**Report of the Joint Standing Committee on the Financial Management of Parliament on the Parliament of the Republic of South Africa’s 2021/22 Fourth Quarter Report, dated 2 September 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 fourth 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 Fourth Quarter report was accordingly tabled on 4 May 2022.

1.3 The senior management team, led by the acting Secretary to Parliament, appeared before the Committee in a meeting held on 3 June 2022 during which the institution’s performance in the period under review was interrogated.

1.4 This report comprises four 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.

1.5 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.

**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 society. Its mission is to represent the people and to ensure government by the people through fulfilling its constitutional functions to pass laws and oversee 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 them 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. Fourth Quarter Performance**

**3.1 Overview**

3.1 In the period under review, Parliament’s operation was still impacted by the Covid-19 national lockdown. Operations were further impacted by a fire that destroyed the National Assembly building and affected parts of the Old Assembly building. For the most part, employees continued to work remotely, and plenary and committee activities remained online. The administration nevertheless continued to provide the required services to parliamentarians thereby ensuring that Parliament continued to perform its constitutional obligations.

3.2 The quarterly client satisfaction surveys, employed for the first time in 2021/22, will provide a realistic benchmark for 2022/23 and beyond. Table 1 below illustrates the outcome of the survey of services delivered in the period under review. The institution succeeded in meeting all 11 quarterly targets.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Overall Member Satisfaction (%)** | **Ease of Access** | **Timeliness** | **Reliability** | **Fairness** | **Usefulness** |
| **ICT Services** | 78.75 | 78.85 | 77.25 | 78.49 | NA | 79.62 |
| **Facilities Management Services** | 70.38 | 70.22 | 70.22 | 68.89 | N/A | 72.00 |
| **Capacity Building Services** | 67.58 | 67.80 | 66.83 | 67.69 | N/A | 67.69 |
| **Research Services** | 75.69 | 73.33 | 77.50 | 75.60 | 78.00 | 75.29 |
| **Content Advice** | 77.17 | 77.69 | 78.46 | 76.86 | 77.31 | 76.54 |
| **Procedural Advice** | 71.79 | 71.11 | 72.09 | 72.44 | 71.11 | 71.56 |
| **Legal Advice** | 74.57 | 74.35 | 73.78 | 74.78 | 73.48 | 75.22 |
| **Committee Support Services** | 74.69 | 76.23 | 75.47 | 74.51 | 73.96 | 73.96 |
| **Public Participation Support** | 71.13 | 71.30 | 70.43 | 71.30 | 72.17 | 70.87 |

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

**3.2 Summary of performance information**

*Programme 1: Administration*

3.2.1 Programme 1 provides strategic 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 illustrates that sub-programmes Digital Service and Facilities Management Service exceeded their targeted performance by 4,75 per cent, and 10,38 per cent respectively. The over-performance is ascribed to the newness of the satisfaction surveys for which there is no benchmark as yet. Key performance trends under this programme are captured in paragraphs 3.2.3 to 3.2.27 below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Q4 target** | **Q4 Performance** | **Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Digital service** | % Member satisfaction | 74% | 78,75% | +4,75 | Met | n/a |
| **Facilities management service** | % Member satisfaction | 60% | 70,38% | +10,38 | Met | n/a |

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

*Information Communication Technology (ICT)*

3.2.3 The institution providedICT, and broadcast and audio-visual services to ensure that plenary sittings plenary sittings and committee meetings, both virtual and hybrid, are broadcasted via television, radio, and streaming services. These services were also used to further public participation in public hearings held by committees in respect of the Gas Amendment Bill and the Electoral Bill.

3.2.4 In the period under review the public, citizen interest groups, parliamentarians, and the administration were able to access the parliamentary website, which is one of the institution’s primary digital communication platforms. The website is one of the ways in which the institution promotes transparency of parliamentary activities and processes. The public is able to use this information for public participation engagement.

3.2.5 The broadcasting and the audio-visual infrastructure in the NA chamber and committee rooms in the New Wing, and the broadcasting infrastructure in the NCOP, were damaged in the fire. The broadcast infrastructure in both the Good Hope Chamber and the NCOP Chamber were restored by 23 February 2022. The Good Hope Chamber has since been equipped with facilities to allow for hybrid sittings of the NA.

*Facilities Management*

3.2.6 The Department of Public Works and Infrastructure (DPWI) has gone on tender to implement the space utilisation plan. The DPWI is in the process of engaging the Department of Rural Development with regard to evacuating the offices it occupies in the 90 Plein Street building for use by Parliament. This work is ongoing and progress reports will be provided as the process unfolds.

3.2.7 Members affected by the fire were relocated to the sixth floor in the 90 Plein Street building. The NCOP building has been declared safe for occupation and the process of returning stakeholders to the NCOP was in process at the time of reporting.

3.2.8 The Joint Planning Committee met in the period under review, to consider the revised Security Enhancement Plan of 2016.

3.2.9 Parliament’s COVID-19 compliance officers continued to ensure that the institution complied with the COVID-19 regulations. The Occupational Health, Safety and Environment team (OSHE) provided support to committees who undertook public hearings and ensured that venues complied with COVID-19 protocols.

*Parliamentary Communications Services*

3.2.10 Communication support was provided to 19 oversight visits thereby ensuring that the work of committees was communicated to internal and external audiences. Media liaison, stakeholder engagement and branding support was provided to the 42 public hearings that took place across the country.

3.2.11 Communication plans were developed to support the activities of Parliament including hybrid and virtual sittings of the two houses, public hearings by committees, the State of the Nation Address (SONA), the budget speech, the Inter-Parliamentary Union (IPU) and the NCOP Provincial Week Programme.

3.2.12 A total of 340 media advisories and releases were developed and distributed in respect of, amongst others, the presiding officers’ remarks at the official handover of the Cape Town City Hall to Parliament for the hosting of the 2022 SONA.

3.2.13 A total of 230 media statements and alerts were issued in support of committee, and 49 articles on committee activities were written for the website.

3.2.14 The institutional research surveys on public awareness and stakeholder satisfaction were concluded for the 2021/2022 financial year, and the reports have been submitted to Parliament.

3.2.15 In the period under review the parliamentary website had 307 005 users, 67 717 more than in the previous quarter. The number of webpages created increased by 168 to 439, and uploads increased by 1 734 to 6 676.

3.2.16 The January 2022 fire necessitated the immediate implementation of a crisis communication strategy comprising, amongst others, frequent media briefings by the presiding officers and the parliamentary spokesperson.

*Human Resource Management*

3.2.17 The potential successors for the posts of the Chief Editor: Bills Office and Procedural Adviser: Questions in the NA progressed in their development plans and underwent emotional intelligence training on the *Mygrow* programme. The profiling of the posts of Control Editor: Questions (NCOP); Editor (NCOP); Editing Assistant (NCOP) has been completed and the nomination process to nominate successors commenced.

3.2.18 At the end of January there were 11 vacant graduate posts in the Treasury Advice Office, NCOP and Catering Services which still had to be advertised and filled for the 2021/2022 financial year. Meetings were held with the heads of the disability units at the University of the Western Cape, University of Stellenbosch, University of Cape Town, and Cape Peninsula University of Technology to explore options for attracting graduates with disabilities. A targeted recruitment strategy will focus on directly approaching qualified graduates through the tertiary institutions’ communication channels.

3.2.19 In respect of the Graduate Development Plan, the assessment and grading of submitted graduate assignments was completed. Feedback will be provided to the graduates regarding their areas of strength and improvement. Two coaching sessions were conducted.

3.2.20 Good progress was made in the design and implementation of the online learning management solution which will greatly enhance the learning experience of the graduates in the programme. The prototype of the online learning management system was developed.

3.2.21 The Organisational Realignment Project was well into its second phase which entails the microanalysis and design of the business operating models, processes and positional structures to enable the macro functional design.

3.2.22 An employee engagement survey was conducted from 4 to 18 November 2021. The responses were analysed in the period under review to determine the key factors affecting engagement levels. A draft implementation plan was developed to address challenges identified in order to sustain and promote a highly-engaged workforce.

3.2.23 Seven employees resigned in the period under review: three were from the Knowledge and Information Service (KIS) division, one from the Core Business Support (CBS) division, two from the Human Resources division, and one from Finance Management Office (FMO). This represents a turnover rate of 0.53 per cent.

3.2.24 Employees actively participated in training and development interventions based on their personal development plans. A total of 148 employees participated in training interventions in the following categories: behavioral skills training; communication and language training; computer and information technology training; financial and remuneration training; human resource training; induction programme; knowledge and information management; purchasing and supply chain management; and safety, health and environmental training.

3.2.25 The bursary committee considered 49 applications; 22 applicants met the criteria and were recommended for bursaries.

3.2.26 The Human Resource Wellness section continued to play a key role in managing and mitigating the spread of the COVID-19 virus through occupational health interventions. Parliament continued to ensure that all safety measures were in place to protect employees, and ensure compliance with regulations.

3.2.27 Employees who wished to access the precinct were required to complete digital pre-screening prior to accessing the precinct in order to obtain a Wellness passport. Data on all staff entering the precinct was stored centrally allowing for the tracking of those who may have been in contact with persons who have tested positive.

*Programme 2: Legislation and Oversight*

3.2.28 Programme 2 provides support services for the effective functioning of the NA and the 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.

3.2.29 The programme comprises the following sub-programmes: NA (House; Committees); NCOP (House; Committees); Public Participation and External Relations; Shared Services; Sectoral Parliaments and Joint Business.

3.2.30 According to Table 3 below, all targets under this programme were exceeded. Key performance trends are captured in paragraphs 3.2.31 to 3.2.36 below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Q4 target** | **Q4 Performance** | **Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Programming Service** | Number of annual parliamentary frameworks adopted | 0 | 0 | 0 | n/a |  |
| Number of NA programmes adopted | 1 | 1 | 0 | Met |  |
| Number of NCOP programmes adopted | 1 | 1 | 0 | met |  |
| **Capacity Building Programme** | % Member satisfaction | 65% | 67,58% | +2,58 | met |  |
| **Research service** | % Member satisfaction | 70% | 75,69% | +5,69% | met |  |
| **Content advice service** | % Member satisfaction | 70% | 77,17% | +7,17% | met |  |
| **Procedural advice service** | % Member satisfaction | 70% | 71,79% | +1,79% | met |  |
| **Legal advice service** | % Member satisfaction | 65% | 74,57% | +9,57% | met |  |
| **Committee support service** | % Member satisfaction | 70% | 74,69% | +4,69% | met |  |
| **Public participation service** | % Member satisfaction | 60% | 71,13% | +11,13% | met |  |

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

3.2.31 Committee support is focused on supporting the core mandates of Parliament i.e. law making, oversight, public participation, co-operative government and inter-governmental relations, and international engagement. The support services provided to parliamentarians to carry out their constitutional mandate included: production of house papers (47 produced); support to oversight function of committees through provision of content and logistical support to committees; production of legislative reports for reporting in the programming structures (16 committee reports); production of minutes and reports (221 of 232 sets of minutes, and 62 of 63 reports were produced within prescribe timeframes; legal advice to committees (8 legal opinions); legal advice to the administration (10 legal opinions); legal drafting services (11 contracts); litigation support and management services (98 pending litigation matters attended to); legislative process and programming support (10 bills introduced).

*Knowledge and Information Services*

3.2.32 The Knowledge and Information Services division supports oversight and accountability primarily through the provision of research and information services, and multilingual language services.

3.2.33 In the period under review the Parliamentary Research Unit provided 342 research papers in support of committee oversight. Research services were aligned to the oversight and accountability programme. Researchers supported the oversight work of committees by providing background documents and on-site support, and contributing to the oversight reports.

3.2.34 The division supports law-making processes through the provision of language services, research and information, and documentation. In the period under review 18 research papers were completed in support of Parliament’s law-making mandate.

3.2.35 The translation of documents into official languages for public consumption supports public participation parliamentary committee processes. The translation of radio scripts and adverts assisted in Parliament reaching the public thereby enhancing public participation.

3.2.36 Research and information support is provided on an ongoing basis to the committees dealing with cooperative government. Eleven research papers were prepared in support of this mandate. Research support was provided for visits by permanent delegates to six provinces, during the NCOP’s provincial week. Researchers provided background papers, on-site support and assisted with the daily reporting obligations.

*Programme 3: Associated Services and Transfers*

3.2.37 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 the Office on Institutions Supporting Democracy (OISD). Performance in respect of this programme was not measured.

*Members Interests*

3.2.38 The Members’ Support Services (MSS) Service Charter was approved in March 2017. Divisions provided service level agreements for specific areas of responsibility. The MSS Service Charter together with the strategic plan and divisional service charters informed the business requirements specification prepared in December 2020.

3.2.39 Members must be supported in a manner that is accessible, effortless, accurate and friendly. The institution should adopt a technology solution to enable workflow automation, real time process optimisation, process performance measurement, monitoring and tracking. It should also provide parliamentarians with multiple simple ways to engage with staff and each other. The disruption caused by the above-mentioned fire illustrates the urgency for an online mobile support solution to ensure that parliamentarians could access support and information wherever they are located.

3.2.40 Turnaround time for processing claims and reimbursements averaged 3.02 days. R 3.788 million was paid out for 5 573 claims processed in the period under review.

*Parliamentary Budget Office*

3.2.41 The PBO reported to the PBO Advisory Council. The office produced 8 analysis reports in the period under review.

*Legislative Sector Support Programme*

3.2.42 Following the launch of the Parliamentary Institute, the board members held their first meeting on 28 February 2022. Board members were inducted on their roles and responsibilities, and identified high level priorities for the establishment and implementation of the institute. The compilation of the training management database for the Parliamentary Institute is ongoing

3.2.43 Preparation for capacity-building programmes for officials of the legislative sector is underway. The Sector Training Policy was circulated and its implementation was being monitored.

*Office on Institutions Supporting Democracy*

3.2.44 In the period under review a total of 18 vacancies were reported across the Pan South African Language Board (PanSALB), Independent Electoral Commission (IEC), Independent Communications Authority of South Africa (ICASA), the Commission for Gender Equality (CGE), and the Public Service Commission (PCS).

3.2.45 The following clusters submitted substantive reports to Parliament for processing: economic cluster (37 reports), governance cluster (35 reports), social cluster (17 reports), and peace and security cluster (20 reports).

**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 76 per cent or R660,075 million of its R873,395 million fourth quarter budget. The budget had been augmented by R40,439 million towards interventions addressing the impact of the fire. The R213,320 million underspent will be available for allocation in the next financial year as Parliament does not return unspent funds to the National Revenue Fund.

4.1.2 Spending on direct charges stood at R120,305 million or 111 percent of the fourth quarter budget of R108,554 million. The overspending will be refunded by the National Revenue Fund in line with section 23(4) of the FMPPLA.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **January – March 2022** | | | | **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** | 315 921 | 185 095 | 130 826 | 59 | 748 041 | 617 215 | 130 826 | 83 |
| **Legislation and Oversight** | 251 995 | 176 003 | 75 992 | 70 | 713 413 | 637 421 | 75 992 | 89 |
| **Associated Services** | 196 924 | 178 672 | 18 252 | 91 | 723 544 | 705 292 | 18 252 | 97 |
| **Sub-Total** | 764 841 | 539 770 | 225 071 | 71 | 2 184 999 | 1 959 928 | 225 071 | 90 |
| **Direct Charges** | 108 554 | 120 305 | (11 751) | 111 | 471 710 | 483 461 | (11 751) | 102 |
| **TOTALS** | 873 395 | 660 075 | 213 320 | 76 | 2 656 709 | 2 443 389 | 213 320 | 92 |

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

4.1.3 Table 5 below details spending across economic classification.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **January – March 2022** | | | | **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** | 108 554 | 120 305 | (11 751) | 111 | 471 710 | 483 461 | (11 751) | 102 |
| **Compensation of Employees** | 409 568 | 317 137 | 92 431 | 77 | 1 235 239 | 1 142 808 | 92 431 | 93 |
| **Goods and Services (APP)** | 153 998 | 54 721 | 99 277 | 36 | 286 665 | 187 388 | 99 277 | 65 |
| **Goods and Services (Members’ entitlements)** | 24 063 | 27 946 | (4 683) | 119 | 94 772 | 99 455 | (4 683) | 105 |
| **Transfers** | 130 091 | 128 233 | 1 858 | 99 | 513 030 | 511 972 | 1 858 | 100 |
| **Capital Expenditure** | 47 121 | 10 933 | 36 218 | 23 | 55 293 | 19 105 | 36 188 | 35 |
| **TOTALS** | 873 395 | 660 075 | 213 320 | 76 | 2 656 709 | 2 443 389 | 213 320 | 92 |

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

*Compensation of Members*

4.1.4 As indicated above, the spending on compensation of members stood at R120,305 million or 111 percent of the fourth quarter budget of R108, 554 million resulting in an overspend of R11,751 million. The overspent funds will be refunded by the National Revenue Fund in line with section 23(4) of the FMPPLA.

*Compensation of employees*

4.1.5 Spending on compensation of employees stood at 77 percent or R317,137 million of the fourth quarter budget of R409,568 million resulting in an underspending of R92, 431 million. The under-expenditure was due to provisions made for key vacancies that could not be filled in the period under review, and the discontinuation of membership to the PARMED Medical Aid Scheme by some Members.

*Goods and services (APP)*

4.1.6 The spending on goods and services relating to the APP stood at 36 per cent or R54, 721 million of the fourth quarter budget of R153,998 million. The bulk of the underspending was the result of Covid-19 regulations and restrictions across the different lockdown levels, and the local government elections which necessitated changes to the parliamentary programme.

4.1.7 The increase in spending from the third to the fourth quarter was due to expenditure for the refurbishment of offices damaged in the fire, and costs associated with the NCOP Provincial Week. Actual spending in response to the fire amounted to R14,1 million.

4.1.8 The R36 million underspending under Legislative Sector Support was due to the implications of the force majeure. In line with section 16(2) of the FMPPLA, the unspent funds will be available for allocation in the next financial year.

4.1.9 The spending on goods and services relating to Members’ entitlements, stood at 119 per cent or R27,946 million of the fourth quarter budget of R24,063 million. Members’ entitlements are dependent on travel requirements of the previous and current members of the executive. The overspending will be offset by any underspending within the institution.

4.1.10 Spending on transfer payments relating to transfers to political parties represented in Parliament stood at 99 per cent or R128,233 million of the fourth quarter budget of R130,091 million.

4.1.11 The spending on capital expenditure stood at 23 per cent or R10, 933 million of the fourth quarter budget of R47, 121 million. In line with section 16(2) of the FMPPLA, all unspent funds will be available for allocation in the next financial year.

**4.2 Expenditure across programmes**

*Programme 1: Administration*

4.2.1 Expenditure under this programme stood at 59 percent or R185,095 million of the fourth quarter budget. In January the budget was augmented by R40,439 million to fund repairs and refurbishments resulting from the fire. By the end of the period under review, R14,105 million had been spent: R7,164 million under goods and services, and R6,941 million under capital expenditure.

4.2.2 The spending on compensation of employees stood at 74 per cent or R142,605 million of the fourth quarter budget of R193,955 million. The underspending was due to delays in filling key vacant positions.

4.2.3 The spending on goods and services stood at 40 per cent or R31, 77 million of the fourth quarter budget of R78,662 million. The under-expenditure is due to lower than anticipated spending on the fire disaster as well as slow/no spending of the operational budget as a result of the Covid-19 pandemic.

4.2.4Capital expenditure stood at 26 per cent or R11,113 million of the fourth quarter budget of R43, 305 million. The underspending was mainly due to an R29,145 million underspend under the fire disaster unit. In line with section 16(2) of the FMPPLA all unspent funds will be available for allocation in the next financial year.

*Programme 2: Legislation and Oversight*

4.2.5 By the end of the period under review, 70 per cent or R176,003 million of the R251,996 million allocated to this programme had been spent. There had been an increase in spending under the Public Participation sub-programme as a result of public hearings and the NCOP Provincial Week.

4.2.6 The spending on compensation of employees stood at 88 per cent or R152,869 million of the R173,638 million fourth quarter budget.

4.2.7 The spending on goods and services stood at 31 per cent or R23,344 million of the fourth quarter budget, and the committed funds amounted to R11,429 million of which R9,268 million related to travel. The underspending emanated from Covid-19 regulations and restrictions, and the local government elections which necessitated changes to the parliamentary programme.

4.2.8 Capital expenditure stood at R0 in the fourth quarter i.e. R3,231 million under-expenditure of the total annual budget of R4,020 million.

*Programme 3: Associated Services*

4.2.9 91 per cent or R178,672 million of the fourth quarter budget of R196,924 million was spent. The R18,252 million under-expenditure was due to fewer parliamentarians joining the Parmed Medical Aid Scheme.

4.2.10 Spending on compensation of employees, which includes medical aid contributions for former members of Parliament and provincial legislatures stood at 52 per cent or R21,663 million of the R41,975 million fourth quarter budget. The variance was due to resignations/retirements and fewer than anticipated Members joining the Parmed Medical Aid Scheme.

4.2.11 The spending on goods and services including Members’ entitlements stood at 119 per cent or R28,746 million of the fourth quarter budget.

4.2.12 Spending on transfer payments relating to transfers to political parties represented in Parliament stood at R128, 233 million of the R130,091 million allocated for the fourth quarter.

4.2.13 Member’s Facilities has spent R30 000 against a fourth quarter budget of R795 000.

**Part C**

**5. Observations**

5.1 *Filling of critical vacancies*

5.1.1 The Committee welcomes the appointment of Mr Xolile George as the Secretary to Parliament, effective 15 June 2022 but remains concerned about the long delays in filling critical senior management posts such as that of the Chief Financial Officer and the Head: Parliamentary Protection Services.

*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 The Committees has noted various successes under Facilities Management reported in the period under review. It is also 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, will have been adversely affected by the January 2022 fire on the precinct.

5.3.2 The Committee has noted that the space utilisation project was advertised in the period under review, but that the plan’s implementation was dependent on the finalisation of the remote working policy.

*5.4 Security Enhancement*

5.4.1 The Committee notes the projects underway to enhance security. The Committee has also notes that the relationship between the South African Police Service (SAPS) and the PPS needs formalising in order to prevent breaches such as the one that has allegedly resulted in the January 2022 fire.

*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 Budget allocation*

5.6.1 The Committee has on several occasions emphasised that the executive authorities of Parliament and National Treasury should meet to discuss the manner in which Parliament’s budget is allocated, specifically so as to ensure that the process of allocating its budget re-affirms its status as one of the three arms of state. Without an adequately resourced Parliament oversight will continue to be severely hampered*.*

**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 affected.

6.3.2 The Committee should be provided with a report on the remote work policy, specifically the impact of remote work 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 is 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 Budget allocation*

6.6.1 The executive authorities of Parliament and the National Treasury should meet before the medium term budget policy statement (MTBPS) so as to resolve how Parliament’s budget will be decided bearing in mind its obligation to perform oversight. The Committee should be kept abreast of developments in this regard.

**Report to be considered.**