**Report of the Portfolio Committee Public Service and Administration on consideration of the first, second and third quarter performance 2021/22 for the Budget Vote 14 of the Statistics South Africa, Dated 23 March 2022**

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Committee) having considered first second and third quarter performance of 2021/22 financial year of Statistics South Africa, reports as follows:

1. **INTRODUCTION**

Parliament through its Committees has a constitutional responsibility to oversee quarterly programme performance information of the departments and its entities throughout financial year. The Money Bills Amendment and Related Matters Act (2009) describe the process of exercising this responsibility. The Act states that portfolio committees of parliament must conduct reviews of the finances of their respective departments and entities and if required, issue recommendations on the forward use of resources.

Programme performance information focuses on information that is collected by government departments in the course of fulfilling their mandates and implementing policies. Quarterly performance reports serve as a vital tool used by parliamentary committees to ensure accountability, transparency and oversight on how government resources are spent. Committees are expected to monitor both financial and non-financial performance of the departments. The Public Finance Management Act of 1999 guides the Department to do quarterly performance reports. The Public Finance Management Regulations compel departments and their entities to prepare quarterly report within 30 days after the end of each quarter. Committees conduct oversight over performance reports to fulfil Parliament’s oversight and accountability mandates as enshrined in the Constitution and under the rules established by the National Assembly.

On March 02, 2022, the Committee considered first, second and third quarter performance of 2021/22 financial year of Stats SA. Performance information was in accordance with their Strategic Plan, Annual Performance Plan and Medium Term Strategic Framework. The report provides an overview of the presentation made before the Committee primarily focusing on the achievements, output in respect of the performance indicators and targets set for 2021/22 financial year. The report outlines the findings/observations of the Committee relating to the quarterly financial and non-financial performance of Statistics South Africa.

1. **PROGRAMME PERFORMANCE**

**3.1 Budget allocation**

Stats SA’s baseline allocation for the 2021/22 financial year is R4,475 billion. Of the baseline allocation, R1,481 billion is allocated for compensation of employees (CoE) representing 33,1%, R2,671 billion is allocated for goods and services representing 59,7%, R317,931 million is allocated for payments of capital assets representing 7,1%, and R4,818 million is allocated for payments of transfers and subsidies representing 0,1% of the allocation. Included in the appropriated voted funds are the earmarked funds of R284,320 million for Head Office building unitary fees and R2,117 billion for the Census 2022 project.

The department’s actual spending as at 31 December 2021 amounted to R2 191 billion, representing 49,0% of the baseline allocation. The available budget, excluding commitments, amounts to R2,283 billion. Within the Statistical Operations and Provincial Coordination programme, there is earmarked funding for Census 2021 amounting to R2,117 billion. As at the end of the third quarter, Census 2021 spent R548 million representing 25,9% of the earmarked allocation. The low spending is attributed to the department postponing the Census 2021 Pilot due to the COVID-19 pandemic. The Census is scheduled to take place in February 2022 resulting with an increased spending expected in the fourth quarter.

The department has an earmarked allocation of R2,117 billion for the Census 2021 project in the 2021/22 financial year. When excluding the earmarked Census 2021 allocation, the department’s adjusted baseline allocation is R2,358 billion for the 2021/22 financial year, with spending of R1 645 billion representing a spending percentage of 69,7%. The department planned to spend R724,895 million during the period October–December 2021. However, actual expenditure for this period amounted to R620,619 million representing 85,6%. The variance of R104 million representing 14,4% underspending is attributable to low spending on goods and services, mainly due to expenditure relating to the Census 2021 project. Census expenditure is expected to increase in the fourth quarter, as the department will be conducting the main Census 2021 in February 2022. There is also a significant underspending on travel and subsistence due to reduced travel as a result of the COVID-19 pandemic.

The HR Recruitment Database is one of the backbones of the Census 2022 project. Approximately 165 000 South Africans from every corner of the country will be employed to work in Census 2022. It is important that these field staff reside in the areas they will enumerate, as this will ensure that they are known and trusted, and will hopefully increase the response rate. The recruitment drive opened on 25 October 2021 and closed on 31 December 2021.

**Table 1: Budget per programme**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme R'000** | **Adjusted****budget** | **Actual Expenditure** | **Available budget** | **% spent** |
| 1. Administration | 659 796 | 501 254 | 158 542 | 76.0% |
| 2.Economic Statistics | 266 393 | 199 642 | 66 751 | 74.9% |
| 3. Population and Social Statistics  | 148 527 | 87 662 | 60 865 | 59.0% |
| 4. Methodology, Standard and Research | 153 438 | 93 481 | 59 957 | 60.9% |
| 5. Statistical Support and Informatics | 272 832 | 168 114 | 104 718 | 61.6% |
| 1. Statistical Collection and Provincial Coordination
 | 2 932 363 | 1 124 928 | 1 807 435 | 38.4% |
| 1. Survey African National Statistics System
 | 41 241 | 16 343 | 24 898 | 39.6% |
| **Total** | **4 474 590** | **2 191 424** | **2 283 166** | **49.0%** |

1. **Programme 1: Administration**

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

Programme 1, there were no targets scheduled for quarter 1 and 100% of targets scheduled for Programme 1 achieved 0,0% of its annual targets as at 30 June 2021. 100,0% of targets have been reported as on track to be achieved as scheduled. Programme 1: Administration has achieved 0,0% of its annual targets as at 30 September 2021. 86,4% of targets have been reported as on track to be achieved as scheduled and 13,6% of targets have been reported as delayed. Programme 1: Administration achieved 0,0% of its annual targets as at 31 December 2021. 90,9% of targets have been reported as on track to be achieved as scheduled and 9,1% of targets have been reported as delayed.

1. **Programme 2: Economic Statistics**

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

Programme 2 Economic Statistics achieved 24,3% of its annual targets as at 30 June 2021. 75,3% of targets have been reported as on track to be achieved as scheduled and 0,4% have been reported as delayed. Economic Statistics has achieved 49,8% of its annual targets as at 30 September 2021. 48,9% of targets have been reported as on track to be achieved as scheduled and 1,3% have been reported as delayed. Economic Statistics achieved 75,7% of its annual targets as at 31 December 2021 and 24,3% of targets have been reported as on track to be achieved as scheduled. 100,0% of targets scheduled for Q3 were achieved, of which 94,7% were achieved as scheduled and 5,3% were achieved later than scheduled. Two targets reported as delayed in Q2 were achieved late in Q3, and two targets scheduled for Q4 were achieved earlier in Q3 due to internal processes.

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

The purpose of the programme is to produce population, demographic, labour market and social statistics to meet user requirements in line with internationally recognised practices. Population and social statistics inform evidence-based socio-economic development and transformation in line with internationally recognised practices. Programme 3 contributes to strategic objectives in an effort to expand the statistical information base by increasing its depth, breadth and geographic spread for evidence-based planning, monitoring and decision-making for the use by both the public and private sector.

Programme 3 Population and Social Statistics achieved 10,7% of its annual targets as at 30 June 2021. 82,1% have been reported as on track to be achieved as scheduled, and 7,1% have been reported as delayed. 66,7% of targets scheduled for Q1 were achieved. Population and Social Statistics has achieved 21,4% of its annual targets as at 30 September 2021. 69,6% have been reported as on track to be achieved as scheduled, and 8,9% have been reported as delayed. 71,4% of targets scheduled for Q2 were achieved of which 57,1% were achieved as scheduled and 14,3% were achieved later than scheduled. 28,6% of targets have been delayed. Population and Social Statistics achieved 42,9% of its annual targets as at 31 December 2021. 48,2% of targets have been reported as on track to be achieved as scheduled, and 8,9% of targets have been reported as delayed. 81,8% of targets scheduled for Q3 were achieved of which 54,5% were achieved as scheduled, 9,1% were achieved earlier in Q2, 18,2% were achieved later than scheduled in Q3, and 18,2% of targets have been delayed.

1. **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.

Programme 4 Methodology and Statistical Infrastructure achieved 0,0% of annual targets as at 30 June 2021. 100,0% of targets have been reported as on track to be achieved as scheduled. ∞ There were no targets scheduled for Q1. Methodology and Statistical Infrastructure achieved 0,0% of annual targets as at 30 September 2021. 100,0% of targets have been reported as on track to be achieved as scheduled. There were no targets scheduled for Q2. Methodology and Statistical Infrastructure achieved 0,0% of annual targets as at 31 December 2021. 100,0% of targets have been reported as on track to be achieved as scheduled. There were no targets scheduled for Q3.

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

This programme aims to enable service delivery programmes by using technology in the production and use of official statistics. 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.

Programme 5 Statistical Support and Informatics achieved 0,0% of annual targets as at 30 June 2021. 100,0% of targets have been reported as on track to be achieved as scheduled. There were no targets scheduled for Q1 and Q2. Statistical Support and Informatics achieved 7,1% of annual targets as at 31 December 2021 and 92,9% of targets have been reported as on track to be achieved as scheduled. There were no targets scheduled for Q3. One target scheduled for Q4 was achieved earlier in Q2.

1. **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. Engaging stakeholders through platforms and provide effective communication services is also a function of the programme. 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. Expanding 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 5 years between censuses, remains the focus.

Programme 6, Statistical Operations and Provincial Coordination achieved 0,0% of its annual targets as at 30 June 2021. 100,0% of targets have been reported as on track to be achieved as scheduled. There were no targets scheduled for Q1 and Q2. Statistical Operations and Provincial Coordination achieved 41,7% of its annual targets as at 31 December 2021 and 58,3% of targets have been reported as on track to be achieved as scheduled. 100% of targets scheduled for Q3 were achieved

1. **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 annually certifying statistics as official. It also manages the distribution of statistical information by establishing and providing mechanisms, platforms and criteria for sharing data annually. The programme drives statistical reporting by coordinating the compilation of statistical reports in line with the integrated indicator framework annually.

Programme 7, South African National Statistics System achieved 100% of their annual targets as at 30 June 2021. The programme achieved 14,3% of their annual targets as at 30 September 2021. The programme achieved 14,3% of their annual targets as at 31 December 2021. 14,3% of targets were achieved earlier than scheduled in quarters 1 and 2. 85,7% of targets are on track to be achieved as scheduled.

1. **FINDINGS AND OBSERVATIONS**

The Portfolio Committee made the following observations and findings:

* 1. The Committee notes and welcomed first, second and third quarter performance of 2021/22 financial year of Statistics South Africa. The Committee notes the impact of COVID-19 pandemic on the performance of Stats SA more especially in the implementation of CENSUS 2022 as most of the work requires field work for data collection and capacity constraints. Enumerators are faced with difficulties to interview households as a result of the pandemic.
	2. The Committee continued to raise concerns of the high vacancy rate of Stats SA as a result of budget cuts and high turnover due to inability to retain staff as well as lack of prospects for promotion in the department. Stats SA continues to lose critical skills with plethora of experience particular in the following programmes: South African National Statistics System, Administration and Population and Social Statistics.
	3. In terms of the vacancy rate, Stats SA was in the process of finalising the appointment of Corporate Manager whilst the Chief Financial Officer post has recently been filled.
	4. The Committee advised the Department to speedily fill all critical posts with additional budget of R45 million the National Treasury funds allocated for compensation of employees during the 2020/21 financial year. The Committee further encouraged Stats SA to continue lobbying for more additional funds from the National Treasury to fund budget shortfall of both Compensation of Employees and crucial series.
	5. The Committee notes that recruitment drive for enumerators for CENSUS 2022 were negatively impacted by myriad of COVID 19 pandemic challenges whereby physical applications were replaced with online applications. Those residing in rural areas has challenge of connectivity, Stats SA together with local municipalities have provided them with internet to submit their applications via online platform to avoid any form of exclusion in the recruitment process.
	6. The Committee notes that Stats SA has so far collected data from 400 million households using Computer Assistive Personal Interview (CAPI). Census data collection date has been moved to 25 March 2022.

**The Portfolio Committee recommends as follows:**

5.1 That the House adopts and approve first, second and third quarter performance report for 2021/22 financial year of the Budget Vote 14 of Statistics South Africa

Report to be considered