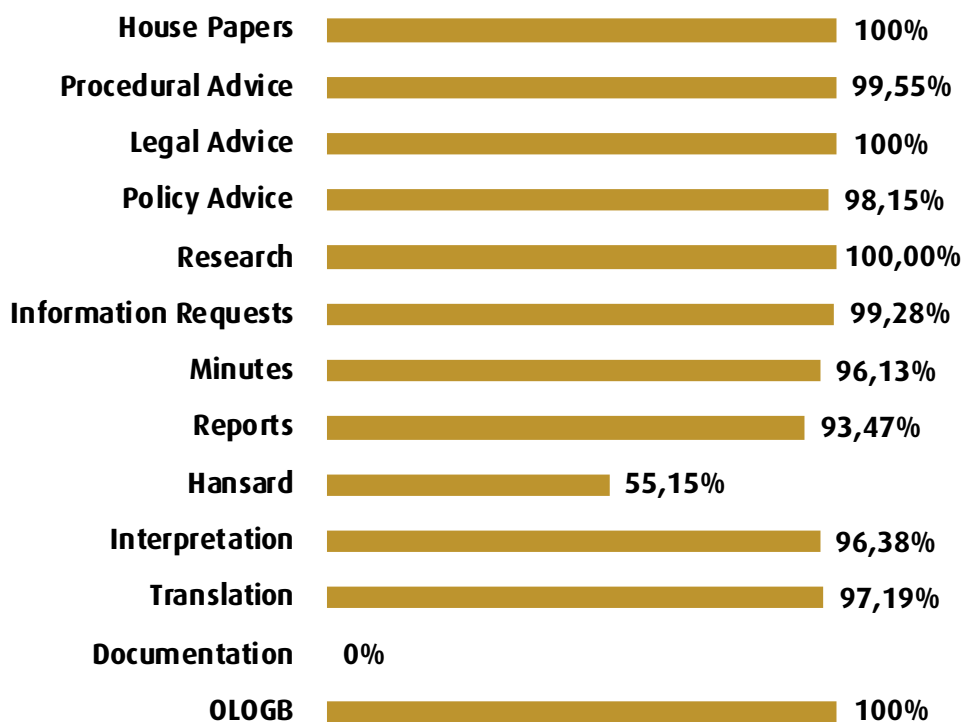
PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/OVER PERFORMANCE & MITIGATION STRATEGIES
Advisory, research and information services	% of information available as per Service Charter levels	93%	87,33%	-5,67%	Overall, 8 of the 13 sub-indicators met target, with 5 missing target. Some services were impacted by Covid-19 lockdown conditions.

Performance Trends

Due to the COVID 19 lockdown conditions during the 2020/21 reporting period, several challenges contributed to decreased performance including: limited access to the precinct during hard lockdown, inadequate tools of trade for those working from home; and the limitation of the available technology. The following figure shows performance per sub-indicator for the service charter.

Figure 7: Service Provision as per Service Charter 2020/21

SERVICE CHARTER 2020/21





The graph below shows progress on service charter delivery over the last five years.

Figure 8: Year on Year Service Charter Provision 2016/17 – 2020/21

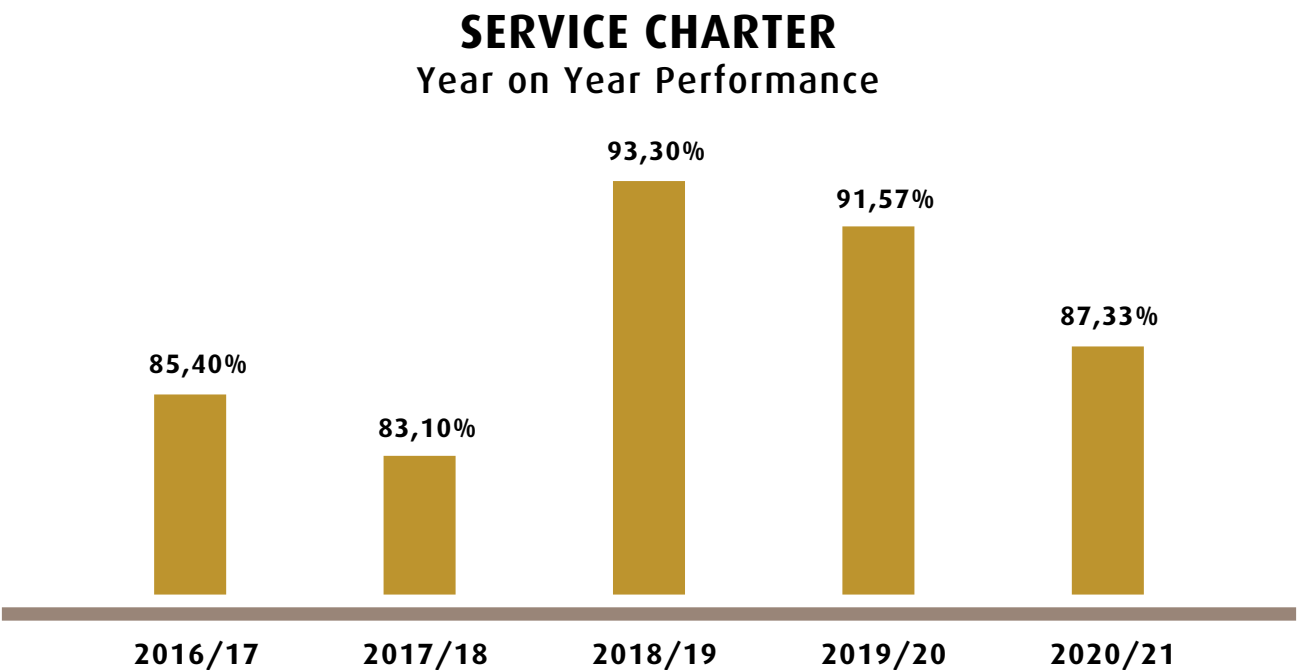


Table 9: Sub-Indicator Performance

Sub-Indicator	Annual Performance		
	Count		Percentage
House Papers	368	368	100,00%
Procedural advice	661	664	99,55%
Legal Advice	55	55	100%
Policy Advice	53	54	98,15%
Research	1392	1392	100,00%
Information Requests	275	277	99,28%
Minutes	1714	1783	96.13%
Reports	401	429	93,47%
Hansard	75	136	55,15%
Interpretation	1356	1407	96,38%
Translations	589	606	97,19%
Documentation	0	1	0,00%
OLOGB	268	268	100,00%
Service Charter Provision			87,33%

III.CORE BUSINESS SUPPORT DIVISION

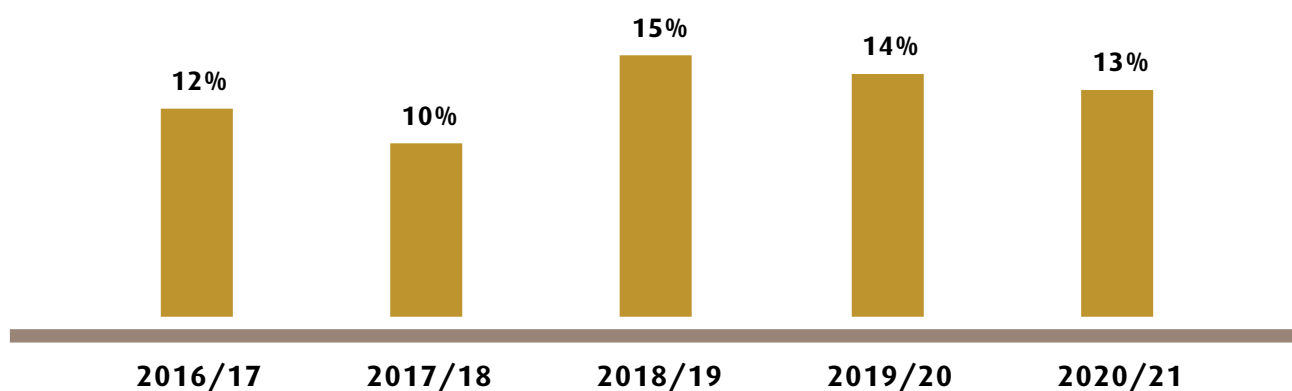
PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/OVER PERFORMANCE & MITIGATION STRATEGIES
Access to participate	% Population having access to participate in parliamentary processes	16%	13%	-3%	Public Participation activities were impacted by the Covid-19 lockdown conditions.

Performance Trends

Ipsos South Africa was commissioned to conduct independent and objective third party research into the perceptions of South Africans regarding Parliament. This report reflects on data collected in 2020, the aim of which was to measure the South African citizens' understanding of Parliament. The percentage of the population is measured by affirmative responses to the question "do you know how to participate in the activities of Parliament", through an independent national IPSOS survey. The figure below shows performance over the last four years.

Figure 9: % Population having access to participate in parliamentary processes 2016 – 2021

% POPULATION HAVING ACCESS TO PARTICIPATE IN PARLIAMENTARY PROCESSES 2016 – 2021



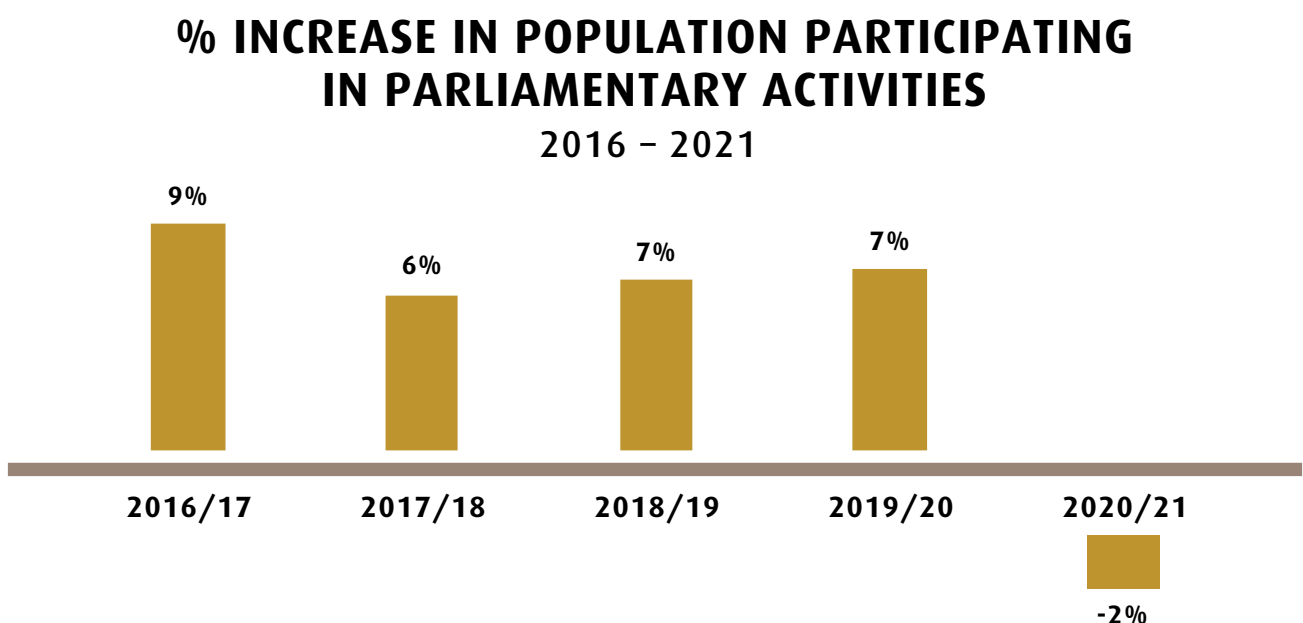
Citizen access to participate in parliamentary processes was disrupted during the 2020/2021 financial year due to the new operating model that was necessitated by Covid-19. New virtual methods and media platforms of facilitating public participation are in various stages of development.

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/ OVER PERFORMANCE & MITIGATION STRATEGIES
Participation in parliamentary activities	% increase in participation in the House and Committee activities	10%	-2%	-12%	Participation in House- and Committee activities were impacted by the Covid-19 lockdown conditions. The performance of -2% is caused by the decline in participation from 28% previously to 26% currently – This constitutes a decrease of 2% in performance for this indicator.

Performance Trends

The IPSOS survey measures this indicator by responses to the question “Have you participated in any of the following activities of Parliament?”, with options including the following avenues for participation: Social Media; Phone-in programmes; SONA (attended; listened; watched); Taking Parliament to the People; Sectoral Parliament (Youth Parliament; Women’s Parliament); Committee meetings or Public Hearings; Parliamentary Committee Programmes; Public Education Workshops; Sittings of Parliament; Committee Meetings in or outside of Parliament; Parliamentary Tours (or virtual tour)s; Petition submissions; Parliamentary Democracy Offices. Social media and phone-in programmes had the highest number of citizen participation; with SONA following. The level of participation in the 2019/20 reporting year was 28%, while for the 2020/21 reporting year it is 26%. Therefore, participation declined by 2%, bringing performance on the % increase in participation to -2%.

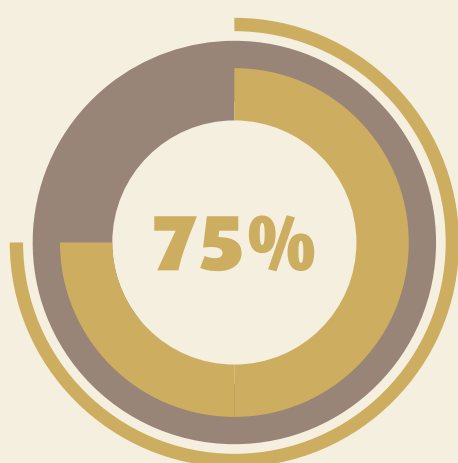
Figure 10: % Population participating in parliamentary processes 2016 – 2021



D. PROGRAMME 4: SUPPORT SERVICES

The purpose of this programme is to provide institutional communication services, human resource management, information communication technology, institutional support services and Members' support services.

Figure 11: Programme 4 Overall Performance 2020/21



PROGRAMME 4 PERFORMANCE 2020/21

TOTAL INDICATORS: 4

TOTAL MET: 3

TARGETS NOT MET: 1

Programme 4 has four performance indicators; three of which met target and one that did not meet target resulting in an overall performance of 75% for the programme as depicted by the table below.

Table 10: Programme 4 5-Year Performance Per Indicator

SUPPORT SERVICES						
Indicator		Performance				
		2016/17	2017/18	2018/19	2019/20	2020/21
1.5	% of population who are aware of the business of Parliament	9,75%	24%	27%	23%	24%
1.4	% of universal access	63%	72,7%	80,75%	94,12%	94,12%
1.6	% of clients satisfied with service levels	66,6%	69,7	67,10%	69%	48%
1.7	% increase in talent management index	6,4%	9%	9%	9%	9%

I. PARLIAMENTARY COMMUNICATIONS SERVICES

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/OVER PERFORMANCE & MITIGATION STRATEGIES
Participation in parliamentary activities	% of population who are aware of the business of Parliament	24%	24%	0%	

Performance Trends

Awareness levels of Parliament (Top 4 Box) is consistent across the age groups but tends to be much higher among adults with higher levels of education (93% among those with higher education compared to 63% among adults with no education). Awareness levels are highest in the North West (98%), Eastern Cape (97%) and Gauteng (96%). The percentage of South Africans who have never heard of Parliament remains low across the board.

II. INFORMATION COMMUNICATIONS TECHNOLOGY

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL PERFORMANCE TARGET	PERFORMANCE LEVEL (ACTUAL PERFORMANCE)	VARIANCE	REASONS FOR UNDER/OVER PERFORMANCE & MITIGATION STRATEGIES
Participation in parliamentary activities	% of universal access	94%	94,12%	+0,12%	The marginal over performance was not statistically significant

Performance Trends

The average in respect of web and mobile accessibility in Parliament is 94,12%, as depicted by the table below.

Table 11: ICT Accessibility

	SYSTEM	WEB PLATFORM (A)	MOBILE PLATFORM (B)
1	Website	yes	yes
2	Intranet	yes	yes
3	Chamber Systems (NA)	no	n/a
4	Chamber Systems (NCOP)	no	n/a
5	uVimba	yes	yes
6	ERP (Foundation)	yes	yes
7	Broadcast Infrastructure (streaming to YouTube)	yes	yes
8	ICT Service Desk	yes	yes
9	E-mail	yes	yes
10	Bungeni	yes	n/a
11	My Parliament	yes	yes
12	HR Analytics and Dashboards	yes	yes
13	ARIS	yes	yes
14	MS Teams	yes	yes
15	ERP (Automation of shuttle services)	yes	yes
16	Zoom	yes	yes
17	Online web application form	yes	yes
	(%Accessibility A + % Accessibility B)	15/17 = 88.2%	14/14 = 100%
	Average (%Accessibility A + % Accessibility B)	94.1%	

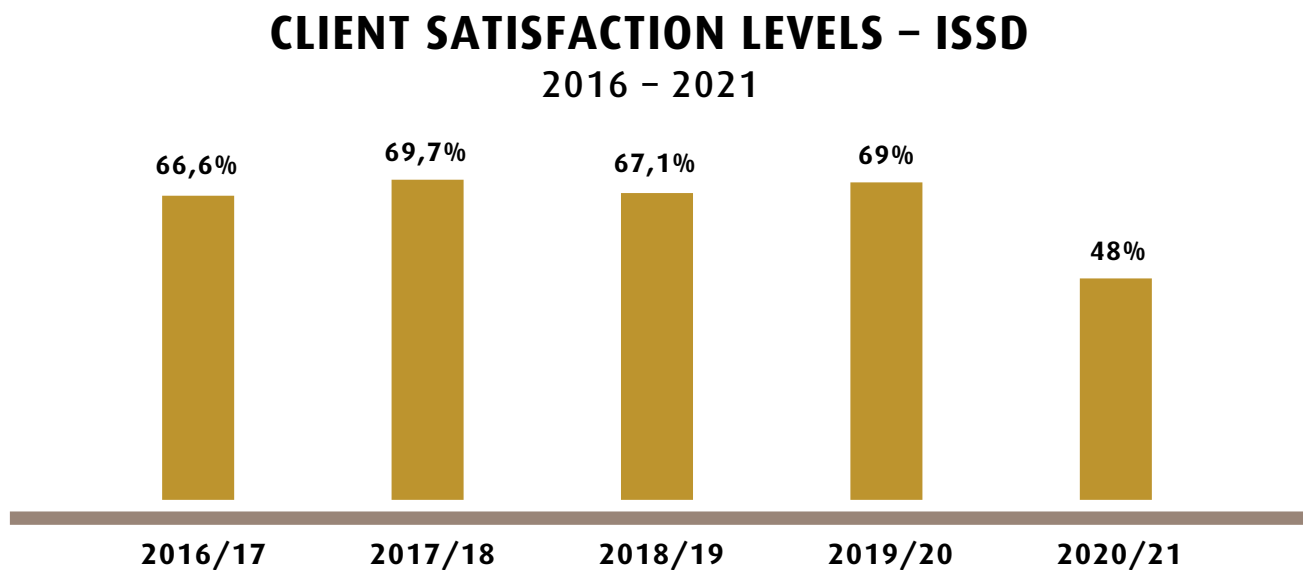
III.INSTITUTIONAL SUPPORT SERVICES

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE & MITIGATION FACTORS
Facility management services	% clients satisfied with services	70%	48%	-22%	Facilities Management Services were impacted by lockdown conditions and remote working

Performance Trends

The Survey Report was completed and the report received by Parliament. ISSD achieved a satisfaction rate of 48%. Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with services (household, catering, protection services, fleet management, SHE, mail distribution, and post/courier services) exceeds specified satisfaction targets. During the financial year, these services did not operate as normal due to remote working and lockdown conditions.

Figure 12: ISSD Client Satisfaction 2016 – 2021





IV. HUMAN RESOURCE DIVISION

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE & MITIGATION FACTORS
Talent management services	% increase in talent management index	1%	9%	+8%	Performance was boosted by the low turnover rate, and faster implementation of the succession planning programme.

Performance Trends

Table 12: Talent Management Index

TALENT MANAGEMENT INDEX								
Talent Index Dimension	Indicator	Definition of Indicator	Baseline 2019/20	Target 2020/21	Actual 2020/21	Actual Rating on 5 point scale	Weighted Score on 5 point scale	Ave. Rating Score on 5 point scale
ACQUISITION OF TALENT	Implementation of the Graduate Development Programme	The implementation of the graduate programme: 1) Finalisation of Broad curriculum framework outlining the curriculum of the programme, 2) The appointment of graduates 3) On-boarding of the graduates and 4) Presentation of modules/courses/ attendance of some initial training programmes	New sub-indicator	Implementation by 31 March 2021	Graduate Development Programme implemented before 31 March 2021	3	1,2	
				40%		3	1,2	1,2
GROWTH OF TALENT	Implementation of the Succession Planning programme	The Succession Planning programme entails: 1) The finalisation of the Succession Planning Management and Procedures, 2) Identification of positions targeted for succession planning	New sub-indicator	Implementation by 31 March 2021	Succession Planning Programme approved on 29.10.2020	5	1,5	
				30%		5	1,5	1,5
CONDUCTIVE ENVIRONMENT	% Turnover rate	Resignations as a % of ave. staff complement	1,52%	5%	0,45%	5	1,5	
				30%		5	1,50	1,50
2020/21 Rating Score								4,20
2020/21 % Score								87%
2020/21 Target (2019/20 performance: 78%)								79%
Increase in TMI								9%

E. PROGRAMME 5: ASSOCIATED SERVICES

Provide travel, communication and other facilities for Members of Parliament to fulfil their duties as elected public representatives. Provide financial support. The purpose of this programme is a) to provide travel, communication and other facilities for Members of Parliament to fulfil their duties as elected public representatives, and b) to provide financial support to political parties represented in Parliament, their leaders and constituency offices.

Members' Support Services

The objective seeks to review and implement the facilities needs of Members, and to integrate various services into a seamless support service. For the reporting year, services have been provided to Members of Parliament on a daily basis. The average working days to reimburse Members' claims was 2.16 days for the period under review.

Transfers to Political Parties

All transfers to political parties were processed timeously in accordance with policy.



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ANNUAL FINANCIAL STATEMENTS

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	South Africa
Postal address	P O Box 15 Cape Town 8000
Bankers	Nedbank
Auditors	Auditor General of South Africa Registered Auditors
Acting Secretary to Parliament	P N Tyawa

Other 1

Reporting on Parliament's mandate

The Parliament of the Republic of South Africa is a legislature and established in terms of Chapter 4 of the Constitution of the Republic of South Africa, 1996.

The principal activities of the Parliament are to:

- Pass laws (legislation);
- Oversee and scrutinize Executive (Oversight)
- Promote public participation

Parliament's operations are governed by the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009).

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Officer's Report

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against misstatement.

The financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) , including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgment and estimates.

The Accounting Officer acknowledges that she is responsible for the system of internal financial control established by Parliament and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, management sets standards for internal controls aimed at reducing the risk of error. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the year and all employees are required to maintain the highest ethical standards in ensuring the Parliament's business is conducted in a manner that in all reasonable circumstances, is above reproach. The focus of risk management in Parliament is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, Parliament endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer has reviewed Parliament's cash flow forecast for the year ending 31 March 2022 and in the light of this review, is satisfied that Parliament has access to adequate resources to continue in operational existence for the foreseeable future. Although the statement of financial position indicates a net deficit which is mostly due to the provision made for the post retirement medical benefits for current and former members of Parliament and Provincial Legislatures, Parliament has sufficient budgeted amount to make the contributions for the qualifying former members. Parliament is wholly dependent on National Treasury for the continued funding of its operations. The financial statements are prepared on the basis that the entity is a going concern and that Parliament has neither the intention nor the need to liquidate or curtail materially the scale of the Institution.

The Accounting Officer is primarily responsible for the financial affairs of Parliament. Auditor General of South Africa is engaged to express an independent opinion on these annual financial statements



Ms. P N Tyawa
Acting Secretary to Parliament

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R '000	2020 Restated* R '000
Assets			
Current Assets			
Inventories	2	1 331	2 230
Receivables from exchange transactions	4	1 589	1 191
Receivables from non- exchange transactions	3	631	1 697
Overspent statutory appropriation	5	34 139	22 185
Prepayments	6	8 641	13 011
VAT Receivables		368	283
Cash and cash equivalents	7	326 140	113 892
		372 839	154 489
Non-Current Assets			
Property, plant and equipment	8	62 907	70 319
Intangible assets	9	6 965	10 400
Heritage assets	10	55 493	55 437
		125 365	136 156
Total Assets		498 204	290 645
Liabilities			
Current Liabilities			
Finance lease obligation	11	5 269	11 787
Payables from exchange transactions	12	42 258	38 627
Payables from non-exchange transactions	13	5 187	3 585
Employees and Members benefit obligations	14	188 797	186 348
Provisions	15	16 966	5 339
		258 477	245 686
Non-Current Liabilities			
Finance lease obligation	11	629	4 036
Employees and Members benefit obligations	16	1 719 686	1 697 837
		1 720 315	1 701 873
Total Liabilities		1 978 792	1 947 559
Net Assets		(1 480 588)	(1 656 914)
Accumulated deficit		(1 480 588)	(1 656 914)

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Statement of Financial Performance

	Note(s)	2021 R '000	2020 Restated* R '000
Revenue			
Revenue from exchange transactions			
Sale of goods	18	978	10 799
Other revenue		16	90
Commissions received		547	446
Bad debts recovered		72	92
Interest earned	17	14 004	16 034
Total revenue from exchange transactions		15 617	27 461
Revenue from non-exchange transactions			
Taxation revenue			
Annual appropriation	19	2 015 843	1 993 460
Statutory appropriation	20	510 613	622 703
Service in kind rental	35	141 096	129 446
Transfer revenue			
Public contributions and donations	21	26 117	-
Other revenue		-	132
Total revenue from non-exchange transactions		2 693 669	2 745 741
Total revenue		2 709 286	2 773 202
Expenditure			
Compensation of employees and Members	22	(1 816 033)	(1 732 506)
Depreciation and amortisation	23	(27 920)	(21 839)
Finance costs	24	(1 121)	(1 230)
Debt Impairment	25	(131)	(147)
Transfers to non-profit institutions	26	(497 002)	(472 951)
Repairs and maintenance	27	(4 978)	(8 971)
Cost of sales	28	(1 785)	(8 740)
General Expenses	29	(335 026)	(500 757)
Total expenditure		(2 683 996)	(2 747 141)
Operating surplus		25 290	26 061
(Loss)/profit on disposal of assets		(543)	405
Actuarial (losses)/gain	16	154 833	(47 649)
Other comprehensive incomes/(Losses)		154 290	(47 244)
Surplus/(Deficit) for the year		179 580	(21 183)

* See Note 40

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Statement of Changes in Net Assets

	Accumulated deficit R '000	Total net assets R '000
Balance at 01 April 2019	(1 636 414)	(1 636 414)
Changes in net assets		
Surplus/(Deficit) for the year	(21 183)	(21 183)
Adjustment in prior year annual report	683	683
Total changes	(20 500)	(20 500)
Opening balance as previously reported	(1 655 475)	(1 655 475)
Adjustments		
Prior year adjustments-Note 40	(1 439)	(1 439)
Restated balance at 01 April 2020	(1 656 914)	(1 656 914)
Changes in net assets		
Surplus/(Deficit) for the year	179 580	179 580
Adjustments in opening balances	(3 254)	(3 254)
Total changes	176 326	176 326
Balance at 31 March 2021	(1 480 588)	(1 480 588)

* See Note 40

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Cash Flow Statement

	Note(s)	2021 R '000	2020 Restated* R '000
Cash flows from operating activities			
Receipts			
Annual appropriation		2 015 843	1 993 460
Statutory appropriation		476 474	600 518
Departmental revenue		2 294	11 344
Interest received		13 906	16 815
Overspent statutory appropriation		22 185	-
Public contributions and donations		26 117	-
		2 556 819	2 622 137
Payments			
Employee costs		(1 627 704)	(1 732 160)
Suppliers		(189 462)	(407 254)
Finance costs		(1 121)	(1 230)
Statutory appropriation surrendered to National Revenue Fund		-	(23 789)
Transfer to non-profit institutions		(495 400)	(471 125)
		(2 313 687)	(2 635 558)
Net cash flows from operating activities	32	243 132	(13 421)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(18 208)	(7 969)
Proceeds from sale of property, plant and equipment	8	102	364
Purchase of intangible assets	9	(260)	(4 406)
Purchases of heritage assets	10	(56)	(88)
Net cash flows from investing activities		(18 422)	(12 099)
Cash flows from financing activities			
Finance lease payments		(12 462)	(8 741)
Net increase/(decrease) in cash and cash equivalents		212 248	(34 261)
Cash and cash equivalents at the beginning of the year		113 892	148 153
Cash and cash equivalents at the end of the year	7	326 140	113 892

* See Note 40

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	

Cash Flow Statement

Cash flows from operating activities

Revenue

Annual appropriation	2 180 453	(164 610)	2 015 843	2 015 843	-	
Statutory appropriation	507 157	(30 683)	476 474	476 474	-	
	2 687 610	(195 293)	2 492 317	2 492 317	-	

Expenses

Compensation of employees	(1 222 654)	5 012	(1 217 642)	(1 117 091)	100 551	39.1
Compensation of Members	(507 157)	30 683	(476 474)	(510 613)	(34 139)	39.2
Goods and services	(451 132)	85 639	(365 493)	(189 462)	176 031	39.3
Transfer to non- profit institutions	(500 302)	-	(500 302)	(495 400)	4 902	
	(2 681 245)	121 334	(2 559 911)	(2 312 566)	247 345	

Net cash flows from operating activities	6 365	(73 959)	(67 594)	179 751	247 345	
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Cash flows from investing activities

Acquisition of property, plant and equipment	(23 960)	(6 045)	(30 005)	(18 208)	11 797	39.4
Purchase of heritage assets	(58)	-	(58)	(56)	2	
Purchase of intangible assets	(270)	-	(270)	(260)	10	

Net cash flows from investing activities	(24 288)	(6 045)	(30 333)	(18 524)	11 809	
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Net increase/(decrease) in cash and cash equivalents	(17 923)	(80 004)	(97 927)	161 227	259 154	
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Cash and cash equivalents at the end of the year	(17 923)	(80 004)	(97 927)	161 227	259 154	
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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
Reconciliation						
Net cash from (used) operating						
Basis difference						
Interest paid				(1 121)		
Statutory funds refunded/received				22 185		
Departmental revenue				2 294		
Interest received						
Interest received				13 906		
Public contributions and donations				26 117		
Net cash from (used) investing						
Basis difference						
Proceeds from sale of property, plant and equipment				102		
Net cash from (used) financing						
Basis difference						
Finance lease payments				(12 462)		
Actual Amount in the Cash flow statement				212 248		

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1. Basis of presentation

The financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), issued by the Accounting Standards Board in accordance with Section 56 of the Finance Management of Parliament and Provincial Legislatures Act.

The accounting policies applied are consistent with those that were applied in the previous year, except where indicated otherwise. Management has used assessment and estimates in preparing the annual financial statements. The estimates used were the best information available at the time of preparing the financial statements.

1.1 Significant judgements

In the process of applying accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of trade receivables

The calculation in respect of the impairment of trade receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. This was performed per service-identifiable categories across all classes of debtors.

Employee and Members benefits, provisions contingent liabilities and contingent assets

Management's judgment is required when recognising and measuring employees and Members benefit obligations, provision, contingent liabilities and contingent assets. Employees and Members benefit obligations are discounted where the effect of discounting is material using actuarial valuations.

Going concern assumption

The financial statements have been prepared on the assumption that Parliament will continue to operate as a going concern for at least the next 12 months as indicated in the Accounting Officer's report.

Post-retirement benefits

The cost of post-employment medical benefits for former members of Parliament is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, medical inflation, mortality rates and average retirement age. Due to the long-term nature of the plans, such estimates are subject to significant uncertainty.

Also the cost of travel benefits of former Members, Executives (Ministers and Deputy Ministers) is determined using actuarial valuations. The actuarial valuation involves making assumptions about the weighted average discount rate, the benefit inflation rate, net discounts and re-election probabilities.

The Members exit gratuity benefit is calculated by the pension fund. It is calculated as the difference between the value payable based on new rules and the value payable in terms of old fund rules. This amount is increased by CPI each year until it is paid to the Member when they exit the Fund. In the prior year exit gratuity benefit for members of Parliament was determined using actuarial valuations. The actuarial valuation involved making assumptions about discount rate, real rate, future salary increases, general inflation and withdrawal rate being end of the term of fifth Parliament.

Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements, and required return on assets to determine the optimum useful life expectation, where appropriate. The estimated residual values of assets is based on management's judgment on whether the assets will be sold or used at the end of their useful lives and what will be the condition of the assets at that time.

The impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has decreased below the carrying value of the asset. This is performed across all classes of property, plant and equipment during the physical verification process.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.2 Hierarchy of standards used

The standards used in compiling the annual financial statements are those stipulated in Directive 5 of the Accounting Standard Board.

Adoption of new and revised standards

In the current financial year Parliament has adopted the revised standards and interpretations issued by the Accounting Standards Board (ASB) as set out in Directive 5 that are relevant to its operations, and effective. The adoption of these revised standards and interpretations did not result in the changes to the accounting policies. Parliament has not adopted any SA Standards of GRAP that are not yet effective.

In terms of Directive 5, the below listed Standards of GRAP were approved and not yet effective:

GRAP 18 - Segment Reporting

GRAP 105 - Transfer of Functions Between Entities Under Common Control

GRAP 106 - Transfer of Functions Between Entities Not Under Common Control

GRAP 107 - Mergers

All the above standards where applicable will be complied with in preparation of the financial statements, once the effective date has been set. Preliminary investigations indicated that the impact of these standards on Parliament will be minimal.

1.3 Comparative figures

Where the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated. The nature and reason for the amendment is disclosed. Where the accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year's comparative figures are restated accordingly.

1.4 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.4 Revenue from exchange transactions (continued)

Recognition

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- Parliament has transferred to the buyer the significant risks and rewards of ownership of the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to Parliament and the cost incurred or to be incurred in respect of the transaction can be measured reliably.
- Parliament retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of services

Revenue from services rendered is recognised as and when the services are completed. If Parliament cannot reliably estimate the outcome of the transaction, revenue is recognised to the extent that expenses recognised are recoverable.

Interest

Interest revenue is recognised on a time proportion basis if it is probable that the economic benefits or service potential associated with the transaction will flow to Parliament and the amount can be measured reliably.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.5 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions that are not exchange transactions. In non-exchange transaction, Parliament receives value from another entity without directly giving approximately equal value in exchange.

The following broad categories of revenue from non-exchange transactions are received by Parliament:

- Statutory appropriation
- Grants, sponsorship and donation
- Annual appropriation
- Service in kind rental .

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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.5 Revenue from non-exchange transactions (continued)

Recognition

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount in the event of non-performance.

Grants, sponsorships and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, sponsorship or donation is conditional. The liability is transferred to revenue as and when the condition attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from the recovery of unauthorised, irregular and fruitless and wasteful expenditure is based on legislated procedures, including those set out in the FMPPLA and is recognised when the amount is recoverable and can be reliably measured.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by Parliament.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment are recognised at cost or at fair value at acquisition date where assets have been acquired through non-exchange transaction, less accumulated depreciation and impairment. Where item of property plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period the impairment is identified.

Subsequent expenditure incurred relating to property, plant and equipment is capitalised if it is probable that the future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the original assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

Parliament maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for an economic gain, and thus no residual values are determined on assets. The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the Statement of Financial Performance.

Depreciation commences when the asset is ready and available for its intended use. Depreciation is calculated on the cost price, using the straight-line method over the estimated useful lives of the assets. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The annual depreciation rates are based on the following estimated average lives of assets of property, plant and equipment :

Item	Depreciation method	Average useful life
Furniture	Straight line	5 to 20 years
Motor vehicles	Straight line	5 to 12 years
Office equipment	Straight line	5 to 20 years
Computer equipment	Straight line	3 to 15 years
Library books	Straight line	5 years
Finance assets - cell phones and modems	Straight line	2 years

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.6 Property, plant and equipment (continued)

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Parliament assess at each reporting date whether there is any indication that the expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, Parliament revise the expected useful life and/or residual value accordingly. The changes are accounted for as a change in an accounting estimate in accordance with the Standard of GRAP 3.

Parliament separately discloses expenditure for repair and maintain of property, plant and equipment in the notes to the financial statements.

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

Parliament recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to Parliament, and the cost or fair value of the asset can be measured reliably.

Initial measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Heritage assets are carried at cost less any accumulated impairment losses.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Depreciation

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation will be immaterial. However, they are assessed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, Parliament estimates the recoverable amount or the recoverable service amount of the heritage asset.

1.8 Intangible assets

Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Parliament recognises intangible assets in its Statement of Financial Position when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to Parliament for more than one reporting period, and the cost or fair value of the asset can be measured reliably. Intangible assets are initially recognised at cost. Where an intangible asset is acquired through non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.8 Intangible assets (continued)

Measurement

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

Amortisation

Amortisation commences when the asset is readily available for its intended use. Intangible assets are amortised on straight line bases over the estimated useful life of assets. The annual amortisation rates are based on the following estimated average asset lives.

Item	Useful life
Computer software, other	3 to 12 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

Parliament discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

1.9 Impairment of assets

Parliament assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, Parliament estimates the recoverable service amount of each individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Irrespective of whether there is any indication of impairment, Parliament also test intangible assets with an indefinite useful life or an intangible asset not yet available for use for impairment at reporting date, by comparing its carrying amount with its recoverable service amount.

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall, be increased to its recoverable service amount, but should not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit.

1.10 Inventories

Inventories consist of raw material, consumables and finished goods purchased and held for resale.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.10 Inventories (continued)

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs is the fair value as at the date of acquisition.

Subsequently, inventories are measured at the lower of cost determined on the weighted average basis and net realisable value.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Financial instruments

Parliament recognises financial instruments when Parliament becomes a party to the contractual provisions of the instrument and are initially measured at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Parliament subsequently measures all financial assets and financial liabilities after initial recognition at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and Parliament has transferred substantially all risks and rewards of ownership, or when Parliament loses control of contractual rights that comprise the assets.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. Parliament has the following types of financial assets (and liabilities) as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Trade and other receivables

Trade and other receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year end.

Bad debts are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that Parliament will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

- Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, which are held with registered banking institution with maturities of three months or less and are subject to an insignificant risk of change in value as well as notice deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with a bank. Parliament categorises cash and cash equivalents as financial assets, loans and receivables which are accounted for at amortised cost.

-Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Accounting Policies

1.12 Provisions

Provisions

A provision is recognised when Parliament has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

1.13 Leases

Leases are classified as finance leases at the inception of the lease if substantially all the risks and rewards associated with ownership of an asset are transferred to Parliament. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest.

In discounting the lease payments, Parliament uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. The lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the finance lease definition. Operating lease rentals are accrued on a straight-line basis over the term of the lease.

The difference between the amounts recognised as an expense and the contractual payments are recognised as either a pre-paid expense (asset) or liability depending on whether the payment exceeds the expense or vice versa.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.14 Employees and Members benefits

Short-term employee and Member's benefits

Short-term employee benefits are employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service.

The costs of all the short-term employee benefits is recognised during the period in which the employee rendered the related service. The employee-related costs are recognised as an expense in the Statement of Financial Performance. Any undiscounted amount not paid to an employee for the services that were rendered at reporting period is recognised as a current liability.

Parliament recognises the expected cost of the performance bonus, the staff salary saving, leave entitlements, overtime, salaries and members gratuities at undiscounted amounts in exchange for services that were rendered. A liability is recognised (accrued expense) after deducting any amount already paid. Parliament has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

If the amount already paid exceeds the undiscounted amount of the benefits, Parliament recognises excess as an asset, that will need to be recovered from the employee.

Post-employment benefits: Defined contribution plan

It is a post-employment benefit plan under which Parliament pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all Members benefits relating to Members service in the current and prior periods.

The defined benefit funds are administered on a national basis and for which specific actuarial information in respect of individual participating employers is unavailable due to centralised administration. These funds are accounted for as if they were defined contribution funds as Parliament is only obligated to make contributions. When an employee has rendered service to Parliament during a reporting period, Parliament recognises the contribution payable to a defined contribution plan in exchange for that service.

Post-employment benefits: Defined benefit plans

Parliament has an obligation to provide the agreed retirement benefits to its employees and former Members of Parliament. There is no fund to cover any shortfalls.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, Parliament recognises the actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

The liability in respect of these subsidies is discounted and recognised at fair value together with adjustments for actuarial gains and losses, current service costs and past service costs. The current service costs, past service costs and actuarial gains and losses are recognised in the Statement of Financial Performance as expenses incurred for the year.

The amount recognised as a defined benefit liability is the present value of the defined benefit obligation at the reporting date. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Defined benefit plans

The related current service costs and where applicable, past service costs are determined by using the projected unit credit method. The amount recognised in the statement of financial position represents the present value of defined benefit obligations as adjusted for unrecognised actuarial gains or losses and unrecognised past service costs, and reduced by the fair value of plan assets. To the extent that there is uncertainty as to the entitlement to the surplus, no asset is recognised. Current service costs are recognised as an expense in the current year.

Past service costs, experience adjustments, the effects of changes in actuarial assumptions and the effects of plan amendments in respect of existing employees are recognised as an expense or as income systematically over the expected average remaining working lives of those employees. The effects of plan amendments in respect of retired employees are measured at the present value of the effect of the amended benefits and are recognised as an expense or as income in the year in which the plan amendment is made.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Accounting Policies

1.15 Assets held for sale

Non current assets are classified as held for sale if their carrying amount is to be recovered principally from a sale transaction, rather than through continuing use. These are non-current assets that have been identified to be sold at their approximate fair value in their present condition and the sale highly probable.

A sale is highly probable if the appropriate level of management is committed to a plan to sell. This happens when the entity has performed the following steps:

- have begun an active programme to locate a buyer and complete the sale;
- be actively marketing the asset or disposal group at a price that is reasonable compared to its current fair value;
- have made a sale to be completed within one year from the date of classification, unless a delay is caused by events beyond the entity's control; and
- carry out actions required to complete the plan, which should indicate that it is not likely that there will be significant changes made to the plan or that the plan will be withdrawn.

Initial recognition

Before applying the measurement requirements of this Standard, the non-current assets held for sale are measured in accordance with the relevant SA Standards of GRAP under which they are currently accounted for. Non-current assets or disposal groups that meet the classification conditions to be held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Non-current assets that have been classified as held for sale are not depreciated or amortised. The assets are presented separately as non-current assets held for sale in the statement of financial position.

Subsequent measurement

The assets are assessed for impairment and recognises impairment losses on measurement and remeasurement to fair value less costs to sell in the same way as the entity would under the SA Standards of GRAP on impairment of assets.

1.16 Commitments

The amounts of contractual commitments for acquisition of property, plant and equipment at reporting date are disclosed in the notes to the financial statements.

1.17 Contingent liabilities and assets

Contingent liabilities

Contingent liabilities are not recognised as liabilities because they are possible obligations and yet to be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Parliament, that could lead to an outflow of resources embodying economic benefits or service potential, which cannot be measured with sufficient reliability.

The following is disclosed for each class of contingent liability at the reporting date:

- A brief description of the nature of the contingent liability and, where practicable an estimate of its financial effect is measured.
- An indication of the uncertainties relating to the amount or timing of any outflow and any the possibility of any reimbursement.

Contingent assets

Contingent assets are not recognised in the statement of financial position because are possible assets whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Parliament.

When an inflow of economic benefits or service potential is probable, a brief description of the nature of the contingent assets at the reporting date and where practicable, an estimate of their financial effect is disclosed.

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Financial Statements for the year ended 31 March 2021

Accounting Policies

1.18 Related parties

Parliament operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national spheres of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of Parliament, including those charged with the governance of Parliament in accordance with legislation, in instances where they are required to perform such functions.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed and remuneration of management as defined.

1.19 Prepayments

Prepayments includes payments made in advance before the services rendered or goods received. The prepayments are not discounted as the goods and services are expected to be provided within the next financial year.

1.20 Irregular expenditure

The FMPPLA defines irregular expenditure as expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of this Act or any other applicable legislation.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance in the year incurred and where recovery is highly probable is subsequently recognised as an asset in the Statement of Financial Position and revenue in the Statement of Financial Performance.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the current financial year, the disclosure note to the financial statements is updated with the amount condoned. Irregular expenditure that is incurred and identified during the current financial year is disclosed and reduced by any amounts condoned.

1.21 Fruitless and wasteful expenditure

The FMPPLA defines fruitless and wasteful expenditure as expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and when recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Where fruitless and wasteful expenditure was incurred in the previous financial year and is only condoned in the current financial year, the disclosure note to the financial statements is updated with the amount condoned. Fruitless and wasteful expenditure that is incurred and identified during the current financial year is disclosed and reduced by any amounts condoned.

1.22 Budget information

Parliament Budget comprises of the allocations by National Treasury and retained earning of previous years as Parliament is not required to return to National Revenue Fund any money appropriated but not spent.

The statement of financial performance is prepared on accrual basis, while the budget is prepared on cash basis. Therefore the actual amounts as per the financial statements are adjusted to be compared to the budget on a cash basis. The variance between budget and the actual amounts of five per cent are regarded as material and the variances are explained.

1.23 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of Parliament. Unless stated otherwise, all figures are rounded to the nearest R1,000 (thousand Rand).

1.24 Offsetting

Assets, liabilities, revenue and expenses have not been off-set except where offsetting is required or permitted by a SA Standards of GRAP.

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Financial Statements for the year ended 31 March 2021

Accounting Policies

1.25 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus (deficit) of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.26 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Parliament adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurs.

Parliament discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
2. Inventories		
Food and beverage	1 331	2 230
Opening balance	2 230	1 122
Additions	886	9 846
Cost of sales	(1 528)	(8 738)
Written-off	(257)	-
	1 331	2 230

The Catering stock that expired due to introduction of National lockdown restrictions were written off.

3. Receivables from non-exchange transactions

Staff and Members debt	1 281	2 307
Other receivables	(650)	(610)
	631	1 697

Reconciliation of doubtful debt provision

Opening balance	610	614
Contribution to provision	66	89
Amounts written off as uncollectible	-	(2)
Reversal of provision	(26)	(91)
	650	610

The receivables from non- exchange transactions over 90 days, where there is no arrangement for payment, were impaired.

4. Receivables from exchange transactions

Government organisations	25	13
Accrued income	1 144	1 046
Provisions for doubtful debts	(161)	(143)
Other receivables	581	275
	1 589	1 191

Reconciliation of the doubtful debt provision

Opening balance	143	87
Contribution to provision	65	57
Reversal of provision	(47)	(1)
	161	143

The receivables from exchange transactions over 90 days, where there was no arrangement for payment, were impaired. The receivables from exchange transactions amounting to seven thousand rand (R7 000) were past the due date of over 30 days, as at 31 March 2021. These receivables were assessed to be collectable and therefore not impaired.

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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
5. Overspent Statutory appropriation		
Amount received	(476 474)	(600 518)
Utilised	510 613	622 703
	34 139	22 185

Unspent statutory appropriation must be surrendered to National Revenue Fund (NRF) in terms of section 23 (4) of the FMPLA and in the same context overspending statutory appropriation must be claimed from NRF.

6. Prepayments

Prepayment balances

*Prepayments to DIRCO	-	100
** Prepaid expenses	8 464	12 517
Advances - short term	17	122
S&T Advance	11	117
Control: Petty Cash	149	155
	8 641	13 011

*Prepayments to the Department of International Relations and Cooperation (DIRCO) for service to be delivered during international travel of Members of Parliament and staff. There was no international travelling this year due to Covid-19 pandemic restrictions and precautionary measures and therefore no prepayments made to DIRCO.

**Prepaid expenses relates to portion of the payments made relating to periods in the next financial year, such as annual subscriptions and membership fees.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13	875
Bank balances	276 565	75 597
Short-term deposits	49 562	37 420
	326 140	113 892

The exposure to credit risk is the carrying amount of each class of cash and cash equivalents. Cash and cash equivalents and short term deposits are placed with high credit quality rated financial institution, therefore the carrying values were not impaired.

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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
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7. Cash and cash equivalents (continued)

Parliament had the following bank accounts

Account number / description	Bank statement balances		Cash book balances		
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	
Nedbank Limited: Primary Bank Account	240 558	55 803	-	240 558	55 803
Nedbank Limited: Salary Account	503	1 028	-	503	1 028
Nedbank Limited: Petty Cash Account	29	35	-	29	35
Nedbank Limited: EU Account Main	28 742	17 944	-	28 742	17 944
Nedbank Limited: EU Account Salary Account	6 733	787	-	6 733	787
Total	276 565	75 597	-	276 565	75 597

Short term deposits

Short term deposits do not exceed 12 months are kept with Nedbank as follows:

	Bank Statement Balances		Cash Book Balances	
	March 2021	March 2020	March 2021	March 2020
Nedbank Limited: Call Deposit (30 Days)	2 171	2 093	2 171	2 093
Nedbank Limited: Notice Deposit (183 Days)	1 391	1 327	1 391	1 327
Nedbank Limited: EU fixed deposit 365 day	46 000	34 000	46 000	34 000
	49 562	37 420	49 562	37 420

The 30 days notice deposit account bears interest at 3.3% per annum and the interest is compounded monthly.

The 183 days notice deposit account bears interest at 4.10% per annum and the interest is compounded monthly.

The 364 days notice account bears interest at 4.75% per annum and the interest is compounded yearly.

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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

Figures in thousand

8. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture	48 680	(42 988)	5 692	46 747	(41 799)	4 948
Motor vehicles	12 708	(7 402)	5 306	9 111	(6 116)	2 995
Office equipment	127 708	(103 662)	24 046	124 495	(100 691)	23 804
Computer equipment	123 683	(96 947)	26 736	118 445	(81 165)	37 280
Library books	32 207	(31 080)	1 127	32 127	(30 835)	1 292
Total	344 986	(282 079)	62 907	330 925	(260 606)	70 319

Reconciliation of property, plant and equipment - 31 March 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture	4 948	2 164	(28)	(1 392)	5 692
Motor vehicles	2 995	3 597	-	(1 286)	5 306
Office equipment	23 804	5 216	(339)	(4 635)	24 046
Computer equipment	37 280	6 997	(277)	(17 264)	26 736
Library books	1 292	80	-	(245)	1 127
	70 319	18 054	(644)	(24 822)	62 907

Included in property, plant and equipment are leased assets with carrying value of R8 288 (31 March 2020: R16 945)

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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

Figures in thousand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture	5 992	511	(28)	(1 527)	4 948
Motor vehicles	4 040	-	(2)	(1 043)	2 995
Office equipment	23 979	4 009	(13)	(4 171)	23 804
Computer equipment	23 416	26 966	(38)	(13 064)	37 280
Library books	1 197	317	(7)	(215)	1 292
	58 624	31 803	(88)	(20 020)	70 319

Included in property, plant and equipment are leased assets with carrying value of R16 945 (31 March 2019: R415)

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

Figures in thousand

9. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	31 914	(24 949)	6 965	32 251	(21 851)	10 400

Reconciliation of intangible assets - 31 March 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	10 400	260	(597)	(3 098)	6 965

Reconciliation of intangible assets - 31 March 2020

	Opening balance	Additions	Amortisation	Total
Computer software, other	7 413	4 802	(1 815)	10 400

10. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	55 493	-	55 493	55 437	-	55 437

Reconciliation of heritage assets - 31 March 2021

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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

Figures in thousand

10. Heritage assets (continued)

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	55 437	56	55 493

Reconciliation of heritage assets - 31 March 2020

	Opening balance	Additions	Reinstated assets	Total
Art Collections, antiquities and exhibits	55 316	88	33	55 437

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Notes to the Financial Statements

	2021 R '000	2020 R '000
11. Finance lease obligation		
Minimum lease payments due		
- within one year	5 477	12 836
- in second to fifth year inclusive	646	4 152
	6 123	16 988
less: future finance charges	(225)	(1 165)
Present value of minimum lease payments	5 898	15 823
 Non-current liabilities	629	4 036
Current liabilities	5 269	11 787
	5 898	15 823

The average lease term is 2 years for computer equipments (cell phones, modems and tablets and laptops). The laptops are only leased for Members of Parliament. The average effective borrowing rate is prime interest rate and the present value is used.

Leases have fixed monthly payments. However, lease payments vary due to contingent rentals (airtime, data-packages, etc). Transfer of ownership and risk takes place at the end of the lease term.

12. Payables from exchange transactions

Trade payables	10 445	14 746
Accrued expenses	31 813	23 881
	42 258	38 627

The fair value of trade and other payables approximates their carrying amounts.

Standard credit terms of 30 days apply.

13. Payables from non-exchange transactions

Transfers to non profit Institutions	5 187	3 585
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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
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14. Employees and Members benefit obligations

14.1 Reconciliation of employee benefits - 31 March 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave liability	60 171	34 386	(5 000)	-	89 557
Staff salary savings	2 685	2 545	(2 685)	-	2 545
Accrued long service awards	103	295	(103)	-	295
Overtime	1 755	229	(1 755)	-	229
Performance bonus	9 198	-	-	(9 198)	-
Long service awards provision	1 525	1 347	(1 400)	-	1 472
Shift and Stand in Allowance	-	152	-	-	152
Other	854	1 011	(841)	-	1 024
	76 291	39 965	(11 784)	(9 198)	95 274

Performance Bonus

Parliament had budget cuts amounting to R195,290 million in the 2020/21 financial year due to funding of Covid-19 pandemic by Government. As a result Parliament did not have money to pay performance bonus for 2019/20 financial year and management communicated this decision to all staff and the performance bonus provision was reversed.

Parliament budget was further reduced by R256,715 million for the 2021/22 financial year and in accessing the financial viability of Parliament, management decided not to make the provision for performance bonus for the 2020/21 financial year as Parliament will not have funds to pay the performance bonus. This assessment was conducted in line with performance management policy which states that proposal of rewards will be submitted to the Accounting Officer on annual basis taking into account resource constraints.

Other employee benefits

This balance includes the salary increase of staff, UIF and insurance claims not yet paid to employees as end year end.

Reconciliation of employee benefits -31 March 2020

	Opening Balance	Additions	Utilised during the year	Total
Leave Liability	47 818	18 952	(6 599)	60 171
Staff salary savings	2 850	2 685	(2 850)	2 685
Accrued long service awards	538	103	(538)	103
Overtime	1 096	1 755	(1 096)	1 755
Performance bonus	10 643	9 198	(10 643)	9 198
Long service awards provision	4 440	1 525	(4 440)	1 525
Shift and stand in allowance	104	-	(104)	-
Other	90	854	(90)	854
	67 579	35 072	(26 360)	76 291

Performance Bonus

The performance bonuses were calculated at 1% of the salary bill of employees who completed 12 month service as at 31 March.

14.2 Members benefit obligations

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
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14. Employees and Members benefit obligations (continued)

Reconciliation of Members benefit obligations - 31 March 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Member's gratuities	4 773	18 358	(1 163)	-	21 968
Post-retirement medical aid benefits	92 754	58 546	(84 372)	-	66 928
Post employment travel benefits	12 530	-	(1 508)	(7 215)	3 807
Other Members benefits	-	820	-	-	820
	110 057	77 724	(87 043)	(7 215)	93 523

Reconciliation of Members benefit obligations-31 March 2020

	Opening Balance	Additions	Utilised during the year	Total
Member's gratuities	4 935	3 348	(3 510)	4 773
Post-retirement medical aid benefits	81 563	92 754	(81 563)	92 754
Post employment travel benefits	11 375	12 530	(11 375)	12 530
	97 873	108 632	(96 448)	110 057

15. Provisions

Opening balance	5 339	2 170
Contribution	11 700	3 169
Reversal of provision	(73)	-
	16 966	5 339

The provision relates to the legal cases where Parliament is liable to pay costs however the bill of costs have not yet been granted. The amount is estimated based on Parliament experience regarding the costs of similar matters.

Parliament of the Republic of South Africa

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Notes to the Financial Statements

	2021 R '000	2020 R '000
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16. Employees and Members benefit obligations

16.1 Members benefit obligations

The Political Office Bearers Pension Fund (POBF)

Retirement benefits are provided by membership to POBF, Parliament's responsibility is limited to the current contributions made on behalf of its Members of Parliament. The obligation of the fund is guaranteed by the NRF. This responsibility is governed by the Pension Scheme Act, 1984 (Act No. 112 of 1984)

Contribution to POBF for the reporting period	65 576	64 587
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Post- retirement medical aid benefits

In terms of existing practice, Parliament provides to contribute a maximum of 66.67% to the Parmed scheme for the retired Members of Parliament (for before and post 1994) and Provincial Legislatures Members (post 1994). This defined benefit liability for potential post-retirement medical aid costs in respect of existing Members has been actuarially valued as at 31 March 2021.

Medical: Post - retirement benefit

Reconciliation of movement in liability	1 334 858	1 299 510
Opening balance	1 299 510	1 169 467
Current service costs	29 435	28 366
Interest	172 729	115 643
Actuarial (gain)/loss on basis	(108 270)	78 788
Transferred to current employee benefits	(58 546)	(92 754)

The interest cost was calculated using a liability-weighted average of the yields from the zero coupon SA Government bond curve for the components of the liability. The source is the Johannesburg Stock Exchange through Inet BFA data service.

The annual average contribution for the post retirement medical aid amounts to R84,372 million and is funded by National Treasury. The provision of R 1.402 billion is in terms of actuarial valuations for contributions to be made until the former Members of Parliament and Provincial Legislatures and/or their spouses passes away, children until their are 21 years or 26 years if they are still studying and children with disabilities until they passes away.

Principal actuarial assumptions:

Key Financial Assumptions

	31 March 2021	31 March 2020
Assumptions	Value p.a	Value p.a
Weighted discount rate	10.45%	12.65%
General inflation	6.59%	7.32%
Health care cost inflation rate	8.09%	8.82%
Net discount rate	2.18%	3.52%

Summary of key demographic assumptions

	31 March 2021	31 March 2020
Average benefit commencement age	55	55
Continuation of membership at cessation of service	75%	75%
Proportion with a spouse dependant at cessation of service	50%	50%
Mortality during employment	SA 85-90	SA 85-90
Mortality post-retirement	PA(90)-2	PA(90)-2
Male spouse older than female spouse	4 years	4 years

	Change %	Current service cost	Interest
Central assumptions	-	39 193	145 078
Discount rate	(1)	47 557	146 770

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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

		2021 R '000	2020 R '000
16. Employees and Members benefit obligations (continued)			
	1	32 696	143 259
Health care inflation	(1)	32 517	130 334
	1	47 675	162 539
Post-employment mortality age rating (1 year decrease)	-	40 459	150 482
Post-employment mortality age rating (1 year increase)	-	37 933	139 847
Average benefit commencement Age (1 year decrease)	-	39 783	147 871
Average benefit commencement Age (1 year increase)	-	40 222	142 126
	-	-	-

Assumption	Central assumption	Discount rate	Health care inflation	Post-employment mortality age rating	Average benefit commencement Age
1% decrease	1 401 786	1 562 459	1 264 032	-	-
Cost/(Saving)	-	160 673	(137 754)	-	-
1% increase	-	1 267 863	1 564 657	-	-
Cost/(Saving)	-	(133 923)	162 871	-	-
1 year decrease	-	-	-	1 452 877	1 428 222
Cost/(Saving)	-	-	-	51 091	26 436
1 year increase	-	-	-	1 352 348	1 373 039
Cost/(Saving)	-	-	-	(49 438)	(28 747)
Subtotal	-	-	-	-	-
	-	-	-	-	-

Liability history summary	2021	2020	2019	2018	2017
Accrued liability	1 401 786	1 392 264	1 251 030	1 143 737	1 010 304
Plan assets	-	-	-	-	-
Surplus/(Deficit)	(1 401 786)	(1 392 264)	(1 251 030)	(1 143 737)	(1 010 304)

History of experience adjustment: (Gains) and losses	2021	2020	2019	2018	2017
Liabilities (Gain)/Loss	(295 264)	109 190	24 690	48 442	(109 027)

Member's loss of office gratuity

This provision for loss of office gratuity is calculated for all current Members of Parliament with service of five years and more, assuming termination of service at the reporting date. It is calculated as 4 months pensionable salary for every five years in service or prorata share of the five year period. Pensionable salary is 60% of their total gazetted remuneration package.

Liability has also been raised for Member's who have not completed five years of service. There is a probability that 57 percent of these Members will complete five years of service based on the past five year's termination rate.

The liability is not discounted due to the fact that the salary increase rate will be the same as the inflation rate or the difference would be minimal.

Provision: Members' loss of office gratuity

Opening balance	89 969	140 225
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Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
16. Employees and Members benefit obligations (continued)		
Contributions	15 167	38 329
Utilised	(2 879)	(88 585)
	102 257	89 969

Exit gratuity

The exit gratuity is payable to relevant eligible Members of Parliament who are Members of Political Office Bearers Pension Fund when they exit the Fund. It is payable due to amendments made in rules in terms of the Proclamation 48 of 21 July 2016. These Members were Members of Fund on or before 2016 and did not exit the Fund as consequence of 2019 general elections. The Members exit gratuity fund value is the amount that is determined by the Fund to be payable to Members as a result of general elections in May 2019. It is calculated as the difference between the value payable based on new rules and the value payable in terms of old fund rules. This amount is increased by CPI each year until is paid to the Member when they exit the Fund.

Provision: Exit Gratuity

Opening balance	166 255	200 026
Current service cost	-	2 460
Interest cost	-	17 713
Benefit paid	(19 223)	(53 063)
Net transfers between divisions	-	(402)
Actuarial (gains)/loss	-	(479)
Increase	16 145	-
Transferred to current accrual benefits	(2 884)	-
	160 293	166 255

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Notes to the Financial Statements

	2021 R '000	2020 R '000
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16. Employees and Members benefit obligations (continued)

By the end of prior year (2019/20) the Fund was still busy with the calculations of the values payables to Members and could not provide the report, as a result Parliament appointed a service provider to perform the actuarial valuation of the liability that was payable. The Members exit gratuity fund value was projected to the election date of 7 May 2019 and compared to the benefit that would have been payable to each Member under the old fund benefits rules.

Below are the assumptions that were used in determining the 2019/20 liability, which are assessed to be reasonable when compared with the actual values received from the Fund for the current year.

Prior Year assumptions

Principal actuarial assumptions:

Key Financial Assumptions

	31 March 2020 Value p.a
Assumptions	
Discount rate	8.80%
Asset returns	8.80%
Price inflation	4.80%
Salary inflation	4.80%

The discount rate of 8.80% proposed for the 2020 valuation has been set with reference to the yields obtained from the zero coupon yield curve published by the Johannesburg Stock Exchange at 31 March 2020 at points which would best match the term of the liabilities, 4 years.

Asset returns: It has been assumed that members' Fund Credits grow in line with the discount rate of 8.80%.

Price inflation rate was calculated as the difference between the yield obtained from the zero-coupon yield curve published by the Johannesburg Stock Exchange and the yield obtainable on the real yield curve constructed from the available data for inflation linked bonds at the arrangement's duration at the valuation date. In the derivation of the proposed inflation rates allowance was made for a 0.5% inflation risk premium.

Salary inflation: It has been assumed that salary increases for Parliament members would increase in line with price inflation.

Given the short term nature of the Gratuity arrangement, it is proposed that a simple allowance of 5% per annum is made for members claiming the gratuity in each year (i.e. through withdrawal, retirement or death). All Members remaining to 30 June 2024 (the deemed date of the next National Election) are assumed to be paid out their full gratuity amount due at this date. Thereafter, no further gratuity payment is assumed to be payable to Members.

Sensitivity of defined benefit obligation

Defined Benefit Obligation (central scenario)	-	166 255
Defined Benefit Obligation (discount rate + 1%)	-	162 527
Defined Benefit Obligation (discount rate - 1%)	-	172 128
Defined Benefit Obligation (Salary escalation + 1%)	-	172 270

	-	-
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Liability history summary	2021	2020	2019	2018	2017
Accrued liability	160 293	166 255	200 026	162 337	115 887
Plan Asset	-	-	-	-	-
Surplus/(Deficit)	(160 293)	(200 026)	(162 337)	(115 887)	115 887

History of experience adjustment: Gains and losses	2021	2020	2019	2018	2017
Liabilities: (Gain)/Loss	-	3 138	-	-	2 907

Post employment travel benefits

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16. Employees and Members benefit obligations (continued)

In terms of the Ministerial handbook of 2007, Parliament is liable for the post employment benefits of Members, former Executives (Ministers and Deputy Ministers) and their spouses travel entitlements. Beneficiaries receive travel benefits in line with the highest designation attained during service. They are given a set travel allocation each calendar year and unused allocation does not carry over to the following year.

The travel privileges come into effect on the first day following the date on which they relinquish their office, excluding the journeys made when vacating State-owned residences to the places where they intend to settle.

Summary of post employment travel benefits (local travelling per annum):

Former Minister are entitled to 48 single business class tickets and their spouses to 24 business class tickets for life.

Former Deputy Ministers are entitled to 36 single business class tickets and their spouses to 18 business class tickets for life.

Former Members are entitled to 4 single economy class tickets (joint allocation to former Member and spouse)

The benefit is for life except Former Members as their benefit is equal to years of service, limited to 15 years.

There is no minimum service required to qualify except for Former Member which is five years.

After the benefit commences, the spouse is entitled to continue with the benefit of 12 single business class tickets upon death of Beneficiary (Former Minister/Deputy Minister). This benefit is not applicable to spouse of former Member.

There is no benefit accruing to spouse upon death in service for all categories. The benefit does not extend to spouse where marriage took place after the benefit commencement date.

Post employment travel benefits

Reconciliation of movement in liability

Opening balance	132 706	154 777
Current service cost	4 020	5 728
Interest	15 386	14 989
Actuarial (gain)/loss	(46 564)	(30 258)
(Transferred to)/ Transfer from current employee benefits	7 215	(12 530)
	112 763	132 706

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16. Employees and Members benefit obligations (continued)

Key Financial Assumptions

The interest cost were calculated using a liability-weighted average of the yields for the two components of the liability. The source is the Johannesburg Stock Exchange.

Assumptions	31 March 2021 Value p.a	31 March 2020
Weighted average discount rate	10.45%	11.04%
Benefit inflation rate (cost per allocation used)	6.57%	6.26%
Net discount rate	3.64%	4.50%
Summary of key demographic assumptions		
Re-election probability	Executive 50% Members 60%	
average benefit commencement age - All		59 years
Average Benefit Years (Members only)	7 years	
Mortality during employment	SA 85-90	
Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a. from 2010	
Proportion with a spouse at benefit commencement	Executives 70% Members 50%	
Withdrawal from service (applies to members who have accrued less than 5 years of service)	5% per annum	
Proportion of members who become a minister / deputy minister for some duration of their service	5% / 5%	
Proportion of deputy ministers who become a minister for some duration of their service.	5%	
Average Allocation Utilisation Per Annum Category		
Former ministers with / without spouses	18.6 / 12.1	
Former deputy ministers with / without spouses	15.2 / 8.7	
Former members with / without spouses	2.1 / 0.9	
Widow(er)s	3.0	
Average Cost Per Allocation Used (2019/20 terms)	Former Executives R4,340 Former Members R5,022	

Impact of COVID- 19

It is difficult to estimate what impact the pandemic is likely to have on the liability at this early stage. There is much uncertainty as to how it will affect mortality, and whether (and when) a treatment or vaccine will become available. Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items. The interest rate data was obtained from the Johannesburg Stock Exchange after the market close on 31 March 2021.

Assumptions	Change percentage	Current service cost	Interest cost	Total
Central assumptions	-	4 020	15 386	19 406
Benefit inflation rate	1	4 669	16 957	21 626
	(1)	3 493	14 031	17 524
Discount rate	1	3 567	15 442	19 009
	(1)	4 581	15 301	19 882
Post employment mortality -1 year	-	4 100	15 835	19 935
Average benefit commencement age -2yr	-	4 198	15 880	20 078
Proportion that reach a higher designation	5	5 651	16 078	21 729
	-	-	-	-

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16. Employees and Members benefit obligations (continued)				
Assumption Accrued Liability	Change percentage	Future Beneficiaries	Current Beneficiaries	Total
Central assumptions	-	36 215	80 355	116 570
Benefit inflation rate	1	40 086	85 521	125 607
	(1)	32 933	75 860	108 793
Discount rate	1	31 777	73 400	105 177
	(1)	41 618	88 541	130 159
Post-employment mortality +1yr	-	35 114	77 496	112 610
-1yr	-	37 307	83 235	120 542
Re-election probabilities	(20)	44 212	80 355	124 567
Proportion that reach a higher designation	5	43 905	80 355	124 260
	-	-	-	-
Liability history summary	2021	2020	2019	2018
Accrued liability	116 570	145 236	169 091	175 559
	-	-	-	-
Surplus / (Deficit)	(116 570)	(145 236)	(169 091)	(175 559)
History of experience adjustments: Gains and Losses			2021	2020
Liabilities: (Gain) / Loss			(29 077)	(9 007)

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16. Employees and Members benefit obligations (continued)		
16.2 Employees benefit obligations		
The Government Employee Pension Fund (GEPF)		
Retirement benefits are provided by membership to GEPF which is a defined benefit fund. Parliament's responsibility is limited to the current contributions made on behalf of its employees. The obligation of the fund is guaranteed by the NRF and not by the individual government departments and entities. This responsibility is governed by the Government Employees Pension Law, Proclamation 21 of 1996.		
Contribution to the GEPF for the reporting period	2020 69 272	2020 63 853
Pension Scheme for Officers of Parliament (PSOP)		
The PSOP is a defined benefit plan. The obligation of the fund is guaranteed by the National Revenue Fund and Parliament does not make any contributions. This responsibility is governed by the General Pensions, Act 29 of 1979		
Long service awards		
Parliament rewards employees for the long service provided once they reach the agreed mile stones indicated below. Management made estimate of employee who will reach the milestones based on the employee turnover as indicated below:		
Years of Service	Percentage to reach milestone	
10 years	93%	
15 years	98%	
20 years	98%	
25 years	81%	
30 years	96%	
Reconciliation of long service awards		
Opening balance	9 397	6 243
Contributions	1 470	4 679
Transferred to current employee benefits	(1 352)	(1 525)
	9 515	9 397
	-	-
The amounts recognised in the statement of financial position as non-current liabilities as follows:		
Carrying values		
Members benefit obligations		
Post- retirement medical aid benefits	1 334 858	1 299 510
Member's loss of office gratuity	102 257	89 969
Exit gratuity	160 293	166 255
Post-employment travel benefits	112 763	132 706
Employee benefits		
Long service awards	9 515	9 397
	1 719 686	1 697 837
17. Interest earned		
Interest earned	14 004	16 034

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18. Sale of goods

Catering sales	978	10 799
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Sale of goods refers mainly to catering sales made at Parliamentary restaurants.

19. Annual Appropriation

Programmes

Appropriated funds	2 015 843	1 993 460
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Voted funds are the amounts appropriated to Parliament in accordance with the final budget known as Adjusted Estimates.

Unexpended voted funds are not surrendered to the NRF and are available to Parliament for future utilisation in terms of section 23 (1) of the FMPPLA. These funds are appropriated to fund the following Parliament programmes:

1. Strategic Leadership and Governance
2. Administration
3. Core Business
4. Support Services and
5. Associated Services

20. Statutory Appropriation

Amount utilised

Statutory funds	510 613	622 703
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Amount forming a direct charge on the NRF in respect of salaries, allowances and other benefits of Members of the National Assembly and the National Council of Provinces in terms of remuneration of Public Office Bearers Act (Act No.20 of 1998)

Unexpended Statutory Appropriation is surrendered to the NRF in terms of section 23 (4) of the FMPPLA and overspending is refunded by NRF.

21. Public contributions and donations

*European Union	26 117	-
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*This relates to donor funding received from European Unions for Deepening Public Participation and Representation, strengthening capacity in law making and oversight, building an efficient and effective legislative sector and to strengthen the sector's capacity to engage, participate in, and oversee international relations. The only condition attached to these funds is the fact that they cannot be used for any other Parliament business.

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22. Compensation of employees		
Basic remuneration	930 745	891 362
Performance awards	(9 198)	9 198
Annual Leave	33 944	18 949
Contributions to Pension Funds	69 272	63 853
Phone allowance	557	624
Compensative/circumstantial	1 957	13 602
Long service awards	1 745	4 769
Contribution to UIF	2 334	2 325
Acting Allowance	8 840	8 442
Group life Fringe benefit	19 170	15 261
	1 059 366	1 028 385
Compensation of Members		
Pensionable remuneration	301 342	296 459
Contributions to Pension Fund	65 576	64 587
Loss of office gratuity	15 922	40 827
Other non pensionable allowances	118 914	117 350
Exit Gratuity	33 343	-
Current service cost	33 455	36 369
Interest cost	188 115	148 529
	756 667	704 121
Average number of employees and Members		
Average number of employees	1 326	1 323
Average number of Members	394	390
	1 720	1 713
23. Depreciation and amortisation		
Depreciation		
Motor vehicles	1 286	1 047
Computer equipment	17 264	13 064
Office equipment	4 635	4 171
Library books	245	215
Furniture	1 392	1 527
Amortisation		
Amortisation	3 098	1 815
	27 920	21 839
24. Finance costs		
Finance costs	1 121	1 230
25. Debt impairment contribution		
Contributions to provision for bad debts	131	147

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26. Transfers to non-profit institutions		
*Party Leadership Support	11 577	11 489
*Party Support Allowance	124 815	120 205
*Constituency Allowance	358 967	340 149
**Disability support	1 643	1 108
	497 002	472 951

These transfers were made to political parties represented in Parliament in terms of section 34 of the FMPPLA

* Party Leadership Support, Party Support Allowance and Constituency Allowance are transferred to political parties represented in Parliament in terms of section 34 of the FMPPLA.

** The Disability Support is transferred to political parties represented in Parliament which have Members with special needs in terms of the policy on facilities for Members with special needs.

27. Repairs and maintenance

Repairs and maintenance - Motor vehicle	-	65
Repairs and maintenance - Furniture	-	273
Repairs and maintenance - Computer equipment	1 192	947
Repairs and maintenance - Heritage assets	4	85
Repairs and maintenance - Office equipments	2 171	2 815
Repairs & Maintenance - Buildings	1 611	4 786
	4 978	8 971

28. Cost of sales

Sale of goods

Cost of goods sold	1 528	8 740
Write down of inventories to net realisable value	257	-
	1 785	8 740

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29. General expenses		
Advertising	13 509	8 720
Auditors fees	4 818	4 374
Bank charges	93	137
Consultants, contractors and special services	19 166	14 603
Subscriptions	13 990	13 722
Consulting and professional fees- Legal	18 131	11 839
Consumables	1 451	1 890
Communications	21 277	20 514
Bursaries	1 725	1 921
Entertainment	15	318
Flowers and other decorations	304	1 271
Insurance	4 011	3 361
Translations and transcriptions	170	642
Motor vehicle expenses	640	913
Re-settlement costs	1 591	10 052
Printing and stationery	9 112	16 307
Postage and courier	322	285
Personnel agency fees	573	2 818
Personnel protective clothing and equipment	1 716	1 009
Operating lease rentals	5 817	11 221
Registration and membership fees	3 572	745
Training and development	6 394	6 450
Travel - local	61 099	213 207
Travel -international	1	10 521
Bereavement support	437	23
Transport costs	3 033	5 482
Sports materials	-	7
Service in kind rental expense	141 096	129 446
Venue expenses	81	181
Catering	882	8 778
	335 026	500 757
30. Irregular expenditure		
Opening balance as previously reported	-	336
Add: Irregular Expenditure - current year	-	-
Less: Amounts condoned	-	(336)
	-	-
	-	-
31. Fruitless and wasteful expenditure		
Opening balance as previously reported	40	299
Add:Fruitless and wasteful expenditure - current year	23	12
	-	-
Less: Amounts recoverable	-	(4)
Less: Less: Amounts condoned	(12)	(267)
Closing balance	51	40
Detail of fruitless and wasteful expenditure		
Interest on late payments	51	38
Traffic fine admin fees	-	2
	51	40

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31. Fruitless and wasteful expenditure (continued)		
The case of the prior year were overstated by R271 as some cases were condoned and there were those cases that were identified to be recoverable amounts.		
32. Cash generated from (used in) operations		
Surplus (deficit)	179 580	(21 183)
Adjustments for:		
Depreciation and amortisation	27 920	21 839
Loss/(Profit) on sale of assets	543	(405)
	-	-
(Gains)/losses in changes in estimate	-	-
Interest earned	(14 004)	(16 034)
Interest received	13 906	16 815
Debt impairment contribution	131	147
Movements in non current employee benefits	21 849	27 099
Movements in current employee benefits	2 449	20 896
Changes in working capital:		
Inventories	899	(1 108)
Receivables from exchange transactions	(398)	764
Receivables from non exchange transactions	1 066	118
Overspent statutory receivables	(11 954)	(22 185)
Prepayments	4 370	2 338
Asset held for sale	-	113
Payables from exchange transactions	3 631	(23 657)
VAT receivable	(85)	(184)
Payable from non exchange transactions	1 602	1 826
Unspent statutory appropriation	-	(23 789)
Provisions	11 627	3 169
	243 132	(13 421)

33. Contingent liabilities and Contingent assets

Contingent liabilities

The following amounts are mainly in respect of pending labour related claims against Parliament and which are at the Commission for Conciliation, Mediation and Arbitration (CCMA). The certainty and timing of the outflow of these liabilities are uncertain and the disclosed amounts are possible outflows.

Litigations	42 609	11 500
	-	-
	42 609	11 500

34. Contingent assets

This relates to a matter that was heard at Labour Court and the case was dismissed with costs to the Applicant. Parliament is still waiting for confirmation from State Attorney of costs paid to be recovered from the Applicant. The amount was estimated on the basis of professional experiences of management and precedents of the past cases of this nature.

Costs incurred to be recovered	500	500
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35. Related parties

Related party relationship exists with all national government departments, trading entities, major state owned entities (Schedule 2), national government business enterprises (Schedule 3B) and national public entities (Schedule 3A) within the National Sphere of Government due to Parliament's oversight of these Institutions. Parliament has significant influence over these Institutions, that is exercised through oversight and scrutinising of the Executive performance.

Related party transactions are consistent with normal supplier and client relationship are on terms and conditions no more or less favourable than those which it is reasonable to expect Parliament to have adopted if dealing with an individual entity or person in the same circumstances. Transactions with these entities occur within terms and conditions that are within the normal operating parameters established by Parliament and are disclosed as part of revenue and expenses. The outstanding balance are disclosed below. Where there were abnormal transactions with related parties those transactions are disclosed in detail below:

Related party balances

Amounts included in trade payables regarding related parties

Intergovernmental payables - Departments

Justice	5 189	1 750
Public Works	1 794	1 761
South African police	361	165
International Relations and Cooperation	1 726	2 162
School of Government	20	-
Total	9 090	5 838

Trade payables - Other Government Entities

Telkom SA Limited	814	1 054
Government Printing Works	3	17
The South African National Roads Agency Limited	53	53
State Information Technology Agency	7	19
South African Broadcasting Corporation Limited	1 283	-
Total	2 160	1 143

Amounts included in trade receivables regarding related parties

Cooperative Governance and Traditional Affairs	25	-
South African Police	-	11
Office of the Presidency	-	26
Social development	-	7
Total	25	44

Parliament occupies buildings which are owned by Department of Public Works (DPW). Parliament occupies these buildings which are significant to its operations for free and does not pay any rental costs to DPW. These buildings were occupied for the entire financial year ended 31 March 2021.

Parliament is provided with protection services by the South African Police Services for free, which are not significant to Parliament operations and were made available for the entire financial year ended 31 March 2021.

There is co-operation between DIRCO and Parliament regarding the payment of expenses for accommodation, transport, conference services, etc. by missions on behalf of Parliament when parliamentary officials are required to travel abroad on official business. There were no prepayments made to DIRCO in the current year.

Service in kind revenue

Service in kind rental benefit	141 096	129 446
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35. Related parties (continued)

Please refer to note 36, for the remuneration of management.

36. Remuneration of management

Parliament is governed by the Executive Authority, comprising the Speaker (and Deputy) of the National Assembly and Chairperson (and Deputy) of the National Council of Provinces. The Executive Authority, together with the Secretary to Parliament, two Deputy Secretaries to Parliament, Secretary to the National Council of Provinces, Secretary to the National Assembly, Chief Financial Officer and Division Managers are responsible for the planning, directing and controlling of the activities of the institution. During the period under review, the following remuneration was paid/payable to these members of management for the services rendered to Parliament.

Executive Authority

31 March 2021

	Basic Salary	Post Employment Benefits	Other Short- term Benefits	Total
Hon. T R Modise - Speaker of the National Assembly	1 695	381	749	2 825
Hon. NA Masondo-Chairperson of the National Council of Provinces	1 695	381	749	2 825
Hon. L. Tsenoli - Deputy Speaker of the National Assembly	1 187	267	524	1 978
Hon. SE Lucas - Deputy Chairperson on the National Council of Provinces	1 187	267	524	1 978
	5 764	1 296	2 546	9 606

31 March 2020

	Basic Salary	Post Employment Benefits	Other Short term Benefits	Total
Hon. B Mbete - Speaker of the National Assembly	173	39	77	289
Hon. T R Modise - Chairperson of the National Council of Provinces	1 695	381	749	2 825
Hon. L. Tsenoli - Deputy Speaker of the National Assembly	1 168	263	516	1 947
Hon. R Tau -Deputy Chairperson of the National Council of Provinces	166	37	73	276
Hon. NA Masondo-Chairperson of the National Council of Provinces	1 822	328	280	2 430
Hon. SE Lucas - Deputy Chairperson on the National Council of Provinces	1 274	229	195	1 698
	6 298	1 277	1 890	9 465

Honourable TR Modise was Chairperson of National Council of Provinces (NCOP) and became Speaker of NA after the 2019 elections, replacing Honourable B Mbete.

Honourable SE Lucas became Deputy Chairperson of National Council of Provinces (NCOP) after 2019 general elections and replaced Honourable R Tau.

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36. Remuneration of management (continued)

Senior Management

31 March 2021

	Basic Salary	Post Employment Benefits	Long Service Awards	Total
*Ms P N Tyawa - Acting Secretary to Parliament	2 411	225	5	2 641
Adv M Phindela - Secretary to National Council of Provinces	2 127	258	9	2 394
Mr M Xaso - Acting Deputy Secretary to Parliament: Core Business	2 053	219	22	2 294
**Mr HJ Nkuna - Acting Chief Financial Officer	1 376	106	-	1 482
**Ms RP November	806	77	12	895
	-	-	-	-
	-	-	-	-
	8 773	885	48	9 706

*Ms PN Tyawa -Deputy Secretary to Parliament: Support Services is acting Secretary to Parliament from June 2017 after Mr G Mgidlana was suspended and subsequently his contract terminated.

**The Acting Chief Financial Officer Mr HJ Nkuna retired in October 2020 and replaced Ms November as acting Chief Financial Officer from 01 November 2020.

31 March 2020

	Basic Salary	Post Employment Benefits	Long Service Awards Provision	Performance Bonus Provision	Total
Mr G Mgidlana - Secretary to Parliament	1 724	24	-	-	1 748
Ms P N Tyawa - Deputy Secretary to Parliament : Support Services	2 983	217	5	20	3 225
Adv M Phindela - Secretary to National Council of Provinces	2 036	241	8	22	2 307
Mr M Xaso - Acting Deputy Secretary to Parliament: Core Business	2 040	203	21	21	2 285
HJ Nkuna - Acting Chief Financial Officer	1 805	169	7	16	1 997
	10 588	854	41	79	11 562

*Ms PN Tyawa -Deputy Secretary to Parliament: Support Services is acting Secretary to Parliament from June 2017 after Mr G Mgidlana was suspended and subsequently his contract terminated.

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36. Remuneration of management (continued)				
Divisional Managers				
31 March 2021				
	Basic Salary	Post employment benefits	Long Service Awards Provision	Total
Ms M Zungu - Institutional Support Services	1 929	234	4	2 167
Adv Z Adhikarie - Legal Services	1 979	240	15	2 234
Ms S Schalk - Legislative Support Programme	2 074	40	9	2 123
*Mr RD Gilfillan Acting Chief Audit Executive	1 890	28	2	1 920
Mr K Zweni - Office of Institutional Supporting Democracy	1 795	218	9	2 022
Dr Gabriel LK - Knowledge and Information Systems	1 929	234	4	2 167
Mr G Mokate - Head of the Chairperson's Office	2 082	41	1	2 124
Mr MK Mothapo- Parliamentary Communication Services	1 929	234	3	2 166
Mr DJ Sithole - International Relations and Protocol	1 929	234	3	2 166
Mr VGM Mavuso - Members Support Services	1 929	234	3	2 166
RK Begg - Core Business Support	1 929	234	4	2 167
Mr DR Moodley - Strategy and Governance	2 123	41	3	2 167
Ms F Boltman - Chief Information Officer	2 082	41	9	2 132
Mr MM Monkonyana - Human Resources Executive	2 103	41	12	2 156
Ms NF Nojozi - Head of Speaker's Office	1 206	19	-	1 225
**Mr BR Elisha- Head of Speaker's Office	1 041	20	-	1 061
Ms JM Sefako	134	16	-	150
Dr DJ Jantjies- Director Parliamentary Budget Office	869	100	5	974
Ms N Orlandi Acting Director Parliamentary Budget Office	165	16	5	186
Mr S Mohamed	164	16	3	183
	31 281	2 281	94	33 656

**Ms NF Nojozi - Head of Speaker's Office resigned in September 2020 and replaced by Mr BR Elisha in October 2020.

31 March 2020

	Basic Salary	Post Employment Benefits	Long Service Awards Provision	Performance Bonus Provision	Total
Ms M Zungu - Institutional Support Services	1 846	215	3	20	2 084
Adv Z Adhikarie - Legal Services	1 894	224	14	21	2 153
Ms S Schalk - Legislative Support Programme	1 985	33	9	20	2 047
*Mr S Nyenyiso Chief Audit Executive	1 432	154	-	-	1 586
*Mr RD Gilfillan Acting Chief Audit Executive	299	5	1	14	319
Mr K Zweni - Office of Institutional Supporting Democracy	1 718	203	8	19	1 948
RK Begg - Core Business Support	1 846	218	3	20	2 087
Dr Gabriel LK - Knowledge and Information Systems	1 846	218	3	20	2 087
**Mr G Mokate - Head of the Chairperson's Office	1 422	26	1	-	1 449

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36. Remuneration of management (continued)					
Mr MK Mothapo- Parliamentary Communication Services	1 908	156	2	20	2 086
Mr DJ Sithole - International Relations and Protocol	1 850	218	2	20	2 090
Mr VGM Mavuso - Members Support Services	1 846	218	2	20	2 086
Mr DR Moodley - Strategy and Governance	2 031	34	2	20	2 087
Ms NF Nojozi - Head of Speaker's Office	1 962	33	2	20	2 017
**Mr PM Sebegoe - Head of the Chairperson's Office	342	22	-	-	364
Ms F Boltman - Chief Information Officer	2 129	27	8	20	2 184
Mr MM Monkonyana - Human Resources Executive	2 012	33	10	20	2 075
	28 368	2 037	70	274	30 749

*Mr S Nyenyiso - Chief Audit Executive resigned in January 2020 and Mr RD Gilfillan started to act in the position from February 2020.

**Mr PM Sebegoe - - Head of the Chairperson's Office resigned in May 2019 and replaced in July 2019 by Mr G Mokate.

37. Financial Instruments

37.1 Financial Instruments exposed to risk

Liquidity risk

Liquidity risk is the risk that Parliament will not be able to pay current liabilities as they fall due.

Parliament manages its liquidity risk to ensure it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents and ongoing review of future commitments.

The maturity dates of Parliament's liabilities are set out below as undiscounted cash flows.

Financial liabilities at amortised cost

Payables from exchange transactions	42 258	38 627
Payable from non exchange transactions	5 187	3 585
	47 445	42 212

Finance leases

Payable within 1 year	5 269	11 787
Payable within 2- 5 years	629	4 036
	5 898	15 823

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37. Financial Instruments (continued)

Credit and interest rate risks

Credit risk arises from the risk that a counter-party may default or not meet its obligation timeously.

Credit risk consists mainly of cash deposits, cash equivalents and receivables. Parliament only deposits cash with major bank with high quality credit standing.

Receivables mainly comprises of related parties which lowers the counter-party risk.

Interest rate risk results from the cash inflows due to uncertainty arising from the interest rate fluctuations.

Financial assets exposed to credit and interest risk as at 31 March 2021 are as follows:

Financial assets at amortised cost

Bank balances	276 565	75 597
Short-term deposits	49 562	37 420
Receivables from exchange transactions - within 1 year	1 589	1 191
Receivables from non exchange transactions - within 1 year	631	1 697
	328 347	115 905

37.2 Financial instruments not exposed to risk

Financial assets

The overspent statutory appropriation is not exposed to risk as it will be refunded by National Revenue Fund in terms of section 23 (4) of the FMPPA.

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Financial assets at amortised cost - receivable within 1 year

Overspent statutory appropriation	34 139	22 185
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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
38. Commitments		
Commitments in respect of capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	2 909	2 283
• Intangible assets	-	320
	2 909	2 603

Total capital commitments		
Already contracted for but not provided for	2 909	2 603

This committed expenditure relates to property, plant and equipment and will be financed by existing cash resources. .

Operating leases - as lessee (expense)

At the reporting date Parliament had outstanding commitments under operating leases which fall due as follows:

Minimum lease payments due		
- within one year	1 119	3 463
- in second to fifth year inclusive	-	398
	1 119	3 861

Operating lease payments represent rentals payable by Parliament for office equipment. Leases of equipment are negotiated for an average term of three years and rentals are fixed for the entire lease term. The contract for the lease of PDO's expired and Parliament is renting the Parliamentary Democracy Offices (PDO) on month to month basis and therefore there is no commitment to disclose.

39. Budget differences

Material differences between budget and actual amounts

Parliament's budget is approved on a cash basis by functional classification. The approved budget covered the fiscal period from 1 April 2020 to 31 March 2021. The comparison of Parliament's actual performance with the budget is set out in the statement of comparison of budget and actual amounts.

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting basis differ. The financial statements are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis. The variance of five per cent and above between budget and the actual amounts prepared on a cash basis is regarded as material and is explained below:

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
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39. Budget differences (continued)

39.1 Compensation of employees

The underspending on compensation of employees is due to terminations during the year and delays in filing critical vacant positions due to suspension of recruitment process as a result of national lockdown. The underspending will be part of retained earnings and available for spending in the next financial year, as Parliament is not required to surrender funds appropriated and not spent in line with sections 16(2)(b)(iii) and 23(1) of the FMPPLA.

39.2 Compensation of employees

The overspending is due to the payment of loss of office and exit gratuities to retired/resigned/deceased Members over and above the payment of the salaries and benefits of Members of Parliament. Further National Treasury reduced the initial allocation for Direct Charges by R30 683m.

39.3 Goods and services

The underspending on goods and services is due to national lockdown as travel restrictions as precautionary measures were introduced. There have been significant reduction in local travel and no international travelling. There is also significant reduction in items such as printing & stationery, catering and operating lease rentals (non renewal of printing lease contracts) as the majority of employees and Members of Parliament are working remotely from home.

The underspending will be treated as detailed in 39.1 above.

39.4 Property, plant and equipment

The underspending on property, plant and equipment is due to delivered assets that were not paid as at year end. Also lockdown restrictions contributed in late delivery of computer assets close to year end and others were delivered after year end.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

2021 R '000	2020 R '000
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40. Prior period errors

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments are presented to the nearest thousand. All errors identified were corrected, however only the overall change of 5 percent and above or R500 thousand in the account balance, class of transactions and cash flow movements are explained.

40.1 Current employee benefits, Non current and Compensation of employees and Members

The current employee benefits were understated by R2 213 mainly due to :

The increase of loss of office amounts payable to exited Members as a result of salary increase and other gratuities that were not accounted.

The non current employee benefits was overstated by R185 due to:

Deceased former Members that were included in the valuation of the travel benefits. The liability of travel benefits of former Members was reduced by R3 037m last year due to the Auditors valuation of the liability however the interest rates were not revised .The removal of the deceased Members resulted in revision of the liability-weighted averages used for valuation as follows:

Weighted average discount rate	10.98% to 11.04%
Benefit inflation rate (cost per allocation used)	6.21% to 6.26%
Net discount rate	4.49% to 4.50%

40.2 Provisions and general expenses

Provisions as well as general expenses were overstated by R1 181 due to legal expenses that were already paid and were also provided for.

40.3 Receivables from non exchange transactions

The receivables from non exchange transaction increased by R113 mainly due to overpayment for the property plant and equipment.

40.4 Prepayments

Prepayments decreased by R842 due to the expenses that were incurred from the use of credit card and not accounted for.

40.5 Cash and cash equivalents

Cash and cash equivalents was understated by R729 due to cash received, kept in cash in transit account and was not cleared at year end.

40.6 Payables from non-exchange transactions and transfers to non-profit institutions

Increased by R2 335 due to payment of amounts that were queried and withheld from Political Parties allowances. The party response was evaluated and found to be valid.

40.7 General expenses and payables

General expenses were understated by R1 889 due to mainly expenses that were incurred and not recognised.

40.8 Payables from exchange transactions

They were overstated by R1 273 mainly due to expenses that were accrued and subsequently received the credit notes.

Note Disclosure

40.9 Operating lease commitment

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
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40. Prior period errors (continued)

The operating lease commitments were understated by R743 due to lease agreement that was not accounted.

40.10 Fruitless and wasteful expenditure

Was overstated by R271 and reasons are detailed in note 31 above.

40.11 Transfers to non-profit institutions

Was understated by R2 192 due to amounts that were queried, not paid and were not accounted for.

40.12 (Loss)/profit on disposal of assets

Was understated by R34 due to profit on sale of assets that was earned and not accounted for.

40.13 Cash Flow Statement

Cash flow from operating activities

Payment to suppliers was overstated by R47 920 and employee costs understated R47 633 mainly due to effect of actuarial loss that was accounted in suppliers instead of employee costs.

Cash flow from investing activities

The payment for purchase of property plant and equipment was understated by R379 due to inclusion of assets that were not paid.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Increase in receivables from non-exchange transactions	-	113
Decrease in receivables from exchange transactions	-	(31)
Decrease in prepayments	-	(842)
Increase in cash and cash equivalents	-	729
Increase in property, plant & equipment	-	72
Increase in intangible assets	-	396
Increase in heritage assets	-	33
	-	-
Decrease in payables from exchange transactions	-	1 273
Increase in payables from non-exchange transactions	-	(2 335)
Increase in current employees and members benefit obligations	-	(2 213)
Decrease in provisions	-	1 181
Decrease in non current employees and members benefit obligations	-	185
Total	-	(1 439)

Statement of financial performance

Increase in compensation of employees and members	-	(2 012)
Increase depreciation and amortisation	-	(28)
Increase in transfers to non-profit organisations	-	(2 192)
Increase in repairs and maintenance	-	(2)
Increase in cost of sales	-	(2)
Decrease in general expenses	-	1 889
Increase in profit on sale of assets	-	34
Increase in revenue from exchange transactions	-	2
Decrease in revenue from non-exchange transactions	-	(2)
Total	-	2 313

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements

	2021 R '000	2020 R '000
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41. Events after the reporting date

The Executive Authority condoned fruitless and wasteful expenditure amounting to R12 000 (twelve thousand rands) in terms of section 65 (4)(a) of the FMPPLA and as a result the note disclosure was adjusted accordingly. Parliament is not aware of any other events after the reporting date, other than the one disclosed.



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GOVERNANCE REPORT

Report of the auditor-general to Parliament on vote no. 2: Parliament of the Republic of South Africa

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of Parliament of the Republic of South Africa, set out on pages 54-105, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Parliament of the Republic of South Africa as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act 10 of 2009 (FMPPLA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of Parliament of the Republic of South Africa in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Underspending of the budget

7. As disclosed in the statement of comparison of budget and actual amounts, Parliament of the Republic of South Africa materially underspent its operating budget by R247,3 million. This is as a result of the impact of the global pandemic which resulted in a reduction of Parliament's expenditure. The reduction is mainly due to decrease in travelling costs disclosed in note 39.3.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the FMPPLA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing Parliament of the Republic of South Africa's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate Parliament of the Republic of South Africa or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on Parliament of the Republic of South Africa's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by Parliament of the Republic of South Africa enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the Parliament of the Republic of South Africa's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 3 – core business	38 – 42

15. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to assess the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – core business.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 38 – 42 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over-achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the Parliament of the Republic of South Africa's

compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

20. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

21. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

17 August 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected programme and on the Parliament of the Republic of South Africa’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Parliament of the Republic of South Africa’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of Parliament of the Republic of South Africa to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause Parliament of the Republic of South Africa to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



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AUDIT COMMITTEE REPORT

Introduction

The Audit Committee (“the Committee”) is established as an independent statutory committee in terms of section 47 of the Financial Management of Parliament and Provincial Legislatures Act (“the FMPPLA”). The Committee’s terms of reference are formalised in the Audit Committee Charter (“the Charter”), which is reviewed annually and approved by the Executive Authority. Overall, the Committee operated in terms of its mandate as set out in the FMPPLA and the Charter.

Committee members and meeting attendance

The Committee consists of five (5) independent non-executive members who are appointed by the Executive Authority. During the reporting period, there were no changes to the composition of the Committee, however it should be noted that the term of Ms. KT Mdlulwa and Mr. C de Kock came to an end on 31 March 2021.

The Committee is required in terms of the FMPPLA and the Charter to meet at least four (4) times a year. During the period under review, six (6) meetings were held, including two special meetings to consider the financial and non-financial performance reports as well as the AGSA audit report. The attendance of the Committee members is outlined in the table below.

Committee Member	Meetings Attended
Ms. KT Mdlulwa (Chairperson)	6
Mr. C de Kock	5
Ms. T Njozela	6
Ms. P Mzizi	6
Mr. A Amod	6

Responsibilities and Functions

The responsibilities and functions of the Committee are set out in section 48 of the FMPPLA and the Charter. The Committee assessed the performance against its mandate and is satisfied that it has executed its mandate and diligently discharged its responsibilities independently and objectively within the relevant provisions of the FMPPLA and the Charter. The following is a summary of how the Committee carried out its functions:

Internal Control Framework

The Committee reviewed the reports of management, internal and external auditors on the design, implementation and effectiveness of internal controls and no material breakdown was reported in the

system of internal control. However, the Committee remains concerned about the long outstanding vacancies in key positions including that of the Secretary to Parliament, Chief Financial Officer and Chief Audit Executive. In addition, the asset management controls, and the financial health of the Institution remains a concern, particularly as the budget constraints continue to threaten the ability of the Institution to deliver on its mandate.

Risk Management

Whilst Management is ultimately responsible for maintaining an effective risk management process, the Committee assessed the adequacy of the risk management process. The risk management process of Parliament is guided by the enterprise risk management framework. The Risk Management Committee, which comprises senior members of Management, was in place. The Senior Manager: Risk and Compliance was only appointed in March 2021. The Committee remains concerned about the effectiveness and maturity of the institution's risk management processes.

Internal Audit

The Internal Audit Unit has been established as an independent function from management in line with section 50 of the FMPPLA. During the reporting period, this Unit operated in terms of the approved Charter, and the risk based annual audit plan. The Unit reported quarterly to the Committee against the approved plan. The Committee is satisfied that the Internal Audit Unit has operated effectively and addressed pertinent risks in its audits despite the challenges relating to the structure and resourcing of the Internal Audit Unit.

External Audit

The Committee is required in terms of its Charter to evaluate the independence, objectivity and effectiveness of the audit process of the Auditor General South Africa (AGSA), and to discuss the audit strategy, the engagement letter and the audit results. The AGSA was represented in all the meetings of the Committee and presented the audit strategy, engagement letter and the audit results for consideration by the Committee. We have reviewed the institution's implementation plan for audit issues raised in the previous year and we are satisfied that the matters raised were substantially resolved.

The Audit Committee concurs and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the AGSA.

Combined Assurance

The responsibility to oversee combined assurance was delegated to the Committee in terms of the Charter. However, combined assurance is still at an infancy stage, and the Committee commits to work with management to further improve this area towards a fully integrated and streamlined assurance provision across all lines of assurance. In this regard, the Committee mandated the Internal Audit Unit to facilitate the development of a combined assurance framework.

The quality of in-year management reports

The Committee reviewed the quality and the content of the quarterly management reports, including financial and non-financial performance. The Committee is encouraged by the progress made in improving the quality of financial and non-financial performance reporting. This includes an increase in the overall achievement of set performance targets as well as the availability of documentation to support the reported performance. However, a robust monitoring and evaluation process is still required to sustain these improvements.

Quality of Audited Annual Financial Statements

The Annual Financial Statements were prepared in accordance with Generally Recognized Accounting Practice (GRAP), and in compliance with the FMPPLA. The Committee reviewed the Annual Financial Statements prior to submission for auditing and considered the audit report by the AGSA. The Committee is pleased that the 6th Parliament has maintained a clean audit opinion which is the seventh consecutive clean audit for the institution. This symbolizes that good governance practices established over the past seven years were maintained as no material deficiencies were identified in the system of internal control, governance, financial management and performance management. The Committee encourages management to implement action plans to address the concerns raised by the Committee on risk and compliance management.

Conclusion

The Committee congratulates Parliament on its clean audit opinion. The Audit Committee expresses its sincere appreciation to the Executive Authority, Accounting Officer, AGSA, Management, and Internal Audit for their support and co-operation.

Pumla Mzizi CA(SA)

.....
Ms. P. Mzizi CA(SA)

Chairperson of the Audit Committee (Interim)

Date: 27 August 2021



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HUMAN RESOURCE MANAGEMENT

TOTAL NUMBER OF EMPLOYEES [INCLUDING EMPLOYEES WITH DISABILITIES] IN EACH OF THE FOLLOWING SALARY BANDS ON 31 MARCH 2021

SALARY BAND	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Lower Skilled (Level X)	43	10			19	3			75
Lower Skilled (Level A)	24	25		5	15	19		2	90
Skilled (Level B)	73	39	3	5	56	53	3	9	241
Highly Skilled Production (Level C)	238	110	4	28	203	73	8	13	677
Highly Skilled Supervision (Level D)	55	20	8	13	77	15	8	12	208
Senior Management (Level E)	2	2	1		10		2		17
Top Management (Level F)	1								1
Grand Total	436	206	16	51	380	163	21	36	1309
Employees with Disability		1		1	4	2	1	1	10

TOTAL COST OF ALL EMPLOYEES BY PROGRAMME FOR THE PERIOD: 2020 / 2021

PROGRAMME	Personnel Expenditure	Total Employees
Strategic Leadership and Governance (Programme 1)	R83 637 165,00	80
Administration (Programme 2)	R118 520 785,00	125
Core Business (Programme 3)	R505 301 230,00	617
Support Services (Programme 4)	R305 287 686,00	527
Associated Services (Programme 5)	R0,00	0
Grand Total	R1 012 746 866,00	1349

TOTAL COST OF ALL EMPLOYEES BY SALARY BAND FOR THE PERIOD: 2020 / 2021

SALARY BAND	Personnel Expenditure	% of Total Personnel Cost	Total Employees
Lower Skilled (Level X)	R10 479 675,00	1,03%	75
Lower Skilled (Level A)	R33 366 673,00	3,29%	99
Skilled (Level B)	R110 802 364,00	10,94%	247
Highly Skilled Production (Level C)	R516 915 705,00	51,04%	696
Highly Skilled Supervision (Level D)	R302 993 686,00	29,92%	213
Senior Management (Level E)	R36 079 604,00	3,56%	18
Top Management (Level F)	R2 109 159,00	0,21%	1
Grand Total	R1 012 746 866,00	100,00%	1349

RECRUITMENT / APPOINTMENTS FOR THE PERIOD: 2020 / 2021

Salary Band	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Lower Skilled (Level X)									0
Lower Skilled (Level A)	2					1			3
Skilled (Level B)	5	1			4	1			11
Highly Skilled Production (Level C)	3				1				4
Highly Skilled Supervision (Level D)	1				1				2
Senior Management (Level E)					1				1
Top Management (Level F)									0
Grand Total	11	1	0	0	7	2	0	0	21
Employees with Disability									0

EMPLOYMENT AND VACANCIES BY PROGRAMME FOR THE PERIOD: 2020 / 2021

Programme	Number of Posts	Number of Filled Posts	Active Vacant	Vacancy Rate
Strategic Leadership and Governance (Programme 1)	86	74	12	0,8%
Administration (Programme 2)	136	121	15	1,0%
Core Business (Programme 3)	669	601	68	4,6%
Support Services (Programme 4)	587	513	74	5,0%
Associated Services (Programme 5)	0	0	0	0,0%
Grand Total	1478	1309	169	11,43%

EMPLOYMENT AND VACANCIES BY SALARY BAND FOR THE PERIOD: 2020 / 2021


Programme	Number of Posts	Number of Filled Posts	Active Vacant	Vacancy Rate
Lower Skilled (Level X)	82	75	7	0,47%
Lower Skilled (Level A)	111	90	21	1,42%
Skilled (Level B)	284	241	43	2,91%
Highly Skilled Production (Level C)	743	677	66	4,47%
Highly Skilled Supervision (Level D)	236	208	28	1,89%
Senior Management (Level E)	20	17	3	0,20%
Top Management (Level F)	2	1	1	0,07%
Grand Total	1478	1309	169	11,43%

ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD: 2020/ 2021

SALARY BAND	Number of Employees per band as on 31 Mar 2021	Resignations	Turnover Rate
Lower Skilled (Level X)	75		0,00%
Lower Skilled (Level A)	90		0,00%
Skilled (Level B)	241		0,00%
Highly Skilled Production (Level C)	677	5	0,38%
Highly Skilled Supervision (Level D)	208	1	0,08%
Senior Management (Level E)	17		0,00%
Top Management (Level F)	1		0,00%
Grand Total	1309	6	0,46%

REASONS WHY EMPLOYEES ARE LEAVING PARLIAMENT FOR THE PERIOD: 2020 / 2021

Termination Type	Number of Terminations	% of Total
Contract Termination	1	2,50%
Deceased	11	27,50%
End of Contract	1	2,50%
Resignation	6	15,00%
Retirement	12	30,00%
Retirement Early	8	20,00%
Retirement: Due to Ill Health	1	2,50%
Grand Total	40	100,00%


5 317
OVERALL
QUESTIONS


24
STATUTORY
APPOINTMENTS


2
INTERVENTIONS


4200
QUESTIONS
: NA


1117
QUESTIONS
: NCOP



105
NA SITTINGS


44
NCOP SITTINGS


33
BILLS
CONSIDERED -
NA


6
BILLS
CONSIDERED -
NCOP


11
INTERNATIONAL
AGREEMENTS


2
SECTION 139
INTERVENTIONS


60
PUBLIC
HEARINGS


24
PETITIONS


1577
MEETINGS



368
HOUSE PAPERS


55
LEGAL
OPINIONS


40
OVERSIGHT
VISITS



664
PROCEDURAL
ADVICE


54
POLICY ADVICE


429
REPORTS


1783
MINUTES


1392
RESEARCH


277
INFORMATION
REQUESTS


41
BUDGET
ANALYSES


136
HANSARD
REPORTS


606
TRANSLATIONS


795634
WEBSITE HITS


862705
YOUTUBE
VIEWS


747419
TWITTER
FOLLOWERS


22864
INSTAGRAM
FOLLOWERS


75697
FACEBOOK
LIKES


12092
TRAVEL CLAIMS


65
PUBLICATIONS


158206
PUBLICATION
COPIES



PERFORMANCE

2020-2021

highlights