

## **Budgetary Review and Recommendations Report (BRRR) of the Portfolio Committee on Public Service and Administration on Statistics South Africa 2020/21 Financial Year, Dated 24 November 2021**

### **1. BACKGROUND**

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly, which is in line with Section 5 of the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009 to consider and report on the Annual Report of the Statistics South Africa. It should be noted that Statistics South Africa operates independently from the Executive. The BRR Report is tabled as follows:

### **2. INTRODUCTION**

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

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

On November 11, 2021, the Committee considered the Annual Report for 2020/21 financial year of Statistics South Africa for the Budgetary Review and Recommendations reports.

### **3. PURPOSE OF THE BUDGETARY REVIEW AND RECOMMENDATIONS REPORT**

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

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

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

#### **3.1 Method**

The Portfolio Committee on Public Service and Administration compiled the 2020/21 BRRR using the following documents:

- The National Development Plan: Vision for 2030.
- Medium Term Strategic Framework 2019-2024.
- State of the Nation Address 2020.
- Strategic Plans of the Statistics South Africa 2019-2024.
- National Treasury (2020) 4<sup>th</sup> Quarter Expenditure Report 2020/21 Financial Year
- Annual Performance Plans 2020/21 of the Statistics South Africa.
- Annual Report 2020/21 of the Statistics South Africa.
- Auditor-General South Africa's outcomes of audit findings 2020/21.
- The Portfolio Committee met with the leadership of the Statistics of South Africa

#### 4. NATIONAL DEVELOPMENT PLAN VISION 2030

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

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

#### 5. MANDATE OF THE STATISTICS SOUTH AFRICA

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

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

#### 6. STRATEGIC PRIORITIES

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

- a) To promote and **inform the nation** through an expansion of statistical products and services.
- b) To **increase statistical trust** through sound quality principles that are in line with international standards. This will ensure that users of statistics products have confidence and trust official statistics.
- c) To promote **partners in statistics**, international cooperation and participation in statistics.
- d) To invest in the learning and **capable organisation**.
- e) To promote **statistical leadership** through investment in schools and tertiary programmes to increase statistical skills at grass roots level.

#### 7. DEPARTMENT PROGRAMME PERFORMANCE

##### 7.1 Statistics South Africa

##### 7.1.1 Budget Allocated and Expenditure 2020/21

The budget appropriated to Statistics South Africa for the 2020/21 financial year was R3 131 billion included the allocation earmarked for the Census 2021 pilot. The actual expenditure was R2 691 billion for all the programmes which is an estimated of 86.3% of the total allocated budget. The underspending was mainly due to the postponement of the Census 2021 pilot to February 2022 due to the COVID-19 pandemic. In order to address the historical shortfall, Stats SA was allocated additional amount of R49.4 million for compensation of employees included in the total budget allocation.

The bulk of the budget was allocated in the Statistical Operations and Provincial Coordination with R1 577 billion, administration programme with R714.6 million, and Statistical Support and Informatics with R301.3 million.

Stats SA has achieved 93% of its targets as set out in the Annual Performance Plan whilst under tremendous financial and human resource constraints.

Human capital remains the most valuable asset in Stats SA. In order to achieve organisational strategic objectives. A new structure for Stats SA was approved with effect from 1 April 2020,

resulting in the establishment being reduced from 3 511 to 3 313 permanent posts and Senior Management Services posts from 266 to 247. Total permanent posts were reduced to 198. The new structure was effectively implemented on the PERSAL system in June 2020. The total number of filled SMS posts was 182. The vacancy rate was at 18% posts in the department. Stats SA needs employees with the necessary skills and competencies.

Stats SA has 3 313 staff complement with personnel cost amounting to R1 486 billion. In terms of gender representation in the Department, female representation was at 46.4% and male at 53.6%. Whilst the Department achieved 41.5% representation of females in SMS which was below the regulated 50%. In terms of People living with disabilities, the Department appointed 37 employees living with disabilities of 2 717 staff currently employed. The Department experienced resignations of 43.8% of the staff complement in 2020/21 financial year. In 2020/21 financial year, the Department has lost 73 employees due numerous reasons, such retirement, resignations and death.

**Table 1: Appropriation per programme (R'000)**

Programme R'000	Final Appropriation	Actual Expenditure	Shifting of funds	Virement	Variance
<b>1. Administration</b>	714 607	708 534	0	14 539	6 073
<b>2. Economic Statistics</b>	264 656	263 580	0	(276)	1 076
<b>3. Population and Social Statistics</b>	112 139	111 648	0	(5 149)	491
<b>4. Methodology and Statistical Infrastructure</b>	132 218	130 554	0	(4 130)	1 664
<b>5. Statistical Support and Informatics</b>	301 297	285 928	0	2 075	15 369
<b>6. Statistical Operations and Provincial Coordination</b>	1 577 914	1 163 688	0	(6 640)	414 226
<b>7. South African National Statistics System</b>	28 742	27 382	0	(419)	1 360
<b>Total</b>	<b>3 131 573</b>	<b>2 691 314</b>	<b>0</b>	<b>0</b>	<b>440 259</b>

**Stats SA Annual Report 2021**

**7.2 Programme Performance**

Statistic South Africa has seven programmes, namely:

**(a) Programme 1: Administration**

The purpose of the programme is to provide strategic leadership, management and services to the department. The Administration programme has four sub-programmes, which are as follows, Department Management, Corporate Services, Financial Management Services, Internal Audit and Office Accommodation. The strategic intention of the programme is focused on driving the outcome of transformed capability. The programme will align itself to the strategy of digitisation through automation of processes. The provision of support to projects, including the Census 2021 project, will utilise all facets of automated processes. A cost-effective strategy to reduce the major cost driver in surveys which, apart from the compensation of employees is the utilisation of vehicles, will be explored.

Stats SA will transform and change agenda to facilitate and drive the culture and organisational change required to implement the new strategic direction. The implementation of the revised structure and relocation of staff to critical areas will be rolled out in 2020/21. An alternative funding model will be explored through research.

The programme achieved 31.6% of its annual targets as scheduled in the Work Programme and 68.4% were not achieved. The COVID-19 pandemic, which resulted in a national lockdown had a

negative impact on the programme's performance since Programme 1 contained targets in support of the Census 2021 pilot that had to be postponed.

The programme has spent R708.5 million of the allocated funds. Of the total expenditure, an amount of R224.5 million was spent on compensation of employees, whilst an amount of R223.8 million was spent on goods and services. The amount spent on goods and services includes an amount of R140.0 million that was spent on operating leases and R43.2 million on property payments.

The Census 2021 pilot was postponed to 2021/22 due to the COVID-19 pandemic, impacting on the project support provided. Project support included integrated planning, monitoring and reporting on the census trial and post-enumeration survey activities in preparation for the Census 2021 pilot. Under human resource management, among the output achieved include the implementation of a gender based violence programme, alignment of skills development plan and the implementation of the new structure is in process. The Department's response to prioritising women, youth and persons living with disabilities in the Employment Equity targets including women at SMS level were not achieved due to the pandemic as recruitment processes for permanent placements commenced during the latter part of the year and no youth contract staff were recruited due to the postponement of the Census Pilot until the 2021/22 financial year.

#### **(b) Programme 2: Economic Statistics**

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

The programme achieved 99.1% of its annual targets, as scheduled in the Annual Performance Plan. A total of 225 statistical releases were published, including 1 release on a business impact survey of the COVID-19 pandemic. The programme spent R263.6 million of the allocated funds. Of the total expenditure, an amount of R246.9 million was spent on compensation of employees, whilst an amount of R15.5 million was spent on goods and services for items such as consultants, communication, travel and subsistence and operating payments. The programme actual expenditure when compared against the benchmark was 99.6% when applying straight-line analysis.

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

Additionally, the programme provides information on the level of inflation by producing the consumer price index and various producer price indices, which measure changes in the prices of a basket of goods and services purchased by South African households and prices of a basket of commodities at producer level each month. Key outputs included 48 published releases consisting of monthly CPI and PPI releases.

#### **(c) Programme 3: Population and Social Statistics**

The purpose of the Programme is to produce population, demographic, labour market and social statistics to inform socio-economic development. Population and social statistics inform evidence based socio-economic development and transformation in line with internationally recognised practices. Programme 3 contributes to strategic objective to sustain national population and social indicators to inform evidence-based planning, monitoring and decision-making for use by the public and private sector through publishing numerous series such as labour market and employment surveys.

The outputs produced under this Programme contribute immensely towards the monitoring of the MTSF 2020-2024, the National Development Plan goals and indicators, Agenda 2063 as well as the Sustainable Development Goals.

Stats SA achieved 94.1% of its targets as scheduled in the Annual Performance Plan, of which 5.9% were not achieved. The programme spent R111.6 million of its allocated budget. Of the total expenditure, an amount of R94.3 million was spent on compensation of employees, whilst an amount of R13.2 million was spent on goods and services such as travel and subsistence and operating payments. Actual expenditure compared against the benchmark spending was 99.6%.

The programme published documents consisting of mid-year population estimates at national, provincial, district and metro levels and a technical report on democracy. Additional reports include social impact of COVID-19 and a report on the COVID-19 pandemic in South Africa were compiled. Census 2021 instruments were reviewed as scheduled. A technical report on the evaluation of data

for the Census 2021 pilot will be complemented once Census 2021 pilot data collection has been completed.

The programme provides information on employment levels in the formal, non-agriculture sector as well as labour market trends in the country. The programme published documents consisting of quarterly releases on employment and earnings and labour market information, an annual report on labour market statistics and a report on child labour. One of the key strategic targets over the medium term is the implementation of the Continuous Population Survey (CPS), depending on additional allocation of funding.

#### **(d) Programme 4: Methodology, Standards and Research**

The purpose of the Programme is to set standards, statistical frames, methodologies and conduct statistical research. The main objective of the Programme is to improve the quality and methodological soundness of statistical information by researching, developing, reviewing and applying statistical methods, standards, classification and procedures in the statistical value chain annually. The Programme further monitors and evaluates the methodological compliance of statistical operations by conducting independent evaluations on statistical practices annually. In addition, it ensures complete and accurate sampling frames to enhance the quality of economic and social statistics by maintaining and updating frames for business and geographic information annually. The programme achieved 66.7% of annual targets as at 31 March 2021 and 33.3% targets were not achieved. Programme 4 had a total of 8 indicators and 8 in the original Work Programme tabled in March 2021. The re-tabled Work Programme had a total of 6 indicators and 6 targets. The programme contributes to providing technical expertise on methodological practices for producing official statistics in the economic and social statistics. Technical expertise provided include "Pre-pilot test" PES system for data processing and analysis, and a PES 2021 pilot overall process flow. "Pre-pilot" data collection and reconciliation visits on and off field and data matching for census 2021 "Pre-pilot test" (PES) formed part of the programme's activities.

The programme spent R130 554 million of the budget allocated of R132 218 million. Of the total expenditure, an amount of R124 780 million was spent on compensation of employees, whilst an amount of R5 333 million was spent on goods and services. The main cost drivers are computer services, operating payments and communication. Actual expenditure as compared against the benchmark spending was 98.7%.

Amongst key achievement in the year under review include the developments of standards, classification and definitions for surveys undertaken by the department. Statistical Standards adapts and adopts internationally acclaimed practices. A key output included the adoption of the South African national ecosystem classification system. Another output in the programme included the provision of sampling frame for household survey and censuses and provided geospatial information and analysis and spatial tools. Furthermore, the programme monitors the quality of field operations of household surveys and censuses and conducts independent evaluations.

#### **(e) Programme 5: Statistical Support and Informatics**

This Programme enables service delivery programmes by using technology in the production and use of official statistics. The main objective is to modernise business processes by building enterprise architecture and applying emerging technologies for data collection, processing and the dissemination of statistical information over the medium term. The Programme further aims to enable the department's production of official statistics by providing a technology infrastructure that is reliable, sustainable and cost effective over the medium term to inform policy through the use of statistical geography.

The Programme promotes and provides better access to official statistics. The Programme contributes to enhancing public confidence and trust in statistics and investing in the learning and growth of the organisation. Moreover, the Programme collaborates with partners to build and maintain a reliable sampling frame for household surveys by updating the spatial information frame annually. In addition, it increases awareness of and the use of official statistics by government and the public on an ongoing basis by reaching out to stakeholders and responding to user queries, educating users and improving accessibility to and the ease of use of statistical information.

Programme 5 achieved 75.0% of annual targets and 25.0% were not achieved. Programme 5 had a total of 9 indicators and 12 targets in the Work Programme tabled in March 2021. The re-tabled WP had a total of 7 and 8 targets. The programme spent R285 928 million of the allocated budget. Of the total expenditure, an amount of R135 011 million was spent on compensation of employees, whilst an amount of R112 682 million was spent on goods and services. The programme spent 94.9% of the allocated budget.

The programme contributed to managing internal and external communications in the department and maintains relations with stakeholders across the country. Key output included a report on the

implementation of Stats SA's brand management strategy and communication and marketing support to planning for the Census 2021 pilot. Moreover, the programme developed 5 applications/systems for Census 2021.

The programme further provides technology infrastructure to the department and supports data management across statistical series. A key output was the upgrading of the ICT environment with the implementation of the Security Information and Event Management (SIEM) solution. The programme provides integrative statistical advice and support to policy planners and development practitioners and participates in knowledge research and innovation on key development themes. The key outputs include research reports on Cities, Urban and Rural: Applying Global Definitions to South Africa and the Annual Report on South Africa Protects Statistics.

#### **(f) Programme 6: Statistical Operations and Provincial Coordination**

The purpose of the Programme is to collect and process data and interact with stakeholders and users at provincial and local levels to inform policy implementation and support decision-making through statistical information. It engages stakeholders through platforms and provides effective communication services.

The main objective is to provide integrated data collection services, and disseminate quality statistics to provincial and local stakeholders and the public by ensuring an average response rate of 85 per cent annually. Another objective is to expand the statistical information base for use by government, the private sector and the public by conducting a population census every 10 years, and large-scale population surveys every five years between censuses. It further ensures the efficiency and effectiveness of survey operations by coordinating household surveys to attain an average response rate of 85 per cent annually. The Programme improves the quality and timeliness of the editing and processing of statistical data by administering a common data processing platform for censuses, household surveys, administrative records and *ad hoc* survey data over the medium term.

Statistical Operations and Provincial Coordination achieved 21.4% of annual targets and 78.6% were not achieved. The non-achievement of targets can be attributed to the postponement of the Census pilot due to the COVID-19 pandemic and not to underperformance of the programme. The programme spent R1.164 billion of the allocated budget. Of the total expenditure, an amount of R642.8 million was spent on compensation of employees, whilst an amount of R509.9 million was spent on goods and services. Included in the allocated budget of R1.578 billion is an amount of R854 million, which was earmarked for funds for Census 2021 pilot. The programme spent 73.7% of its allocated budget, thus underspending by 26.3% mainly on payment of capital assets and goods and services due to the postponement of Census pilot as a result of the restrictions of movement due to the lockdowns of Covid-19 pandemic.

The programme provides integrated data collection and dissemination services, and promotes the use and coordination of official statistics to provincial and local stakeholders. A key output includes a proposal for integrated fieldwork to streamline statistical operations. Furthermore, the programme includes a concept note on multimode data operation approaches and a national report on digital data collection for household survey.

The programme contributed to increasing awareness and marketing, and communicating and disseminating official statistics to relevant stakeholders through effective stakeholder management, internal communication and public and media relations. Furthermore, the programme contributed towards expanding the statistical information database through integrated fieldwork, continuous data collection, stakeholder management, increased collaboration and strengthening partnership within the South African National Statistics System (SANSS), promoting the harmonisation of statistics in Africa, strengthening statistical capacity on the continent, promoting international statistical best practice and building international partnerships.

#### **Programme 7: South African National Statistics System**

The purpose of the Programme is to develop and coordinate the national system in South Africa. The objective of the Programme is to ensure that national statistics are produced based on common statistical standards and principles by providing statistical support and advice on an ongoing basis, and certifying statistics as official annually. It manages the distribution of statistical information by establishing and providing mechanisms, platforms and criteria for sharing data annually. It drives statistical reporting by coordinating the compilation of statistical reports in line with the integrated indicator framework annually.

Stats SA achieved 100% of the targets of the Annual Performance Plan. The programme spent R27 382 million of the allocated funds. Of the expenditure, an amount R20 828 million was spent on compensation of employees, whilst an amount of R1 982 million was spent on goods and services

items such as communication, operating payments and computer services. The programme spent 95.3% of its allocated budget.

The programme coordinates the production of economic and environmental statistics amongst entities on national statistics system. Key outputs include a clearance report for the Department of Science and Innovation's 2018/19 Research and Development Survey, a review of the Integrated Indicator Framework based on the Regional Indicative Strategic Development Plan (RISDP), indicators for the environment sector and the signing of Memorandum of Understanding (MoU) with the South African Reserve Bank to formalise collaborative work between Stats SA and the SARB.

The programme further assesses the quality of statistics of data producers and designates as official. Key output included a quality assessment report for electricity generated and available for distribution survey and a reviewed South Africa Statistics Quality Assessment Framework (SASQAF) (edition 3 version 2). The programme was responsible for the report on the legislative reform process.

## **8. AUDITOR-GENERAL OUTCOMES**

The Auditor-General has audited the financial statements of the Statistics South Africa, set out on pages 149 to 229, which comprise appropriation statement, the statement of financial position as at 31 March 2021. The statement of financial performance, statement of changes in net assets and cash flow for the year ended as well as the notes to the financial statements including a summary of significant accounting policies. The Auditor-General's opinion indicates financial statements present fairly, in all material respects, the financial position of Statistics South Africa and its financial performance and cash flows for the year are in accordance with the Modified Cash Standard and the requirement of the PFMA.

Statistics South Africa received an unqualified opinion.

### **8.1 Predetermined objectives**

The Auditor-General performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. The AG did not identify any material findings on the usefulness and reliability of the reported performance information on programme 2 - Economic Statistics.

### **8.2 Emphasis of matters**

The AG draws an opinion with uncertainty relating to future outcome of exceptional litigation and underspending of vote. The department is a defendant in two litigations, one relating to a claim involving a loss of revenue as a result of withheld unitary fees and variations in alleged additional office installations and the other to a claim relating to the payment of salary increases. Moreover, the department materially underspent the budget by R414 million on programme 6: Statistical Operations and Provincial Coordination. The underspending relates to a census project, which did not take place as planned due to COVID-19 pandemic.

### **8.3 Unauthorised expenditure**

The Department incurred unauthorised expenditure of R57 140 000 mostly on compensation of employees due to budget reductions that exceeded the vacancy rate in the 2018-19 financial year. This resulted in the department not being able to afford the cost of filled positions.

### **8.4 Internal Control**

Internal control of the Stats SA considered to be in compliance with applicable legislation in terms financial statements and reported performance information. Compliance monitoring was not effective, mainly due to the misinterpretation of the 2017 procurement regulation on local production and content as well as a lack of adequate oversight by management, resulting in the non-compliance identified. The AG identified the matter as internal control deficiency that resulted in the findings on compliance with legislation.

## **9. OBSERVATIONS AND KEY FINDINGS**

The Portfolio Committee made the following observations:

- 9.1 The Portfolio Committee notes that Statistics South Africa received unqualified audit for consecutive years up to the 2020/21 financial year. The Committee commends Stats SA for good performance, although operating under tough financial and human resource constraints.

- 9.2 The Committee notes that part of the priorities in the implementation of organisational structure is to fill funded vacant positions and ensure attainment of employment equity targets by employing 50% of women in senior management and 2% of People with Disabilities, but this should not come at the cost of increasing the vacancy rate beyond 10%. Stats SA continued to fill critical post with the additional amount of R49.4 million budget allocated over the medium term for compensation of employees.
- 9.3 The Committee notes that Stats SA's planned Census 2022 will officially commence in February 2022. The Committee welcomes the announcement, however, the date for Census 2022 will be formally gazetted and proclaimed by the Minister in the Presidency for the Department of Planning, Monitoring and Evaluation.
- 9.4 Stats SA has, over the past years, prepared itself, even prior to the advent of COVID-19 pandemic, to move away from face-to-face data collection. The Committee notes that Stats SA is in a process of preparing for the first-ever digital census, where data will be collected via electronic devices rather than face to face paper questionnaires. Stats SA will move into online, telephonic and other distance forms of data collection in generating statistics for the country. The Committee supports all efforts during census project and will ensure that all South Africans participate in this crucial project.
- 9.5 The Committee learned that the COVID-19 pandemic affected the business operation model of Stats SA. Stats SA has been forced to be innovative and to optimise its scarce resources to align its business process towards digitisation. However, the Committee was of the view that digitisation of the business process should be confined to the statistical norms and standards, without compromising the reliability and quality statistics produced over the past years.
- 9.6 The Committee learned that Stats SA will conduct its first virtual training of the enumerators in order to empower them with multimode methods to be used during census 2022 such as telephonic interview and computerised assistive programme. Stats SA will be utilising municipal offices as the operational centres for training and for the entire census. Enumerators will be provided with tablets for collecting data, which includes power bank in case the battery runs out.
- 9.7 The Committee learned that Stats SA terminated contracts of fieldworkers who were employed on a contract basis due to the introduction of the new multimode data collection such as computer assisted and telephonic interviews and impact of COVID-19 pandemic.
- 9.8 The Committee notes that Stats SA will employ a total of 165 000 fieldworkers on a contractual basis during the Census 2022. In terms of selection criteria for the fieldworkers, preferences will be given to candidates with experience in data collection, especially in rural areas and where connectivity does not exist. Candidates who were expelled in the public service will not be hired.
- 9.9 The Committee notes that Stats SA has managed to secure funding over the medium term for the income and poverty survey which was last conducted in 2013/2014. The country has no up-to-date data relating to poverty picture which has worsened during the COVID-19 pandemic. The Committee highlights the importance of conducting the income and poverty survey in order to assist planners with the percentage of people that are poor in the country.

## **10. RECOMMENDATIONS**

The Portfolio Committee recommends that:

- 10.1 The Minister in the Presidency for Planning, Monitoring and Evaluation and the Minister of Finance should continue with efforts to urgently resolve the budget shortfall impacting on



critical surveys at Stats SA so that crucial and quality statistics get generated to the country and Government's benefit.

- 10.2 Statistics South Africa expeditiously finalise and table amendment to the Statistics Act (1999) to drive statistical reform in the country timeously to Parliament. The amendments of the Act should firmly respond to the evolving environment, with particular emphasis on statistical coordination, the data revolution, a state-wide statistical service and institutional arrangements.
- 10.3 Stats SA should put necessary measures in place to ensure successful Census 2022, especially with regard to the possibility of a fourth wave regarding the COVID-19 pandemic. Health and safety of the fieldworkers should remain of paramount importance as they collect data for Census.
- 10.4 Stats SA should during census ensure the process of data collection is as inclusive as possible particularly with regard to the connectivity in the remote rural areas. ICT should not be a hindrance for collecting data since a web-based surveys (CAWI) or even telephonic interviews (CATI) will be used throughout the census.
- 10.5 Statistics South Africa should urgently devise a strategy on its vacancy rate, as this affects service delivery.
- 10.6 Stats SA should strengthen its internal controls in relation to matters identified by the Auditor-General during the determination of audit outcomes of the 2020/21 financial year.

## **11. CONCLUSION**

The Department was able to spend the entire allocated budget and achieve set targets under difficult conditions of COVID-19 pandemic and hard lockdowns. The Department's funding must be given urgent attention to prevent the shortfall that occurred during the financial year. Statistics South Africa continues to play a critical role in South Africa and internationally. Statistical releases give meaning to the evidence-based policy making, decision making, planning and allocation of the budget in the country. Currently, the institution experiences funding challenges, which hamper its effectiveness in the production of quality, reliable and timely statistics.

Stats SA will be embarking on the Census phase. The Committee is optimistic that Census 2022 will run smoothly despite any possible eventuality of the fourth wave of the COVID-19 pandemic. The Committee will after gazetting and declaration of the date by the Minister in the Presidency for Planning, Monitoring and Evaluation encourage South Africans to participate in sharing their information. This will assist government in making informed decisions with regard to planning and budget allocation.

Report to be considered