**Report of the Joint Standing Committee on the Financial Management of Parliament on the Parliament of the Republic of South Africa’s 2021/22 Third Quarter Report, dated 3 June 2022**

The Joint Standing Committee on the Financial Management of Parliament having considered the Parliament of the Republic of South Africa’s performance in the third quarter of 2021/22, reports as follows:

**1. Introduction**

1.1 Section 4 of the Financial Management of Parliament and Provincial Legislatures Act, No. 10 of 2009 (the FMPPLA) provides for the establishment of an oversight mechanism to maintain oversight of the financial management of Parliament. The Joint Standing Committee on the Financial Management of Parliament (the Committee) was established in terms of the Joint Rules of Parliament. The Committee has the powers afforded to parliamentary committees under sections 56 and 69 of the Constitution of the Republic of South Africa, 1996 (the Constitution).

1.2 Section 52 of the FMPPLA requires that the accounting officer must, within 30 days of the end of each quarter, report to the Executive Authority on Parliament’s quarterly performance in respect of the implementation of the Annual Performance Plan (APP). The Executive Authority in turn, and in terms of section 54 of the FMPPLA, must table each quarterly report within five working days of receiving it, for the consideration of the oversight mechanism i.e. the Joint Standing Committee on the Financial Management of Parliament. The 2021/22 Third Quarter report was accordingly tabled on 1 February 2022.

1.3 The senior management team, led by the Speaker of the National Assembly, appeared before the Committee in a meeting held on 25 February 2022 where the institution’s performance in the period under review was interrogated.

1.4 This report should be read along with Parliament’s Strategic Plan for 2019-2024, the 2021/22 APP and budget, and the Committee’s reports in respect thereof.

1.5 This report comprises three parts: Part A, containing the background to the third quarter performance report; Part B, a summary of the institution’s financial and performance information for the period under review; Part C, the Committee’s observations; and Part D, the Committee’s recommendations.

**Part A**

**2. Background**

**2.1 Mandate**

2.1.1 Parliament derives its mandate from:

- Chapter 4 of the Constitution;

- the FMPPLA which regulates the institution’s financial management;

- the Money Bills Amendment Procedure and Related Matters Act, 2009 No 9 of 2009 which provides procedures to amend money bills; and

- the Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act No 4 of 2004 which defines and declares the national and provincial legislatures’ powers, privileges and immunities.

**2.2 Mission and vision**

2.2.1 Parliament has as its 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. Its mission is to represent the people, and to ensure government by the people, by fulfilling its constitutional functions of passing laws and overseeing executive action. To this end, the institution conducts its business in line with the following values: openness, responsiveness, accountability, teamwork, professionalism, and integrity.

**2.3 Strategic Priorities**

2.3.1 Parliament has identified only two strategic priorities for the Sixth Parliament i.e. to strengthen oversight, and to enhance public involvement in Parliament’s activities.

2.3.2 In order to achieve the above outcome, the Sixth Parliament will:

- *improve committee oversight work* in relation to the budget cycle in particular, through allowing more time in the parliamentary programme for oversight activities and by encouraging committees to undertake such activities jointly.

- *improve the effectiveness of public hearings* through greater public participation, expanding public education, better dissemination of information, effective use of broadcasting, technology and social media, the use of more official languages, and encouraging committees to undertake joint public hearings.

2.3.3 To aid the above activities, the institution will:

- enhance research and legal support in respect of oversight activities;

- improve members’ capacity through capacity-building programmes that will empower parliamentarians to be effective and efficient in executing their oversight responsibilities;

- improve oversight and accountability through better monitoring, tracking and evaluation in respect of Parliament’s own work, as well as the work of the Executive;

- ensure openness and accessibility through the use of modern technology in respect of social media, tools-of-trade, workflows and automation; and

- cut costs to allow for operational sustainability.

**Part B**

**3. Third Quarter Performance**

**3.1 Overview**

3.1 In the period under review, the overall member satisfaction score stood at 76,04 per cent with the administration scoring best on fairness and timeliness, followed by reliability, ease of access and lastly usefulness. Table 1 below, reflects satisfaction over the period under review.

3.2 The administration once again emphasised that as the surveys were being employed for the first time, there was no historical benchmark. The quarterly surveys that is conducted during this financial year, that is, 2021/22 will provide a realistic benchmark for 2022/3 and beyond. The large positive variances between actual and targeted performance reported in the first three quarters are ascribed to the above.

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| --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Overall Member Satisfaction (%)** | **Ease of Access** | **Timeousness** | **Reliability** | **Fairness** | **Usefulness** |
| **ICT Services** | 81,55 | 79,63 | 81,85 | 82,69 | NA | 81,11 |
| **Facilities Management Services** | 71,79 | 72,00 | 71,63 | 72,44 | N/A | 71,11 |
| **Capacity Building Services** | 67,66 | 68,33 | 68,57 | 67,22 | N/A | 67,43 |
| **Research Services** | 79,67 | 79,13 | 79,56 | 79,11 | 80,00 | 80,44 |
| **Content Advice** | 75,85 | 76,33 | 76,73 | 75,92 | 75,83 | 75,10 |
| **Procedural Advice** | 77,51 | 78,22 | 77,21 | 77,33 | 76,82 | 77,73 |
| **Legal Advice** | 77,13 | 76,67 | 77,56 | 77,62 | 77,14 | 76,67 |
| **Committee Support Services** | 81,75 | 81,92 | 82,40 | 81,96 | 81,57 | 81,20 |
| **Public Participation Support** | 71,43 | 71,43 | 72,38 | 71,43 | 71,43 | 70,95 |

**Table 1: Outcome of Member Satisfaction Survey, Third Quarter 2021/22 (Source: Parliament of the RSA)**

**3.2 Programme-by-programme summary of performance information**

Paragraphs 3.2.1 to 3.2.29 provide a summary of Parliament’s performance across programmes.

***Programme 1: Administration***

3.2.1 Programme 1 providesstrategic leadership, management and corporate services to Parliament, and comprises the following sub-programmes: Executive Authority, Office of the Secretary, and Corporate and Support Services.

3.2.2 All targets under this programme were met. Table 2 below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Q3 target** | **Q3 Performance** | **Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Digital service** | Member satisfaction | 74% | 81,55% | +7,55 |  |  |
| **Facilities management service** | % Member satisfaction | 60% | 71,79% | +11,79 |  |  |

**Table 2: Programme 1 – Administration (Source: Parliament of the RSA)**

3.2.2 According to the table above, sub-programmes Digital Services and Facilities Management Service exceeded their targets by 7.55 per cent, and 11.79 per cent respectively. Key performance trends under this programme are captured in paragraphs 3.2.3 to 3.2.18 below.

*Information Communication Technology (ICT)*

3.2.3 ICT support included the provision of broadcasting and audio-visual services to enable broadcast virtual and hybrid plenary sittings and committee meetings via television, radio, and digital streaming of various oversight activities. ICT services were also provided to facilitate broadcasting and audio-visual services for public hearings that were held by various parliamentary committees.

3.2.4 Parliament’s website provides access to parliamentary information and contributes to transparency of parliamentary activities and access to information about the business of Parliament. In the period under review, the website was available 99,99 per cent of the times it was accessed.

3.2.5 Parliament continued to provide broadcast feeds of both houses of Parliament and selected committee sittings to the national broadcaster and several private broadcasters. Broadcast infrastructure availability stood at 100 per cent.

*Facilities Management*

3.2.6 The Integrated Help Desk was established. The Institutional Support Services (ISS) division procured the system to assist with the logging and tracking of queries. They worked with the ICT department to integrate the system to include the Members Support Services and ICT units.

3.2.7 The designs for parliamentarians’ main lounge area and consultation rooms were completed and approved. Engineers and contractors have been appointed to perform the refurbishment.

3.2.8 The Department of Public Works and Infrastructure (DPWI) advertised the tender for the implementation of the space utilisation plan which will be implemented once the working-from-home policy has been finalised.

3.2.9 The draft plans for the upgrading of the National Council of Provinces chamber were completed and engagements were underway to finalise the planning process.

3.2.10 The institution continued to comply with Covid-19 regulations including those relating to access control and hygiene protocols. The ISS division also worked towards the return of staff and parliamentarians to the precinct. By the end of the period under review, 50 per cent cleaning personnel had returned to the precinct, with the other half on standby should their services be needed.

3.2.11 In the period under review, all relevant parties signed off on the scope of the security enhancement project. At the time of reporting Parliament was in communication with the DPWI regarding the endorsement of the project.

3.2.12 The institution filled all (SHE) representative vacancies, and established a SHE sub-committee in full.

*Parliamentary Communications Services*

3.2.13 The Parliamentary Communications Service continued to communicate the work of parliamentary committees through for example the implementation of the radio broadcast tool, internal articles posted on *Faranani*, and Info Alerts, and externally through media statements, alerts and articles posted on the parliamentary website.

3.2.14 In the period under review, the parliamentary website had approximately 239 200 users, 45 000 less than in the previous quarter. Subscribers to the YouTube channel increased from 49 500 to 50 600.

3.2.15 In addition to publishing and distributing two editions of the *Masithethe* newsletter, three special publications - 2nd Quarter *Insession*, *Somlomo*, and *Legacy* booklets (Ginwala & Buthelezi) - were developed into their final stages.

3.2.16 The media was engaged to support the parliamentary programme. Stakeholder interactions were held with the National Treasury and the Government Communication and Information Service (GCIS). In total, 203 media advisories and releases were developed and distributed.

*Human Resource Management*

3.2.17 In terms of the succession planning programme, potential successors for the Procedural Advisor: Questions in the NA, and the Chief Editor: Bills Office posts were recommended and approved. In addition, the potential successors participated in analytical skills and emotional intelligence training interventions.

3.2.18 The institution continued to implement the graduate development programme. Twenty-one additional graduate trainees were appointed. By the end of the period under review, a total of 35 graduates had been appointed.

3.2.19 The Organisational Realignment Project is in its second phase, and the redesign is still on track to be concluded by the end of the financial year. Peer review, analysis and design work were completed for the following business areas: Risk and Compliance, Strategy Management, Legal Services, and Research Services.

3.2.20 The analysis and design of the operating model and micro-functional design for the following business areas have been completed: Information Communication Technologies (ICT), Parliamentary Communication Services (PCS). Stakeholder engagements were underway for the following business areas: Internal Audit (IA); Financial Management Office (FMO); and Members Support Services (MSS).

3.2.21 A service provider, Afriforte, was appointed to conduct an employee engagement survey. The survey was conducted from 4 to 18 November 2021. A preliminary report has been received and was being finalised for presentation.

3.2.22 One resignation was received from the Knowledge and Information Service (KIS) division. This represents a turnover rate of 0.8 per cent of the staff establishment for the quarter, well below the annual target of 5 per cent.

3.2.23 Upskilling and re-skilling programmes ensure the effective use of modern systems and technology, the development of specialised skills programmes to ensure expertise and specialisation, and the integration of existing functions using a multi-skilling approach. Employees actively participated in training and development interventions based on their Personal Development Plans. A total of 281 employees participated in training interventions in amongst others, behavioural skills training, communication and language, and knowledge and information management.

*Programme 2: Legislation and Oversight*

3.2.24 Programme 2 provides for support services for the effective functioning of the National Assembly (NA) and the National Council of Provinces (NCOP) including procedural, legal and content advice; information services and record keeping; and secretarial and support services for the houses and their committees. The programme covers the core business of Parliament and focusses on the outputs, activities and inputs related to legislation and oversight functions.

3.2.25 The programme comprises the following sub-programmes: National Assembly (House; Committees); National Council of Provinces (House; Committees); Public Participation and External Relations; Shared Services; Sectoral Parliaments and Joint Business.

3.2.26 According to the table below, all targets under this programme were exceeded. Key performance trends under this programme are captured in paragraphs 3.2.27 to 3.2.30 below.

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| --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Q3 target** | **Q3 Performance** | **Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Research service** | % Member satisfaction | **70%** | 79,67% | +9,67% |  |  |
| **Content advice service** | % Member satisfaction | **70%** | 75,85% | +5,85% |  |  |
| **Procedural advice service** | % Member satisfaction | **70%** | 77,51% | +7,51% |  |  |
| **Legal advice service** | % Member satisfaction | **65%** | 77,13% | +12,13% |  |  |
| **Committee support service** | % Member satisfaction | **70%** | 81,75% | +11,75% |  |  |
| **Public participation service** | % Member satisfaction | **60%** | 71,43% | +11,43% |  |  |

**Table 3: Programme 2 – Legislation and Oversight (Source: Parliament of the RSA)**

3.2.27 The committee support services provided to Members to carry out their constitutional mandate in the period under review, included the production of 35 ATCs, content and logistical support provided to three oversight visit; the provision of 94 per cent of all minutes within the required timeframe, and 99 per cent of all reports within the required timeframe; the provision of six legal opinions to committees, and seven to the administration; the drafting of 12 contracts, and 5 private members bills.

3.2.28 Research services are aligned to the oversight and accountability programme. This entails supporting the key processes in the budget cycle. Researchers also provide support to Committee oversight visits and other Committee processes. The Research Unit provided two hundred and sixty-one (261) research papers in support of Committee oversight.

3.2.29 In terms of public participation eighteen public hearings were supported by the public education office. The office also convened approximately forty public education workshops/sessions in support of CAB and Gas Amendment Bill public hearings in November 2021.

3.2.30 The following publications were designed, completed and translated: Petitions to Parliament, Your Guide to Parliament, You and the Constitution, and the Gas Amendment Bill.

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| --- | --- | --- | --- | --- |
|  |  |  |  |  |

***Programme 3: Associated Services and Transfers***

3.2.31 Programme 3 provides for facilities and financial support to political parties including leadership, administrative and constituency support. It also provides for transfer payments to entities in Parliament. It comprises the following sub-programmes: Members’ Facilities, Leadership, Administrative and Constituency support to political parties; Transfer to the PBO, Legislative Sector Support, and Office Supporting ISDs. Performance in respect of this programme was not measured.

**4. Financial Performance in the period under review**

**4.1 Overview**

4.1.1 Table 4 below, illustrates that by the end of the period under review, Parliament had spent R1,783,315 billion or 68 per cent of its annual budget of R2,656 billion, and 90 per cent or R600, 269 million of its appropriated budget of R667, 524 million for the third quarter. The entire budget will be spent by end of the financial year. All savings from the programmes will be used to fund the refurbishments necessitated by the fire that occurred in January 2022.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **October – December 2021** | | | | **Annual** | | | |
| **Main Division** | **Budget**  **R’000** | **Actuals**  **R’000** | **Variance**  **R’000** | **%**  **Spent** | **Annual Budget**  **R’000** | **Actuals**  **R’000** | **Variance**  **R’000** | **% Spent** |
| **Administration** | 168,553 | 142,154 | 26,399 | 84 | 707,604 | 431,617 | 275,987 | 61 |
| **Legislation and Oversight** | 191,203 | 154,646 | 36,557 | 81 | 713,413 | 461,922 | 251,491 | 65 |
| **Associated Services** | 185,920 | 182,730 | 3,190 | 98 | 723,544 | 526,620 | 196,924 | 73 |
| **Sub-Total** | 545,826 | 479,530 | 66,146 | 88 | 2,144,561 | 1,420,159 | 724,402 | 66 |
| **Direct Charges** | 121,698 | 120,739 | 959 | 99 | 471,710 | 363,156 | 108,554 | 77 |
| **TOTALS** | 667,524 | 600,269 | 67,105 | 90 | 2,616,271 | 1,783,315 | 832,956 | 68 |

**Table 4: Expenditure across programmes (Source: Parliament of the RSA)**

4.1.2 Table 5 below details spending across economic classification.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **October – December 2021** | | | | **Annual** | | | |
| **Economic classification** | **Budget**  **R’000** | **Actuals**  **R’000** | **Variance**  **R’000** | **%**  **Spent** | **Annual Budget**  **R’000** | **Actuals R’000** | **Variance**  **R’000** | **% Spent** |
| **Compensation of Members** | 121,698 | 120,739 | 959 | 100 | 471,710 | 363,156 | 108,554 | 77 |
| **Compensation of Employees** | 316,648 | 278,552 | 38,096 | 88 | 1,235,240 | 824,028 | 411,212 | 67 |
| **Goods and Services (APP)** | 62,023 | 40,962 | 21,061 | 67 | 278,042 | 132,455 | 145,587 | 48 |
| **Goods and Services (Members’ entitlements)** | 30,858 | 31,422 | (564) | 102 | 93,956 | 73,020 | 20,936 | 78 |
| **Transfers** | 128,341 | 128,491 | (150) | 100 | 513,031 | 382,938 | 130,093 | 75 |
| **Capital Expenditure** | 7,956 | 558 | 7,398 | 7 | 24,292 | 7,718 | 16,574 | 32 |
| **TOTALS** | **667,524** | **600,724** | **66,800** | **90** | **2,616,271** | **1,783,315** | **832,956** | **68** |

**Table 5: Spending across economic classification (Source: Parliament of the RSA)**

4.1.3 The spending on compensation of members stood at R120,739 million or 100 per cent of the third quarter budget of R121, 698 million. It is anticipated that by the end of the financial year that there will be an over-expenditure of R13, 144 million or 3 per cent. This projected overspending will be refunded from the National Revenue Fund in line with section 23(4) of the FMPPLA.

4.1.4 The spending on compensation of employees stood at 88 per cent or R278, 552 million of the third quarter budget of R316, 648 million, and indications are that there will be underspending of the R1,235,240 annual budget by the end of the financial year. The projected underspending is due to provisions made for key vacancies, and to the slow uptake of membership to PARMED by former parliamentarians.

4.1.5The spending on goods and services relating to the APP is 67 per cent or R40, 962 million of the third quarter budget of R62, 023 million and indications are that there will be underspending by the end of the financial year. The bulk of underspending will result from Covid-19 regulations and restrictions at the different lockdown levels, and the Local Government Elections which resulted in changes to the parliamentary programme.

4.1.6 The National Council of Provinces underspending of R6, 351 million is as a result of the Taking Parliament to the People (TPTTP) and the Provincial week budget which could not be spent. The current underspending under Legislative Sector Support was due to the unforeseen circumstances.

4.1.7 The spending on goods and services, relating to Members’ entitlements, stood at 102 per cent or R31, 422 million of the third quarter budget of R30,858 million. Indications are that there will be a 22 per cent under-expenditure by the end of the financial year.

4.1.8 Spending on transfer payments, which relates to transfers to political parties represented in Parliament, stood at 100 per cent or R128, 491 million of the budget. Indications are that the full annual budget of R513,031 million will be spent by the end of the financial year.

4.1.9 The spending on capital expenditure is 7 per cent or R558 000 of the third quarter budget of R7, 956 million with a variance of R7, 398 million. Indications are that the full annual budget of R24, 292 million will be spend at the end of the financial year.

**Part C**

**5. Observations**

5.1 *Filling of critical vacancies*

5.1.1 The Committee remains concerned about the long delays in filling critical senior management posts, specifically that of the Secretary to Parliament, Chief Financial Officer, and Head of Security.

*5.2 Organisational re-alignment*

5.2.1 Parliament has reported that the organisational re-alignment project was progressing as planned, and that phase two was underway. The Committee has to date not been briefed in detail on what the project entails or its implementation plan.

*5.3 Impact of fire on renovation projects*

5.3.1 Members noted various successes in the period under review as reported by Parliament under Facilities Management. The Committeealso noted that projects such as the upgrading of various chambers, the space utilisation project and the refurbishment of the members’ lounge and consultation rooms which were in progress at the end of the third term, have been adversely affected by the January 2022 fire on the precinct.

5.3.2 Members have noted that the space utilisation project was advertised in the period under review, but that the plan’s implementation depended on the finalisation of the remote working from policy.

*5.4 Security Enhancement*

5.4.1 The Committee notes the projects underway to enhance security. Since the progress referred to in paragraph 3.2.11 however, Parliament has suffered a devastating fire allegedly cause by an individual who had accessed Parliament illegally. The Committee has also noted that the relationship between the SAPS and the PPS needs to be formalised in order to prevent breaches.

*5.5 Performance Management*

5.5.1 The Committee notes that although the level of participation in the client satisfaction survey was considered statistically significant, it remains low. It is also noted that relying on the surveys may result in limited performance management across the institution and at all levels.

*5.6 Offices of the house chairpersons*

5.6.1 The Committee has noted that although the offices of the house chairpersons receive considerable budgets, the performance and impact of these offices are not measured.

**Part D**

**6. Recommendations**

The Executive Authority should provide the Committee with a response to the recommendations below within 30 days of the adoption of this report by the NA and the NCOP.

*6.1 Filling of Critical Vacancies*

6.1.1 The Committee should receive quarterly updates on the filling of all vacancies, and in particular those at senior management level.

*6.2 Organisational re-alignment*

6.2.1 The Committee is concerned about the apparent slow implementation of the organisational re-alignment project, and should receive a detailed briefing/report on it, as well as reasons for the apparent delay in finalising it. We have also noted that some vacant posts cannot be filled until this process has been finalised. This places further urgency on ensuring that the process is finalised.

*6.3 Impact of fire on renovation projects*

6.3.1 The Committee should be provided with a report on the impact of the fire, particularly how infrastructure projects that were underway at the time have been impacted and plans to take them forward.

6.3.2 The Committee should be provided with a report on the working-from-home policy, specifically the impact of working-from-home arrangements on the institution’s budget.

*6.4 Security Enhancement*

6.4.1 The institution should consider halting the project to enhance security until the appointment of a Head of Security who will be able to spearhead the project on Parliament’s behalf and ensure that the institution’s security needs are addressed in full.

*6.5 Performance Management*

6.5.1 The Committee should receive a detailed briefing on how performance was managed across the institution and at every level.

6.5.2 The institution should find ways of encouraging far greater participation in the client satisfaction surveys that now form the basis of performance management. In particular, mini satisfaction surveys should be completed for each committee activity in order to ensure that committees receive adequate support.

*6.6 Oversight of the offices of the house chairpersons*

6.6.1 As the offices of the house chairpersons received budgets, the performance of those offices should also be reported on and tabled for scrutiny.

**Report to be considered.**