

Report of the Joint Standing Committee on the Financial Management of Parliament on the Parliament of the Republic of South Africa's Draft 2023/24 Annual Performance Plan, dated 21 April 2023.

The Joint Standing Committee on the Financial Management of Parliament, having considered the Parliament of the Republic of South Africa's draft 2023/24 Annual Performance Plan, 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.
- 1.2 Parliament derives its mandate from:
 - Chapter 4 of the Constitution of the Republic of South Africa, 1996, No 108 of 1996, which sets out its composition, powers and functions;
 - the FMPPLA which regulates the institution's financial management;
 - the Money Bills Amendment Procedure and Related Matters Act, 2009, No 9 of 2009 (Money Bills Act) which provides procedures to amend money bills; and
 - the Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act of 2004, No 4 of 2004 which defines and declares the national and provincial legislatures' powers, privileges and immunities.
- 1.3 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 in 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.
- 1.4 Section 17(1) of the FMPPLA requires that the Executive Authority table planning and budgeting documents in Parliament for referral to the oversight mechanism. These include the draft annual performance plan (APP) and draft budget which should be tabled at least one month before the draft budget must be submitted to the National Treasury. Accordingly, the Executive Authority tabled the APP on 10 June 2022. On 2 December 2022, the institution presented the plan to the Committee for its consideration.
- 1.5 This report comprises four parts: an overview of the draft APP (Part A); an overview of the draft budget (Part B); observations (Part C); and recommendations (Part D).
- 1.6 This report should be read with the Committee's report on the Strategic Plan of the Sixth Parliament.

PART A

2. Overview of the draft Annual Performance Plan

2.1 Strategic Plan of the Sixth Parliament

- 2.1.1 Section 14(1) of the FMPPLA requires that the accounting officer must prepare and present the draft strategic plan to the Executive Authority within 6 months of the election of the National Assembly (NA), or by another date determined by Parliament.
- 2.1.2 Section 14(2) of the FMPPLA requires that the draft strategic plan must:
 - cover the following five years or another period determined by Parliament;
 - specify the administration's priorities for the period of the strategic plan;
 - include objectives and outcomes for each of Parliament's programmes;
 - include multi-year projections of all revenue and expenditure; and
 - include performance measures and indicators for assessing the administration's performance in implementing the strategic plan.
- 2.1.3 The Medium Term Strategic Framework sets out the government's strategic plan for 2019 to 2024. It contains 7 priorities, 81 outcomes with 561 indicators. Parliament will monitor the overall impact of the development indicators contained in it.
- 2.1.4 The implementation of the strategic plan is achieved through annual performance plans (APPs) and associated operational plans and budgets. APPs outline the outputs that must be

delivered to achieve the outcomes in strategic plans. Operational plans in turn focus on the activities and inputs needed to deliver outputs.

- 2.1.5 The 2023/24 APP will be the third towards the implementation of the Strategic Plan of the Sixth Parliament which was approved in 2020. It is a continuation of the changes that were first introduced on 2021/22.
- 2.1.6 In 2021/22 Parliament reduced its programmes from five to three. Since that time performance has also been measured using the client satisfaction model rather than the more conventional method informed by the Department of Planning, Monitoring and Evaluation's framework on strategic and annual performance plans.

2.2 Programme overview

Programme 1: Administration

- 2.2.1 Programme 1 provides strategic leadership, governance, management, corporate and support services to Parliament. It consolidates three former programmes namely Strategic Leadership and Governance, Administration and Support Services. Programme 1 comprises the following sub-programmes: Executive Authority, Office of the Secretary, and Corporate and Support Services.
- 2.2.2 The parliamentary service intends addressing the prevailing and future way of work. Such efforts will include significant transformation and change in the approach to management, enabling policy, business processes, related skills, and re-thinking facilities. This is intended towards, over time, creating a new institutional culture that is driven by professionalism, service excellence and technology-enabled processes.
- 2.2.3 Over the next five years the institution will adopt and implement modern technologies towards working smarter, investing in skills development to build and improve institutional capacity, and improving the working environment to ensure motivated and engaged employees. To this end, management capacity to build institutional agility will have to be developed, institutional responsiveness must be enhanced, and a programme of ICT infrastructure and skills development to shield the institution from possible external shocks, must receive a significant investment.
- 2.2.4 An investment in ICT infrastructure, systems and skills must enable a move away from its traditional and current capabilities to, amongst others, the convergence of content, interaction, networks, application, devices and channels. Such IT developments must provide a seamless and valuable experience for parliamentarians who are the primary clients of the parliamentary service.
- 2.2.5 For greater effectiveness and efficiency, the parliamentary service must develop and implement the following interventions:
 - develop a new business model to address the future way of work and build in the principles of e-Parliaments;
 - redesign and optimise core and support business processes through technology including the development of a legislative drafting system, an oversight monitoring and tracking system, a public involvement and engagement system (including petitions, submissions and representations), an ERP processes for decision-making, supporting infrastructure, networking and end-user tools and support;
 - implement upskilling and re-skilling programmes to ensure the effective use of modern systems and technology;
 - develop specialised skills programmes to ensure expertise and specialisation, and the integration of existing functions using a multi-skilling approach;
 - ensure continuous innovation and improvements of processes and skills, allowing for co-creation and value adding;
 - integrate service offerings through a collaborative approach where service recipients are offered a holistic response;
 - provide policy, tools and facilities for remote employment conditions; and
 - implement virtual meetings on collaboration platforms;
- 2.2.6 The programme must ensure that employees work smarter, improve skills and capacity, and improve the working climate so as to ensure an engaged workforce. Table 1 below, outlines the targets under this programme.

Parliamentary Service	Output Indicator	Annual Performance Targets						
		Actual			Estimated	MTEF		
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Digital Service	% Member Satisfaction	72	74	86	80	80	80	80
Facilities Management Service	% Member Satisfaction	67	48	76	75	75	75	75

Table 1: Programme 1 Performance Indicators (Source: Parliament of the RSA)

Programme 2: Legislation and Oversight

2.2.7 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.

2.2.8 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.

Parliamentary programme

2.2.9 A key input towards the strengthening of committee oversight includes adequate time for committees to conduct oversight. Therefore, the parliamentary programme framework must be based on statutory and strategic requirements, the direction provided by the Executive Authority, and that of the programming committees. The new programming framework will be implemented over time, with a gradual shift towards dedicated constituency, committee and plenary weeks. The new framework must also include joint committee and inter-sectoral work.

2.2.10 In addition, the Parliamentary Service must prepare a draft oversight plan, based on the input of office bearers and key stakeholders, to direct the oversight work of Parliament. This plan must address key elements required to improve the overall outcome of oversight activities and processes.

2.2.11 Table 2 below, sets out the performance targets in relation to the programming service.

Parliamentary Service	Output Indicator	Annual Performance Targets						
		Actual			Estimated	MTEF		
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programming Service	Number of Annual Parliamentary Programmes Adopted	-	1	1	1	1	1	1
	Number of Annual Programmes Adopted	-	4	4	4	4	4	4
	Number of NCOP programmes adopted	-	4	4	4	4	4	4

Table 2: Programme 2 – Programming Service Targets

Member capacity-building

2.2.12 During their tenure parliamentarians are required to apply a diverse range of skills. If Parliament is to operate more efficiently and effectively, specific and needs-based capacity-

building programmes must be in place to equip parliamentarians with the skills needed to perform their functions.

2.2.13 In order to provide more relevant and better quality capacity development programmes the parliamentary service must:

- ensure that capacity building programme development is based on a continuous needs assessment, with input and feedback from stakeholders;
- improve co-ordination and co-operation of role-players in the capacity-building area;
- integrate individual capacity building programmes under a holistic curriculum, with separation into various programmes, courses, modules and subjects;
- centralise resources and funding; and
- initiate processes to measure the usefulness of programmes through regular satisfaction feedback.

2.2.14 Table 3 below summarises the performance targets in relation to members' capacity building programmes.

Parliamentary Service	Output Indicator	Annual Performance Targets						
		Actual			Estimated	MTEF		
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Capacity Building Service	% Members Satisfaction	-	70	70	70	73	75	75

Table 3: Programme 2 – Members Capacity Building programmes (Source: Parliament of the RSA)

2.2.15 Table 4 below illustrates the proposed budget for this programme. In summary, in 2023/24 this programme will be allocated R815,960 million of the institution's R2, 973 091 billion annual budget.

Sub-programme	Medium-term expenditure estimate		
	2023/24	2024/25	2025/26
R thousands			
Executive Authority	125 624	122 182	127 711
Office of the Secretary	73 856	78 173	37 029
Corporate and Support Services	616 480	646 598	679 805
Total	815 960	846 953	844 545
Economic classification			
Current payments:	791 257	820 386	816 189
Compensation of employees	573 832	604 474	636 673
Goods and services	217 425	215 912	179 516
Transfers and subsidies			
Payments for capital assets	24 703	26 567	28 356
Payments for financial assets			

Table 4: MTEF Estimated budget for Programme 1

2.2.16 Parliamentarians represent the interests of people through the processes of legislation, oversight, appointments and international participation. Such representation requires access to several vast and different streams of information. Better scrutiny and recommendations will require improved synthesis, analysis and research services.

2.2.17 Sufficient research capacity in Parliament remains a challenge. The 2017 Global Parliamentary Report indicates new trends in this regard. Accordingly, parliaments are establishing capacity to specialise and provide the following: information for Members; research for committees; procedural research; budget analysis, and gender analysis.

Research and information services in Parliament must access and review data sets and information, and must analyse, evaluate and synthesise evidence and information.

2.2.18 Parliament must also increase its ability to monitor, track and evaluate the implementation of recommendations and resolutions. The institution will benefit from tracking its own data, to build an evaluative culture, and to gain insights into legislative impact. The institution can further improve accountability by engaging and interacting with evaluations done by the Executive and other institutions, thereby providing a broader range of information and insight on the effectiveness of government programmes. Providing a real-time country dashboard may help in holding the Executive to account and keeping citizens informed on service delivery progress.

2.2.19 In order to provide quality information services, the parliamentary service must:

- develop a three-year research plan in support of the institutional oversight plan;
- co-ordinate the various parliamentary service information providers into an integrated and seamless delivery model;
- ensure equal access to information services;
- forge improved collaboration with partners and third party/external stakeholders;
- augment the information dissemination process, ensuring improved packaging, information simplicity, and ease of use of information products;
- introduce institutional standards and quality management processes to ensure quality and objectivity;
- establish a research advisory panel to guide and advise information services; and
- implement an institutional knowledge management strategy, ensuring institutional data and information management processes.

2.2.20 Table 5 below reflects the performance targets in relation to information services.

Parliamentary Service	Output Indicator	Annual Performance Targets						
		Actual			Estimated	MTEF		
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Research Service	% Members Satisfaction	57	53	81	75	75	75	75
Content Advice Service	% Members Satisfaction	44	70	81	75	75	75	75
Procedural Advice Service	% Members Satisfaction	64	69	77	75	75	75	75
Legal Advice Service	% Members Satisfaction	48	43	77	75	75	75	75
Committee Support Service	% Members Satisfaction	63	76	83	75	75	75	75

Table 5: Programme 2 – Information Services performance targets (Source: Parliament of the RSA)

Public Involvement

2.2.21 The involvement and participation of the public are key to ensuring a participatory democracy and more responsive government. Increasing public participation will require improved information dissemination and greater access to participate. This, in turn, will require the use

of more official languages, broadcasting on radio, social media and mobile technology, and external networks to reach the public. Greater access to participate in Parliament will require more joint public hearings, e-hearings, online submissions, and better use of constituency offices.

2.2.22 To ensure improved public involvement, the parliamentary service must:

- implement interventions focussing on the delivery of public education and information programmes, empowering people to participate in parliamentary processes, mobilising public stakeholders, and capitalising on the use of digital and preferred platforms;
- implement virtual public meetings, e-hearings, e-petitions;
- broaden cooperation with partners and stakeholders including the legislative sector, government, community organisations and institutions;
- improve co-ordination of programmes with that of constituency offices;
- strengthen the petitions process; and
- consolidate current programmes, capacities and resources into a single service to support public participation activities.

2.2.23 In 2014 Parliament initiated an annual external survey to measure public awareness, access and participation in the processes of the institution. Since then the main indicators have shown increases in awareness, access and participation. To improve on these, the 2019 survey report recommended the following:

- increasing familiarity with Parliament through easy to understand and user-friendly communication strategies aimed at educating not overwhelm;
- increasing the use of social media and the internet which are the media of the future;
- communicating how to engage with Parliament by using both traditional and modern forms of communication; and
- targeting those demographic groups that have been identified as having less awareness and knowledge of Parliament and how to access it.

2.2.24 Table 6, below, reflects the performance targets related to public participation.

Parliamentary Service	Output Indicator	Annual Performance Targets						
		Actual			Estimated	MTEF		
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Public Participation Service	% Members Satisfaction	57	53	74	75	75	75	75

Table 6: Programme 2 – Public Participation Service targets (Source: Parliament of the RSA)

2.2.25 Table 7 below illustrates the budget allocated towards the programme.

Sub-programme	Medium-term expenditure estimate		
<i>R thousands</i>	2023/24	2024/25	2025/26
National Assembly	49 199	51 917	54 615
National Council of Provinces	55 426	58 327	62 304
Shared services	657 116	687 765	716 555
Sectorial Parliaments	53 070	52 731	55 714
Total	814 820	850 740	889 188
Economic classification			
Current payments:	811 844	848 910	887 156
Compensation of employees	590 783	621 881	654 553
Goods and services	221 061	227 029	232 603
Transfers and subsidies			
Payments for capital assets	2 976	1 830	2 032
Payments for financial assets			
Total	814 820	850 740	889 188

Table 7: MTEF Estimated Budget for Programme 2

Programme 3: Associated Services and Transfers

2.2.26 Programme 3 provides for the 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; Office Supporting ISDs. Performance in respect of this programme will not be measured.

2.2.27 Table 8 illustrates the budget allocated towards this programme.

Sub-programme	Medium-term expenditure estimate		
	2023/24	2024/25	2025/26
<i>R thousands</i>			
Members' Facilities	307 270	280 352	291 881
Transfer: Political Party Allowances	544 500	571 725	600 312
Transfer: Parliamentary Budget Office	18 832	19 833	20 861
Total	870 602	871 910	913 054
Economic classification			
Current payments:	326 102	300 174	312 742
Compensation of employees	112 473	120 506	124 296
Goods and services	213 629	179 668	188 446
Transfers and subsidies	544 500	571 725	600 312
Payments for capital assets		11	
Payments for financial assets			
Total	870 602	871 910	913 054

Table 8: MTEF Estimated Budget for Programme 3

PART B

3. Budget Information

3.1 Overview of proposed 2023/24 Budget

3.1.1 The Medium Term Expenditure Estimates for 2023/24 financial year amounts to R2,973,091 billion increasing to R3,062,496 billion in 2024/25 financial year, and R3,139,680 billion in 2025/26 financial year.

3.1.2 Table 9 below reflects the proposed budget across the medium term, as well as economic classification.

Programme	Medium-term expenditure estimate		
	2023/24	2024/25	2025/26
<i>R thousands</i>			
Programme 1: Administration	815 960	846 953	844 545
Programme 2: Legislation and Oversight	814 820	850 740	889 188
Programme 3: Associated services	870 602	871 910	913 054
Subtotal	2 501 382	2 569 603	2 646 787
Direct charge against the National Revenue Fund	471 709	492 893	492 893
Total	2 973 091	3 062 496	3 139 680
Economic classification			
Current payments:	2 400 913	2 462 364	2 508 980
Compensation of employees	1 748 797	1 839 755	1 908 415
Goods and services	652 116	622 609	600 565
Transfers and subsidies	544 500	571 725	600 312
Payments for capital assets	27 678	28 407	30 388
Payments for financial assets			
Total	2 973 091	3 062 496	3 139 680

Table 9: Estimates of Expenditure

3.2 Financial Constraints

3.2.1 Parliament reported significant shortfalls based on current budget estimates. These will impact the quality of Parliament's oversight and public participation mandates.

3.2.2 The goods and service and retained earnings allocation is used to fund the compensation of employees-item. However, the retained earnings can only subsidise this item until the 2024/25 financial year.

- 3.2.3 There is a significant need to modernise the Parliamentary ICT infrastructure and Parliamentary facilities. The need to do so has been exacerbated by the fire that destroyed certain parliamentary buildings and infrastructure in January 2022. Such a modernisation project will require significant funding.
- 3.2.4 Although Parliament's strategy has evolved significantly, the baseline has not been aligned to it. National Treasury should therefore review Parliament's baseline.
- 3.2.5 The longstanding challenges around how the medical aid contributions to the Parliamentary Medical AID Scheme (Parmed) should be managed, remain. The Parmed Board must be engaged on how this may finally be addressed.
- 3.2.6 The allocation of political party allowances as part of Parliament's baseline requires reconsideration.
- 3.2.7 Funding must be provided for strategic offices that support the oversight and public participation mandate i.e. the Parliamentary Budget Office (PBO), and the Office on Institutions Supporting Democracy (OISD).
- 3.2.8 The National Treasury must make funding available to finance the restoration of the infrastructure affected by the 2022 fire.

Part C

4. Observations

- 4.1 As indicated in previous reports, Parliament does not yet have a guideline to inform the drafting of its plans, but ought to have ensured that it complied with what the FMPPLA requires i.e. the inclusion of objectives and outcomes for each programme. In order to have the desired impact, it is critical to identify outcomes to be pursued over the period of the strategic plan. The Committee is disappointed that the institution has not yet addressed longstanding concerns challenges in terms of measuring performance.
- 4.2 Although Programme 3 will receive a substantial allocation and includes Members Facilities, there are no performance indicators under this programme. This means that it will not be measured throughout 2023/22. This is a perennial concern.
- 4.3 The Committee notes that the OISD, PBO, TAO and LSS will report directly to the Executive Authority. The APP contains no information with regard to how the performance of these offices will be measured. This, too, is a perennial concern.
- 4.4 The Committee notes the various financial constraints the administration has highlighted. We look forward to the appointment of a Chief Financial Officer to, along with the Treasury Advice Office, develop proposals to Executive Authority on how Parliament's budget constraints may be addressed.
- 4.5 The Committee notes the various interventions proposed to develop a more efficient and effective parliamentary service.
- 4.6 The Committee remains concerned that Parliament must, like national departments, apply to the National Treasury for a share of the national budget. Parliament is a separate arm of the state and cannot be expected to be subject to National Treasury for its budget allocation. This reliance has the potential to weaken Parliament's ability to perform oversight of the Executive.
- 4.7 The Committee supports all efforts to increase public participation in Parliament's activities. Ensuring that more people have access to information about Parliament through television, radio and social media would contribute greatly towards that goal.
- 4.8 The Committee notes that the regulations referred to under Chapter 9 of the FMPPLA have still not been developed. These regulations will go a long way towards standardising, amongst others, the institution's planning and budget processes.

PART D

5. Recommendations

- The Executive Authority should respond to the following recommendations within 30 days of the adoption of this report by the NA and the NCOP.
- 5.1 The Committee recommends that the institution develops its budget process before the consideration of the 2024/25 draft annual performance plan and budget. The budget process would assist as far as ensuring that Parliament is able to support and argue for the granting of the institution's funding request.
- 5.2 The Committee recommends that Parliament develops performance indicators measuring the delivery of services under Programme 3.
- 5.3 The Committee is pleased that engagements between the National Treasury and the Executive Authority to address Parliament's budget allocation have commenced **and** appear

- to be bearing fruit. The Committee should receive an update on progress made in this regard, as well as on efforts underway to resolve the Parmed liability.
- 5.4 With regard to the institution's efforts to build a more effective and efficient parliamentary service, the Committee should be provided with quarterly updates on progress made in terms of each intervention.
 - 5.5 The Committee should be provided with a report on how the performance in relation to the OISD, PBO, TAO and LSS is measured.
 - 5.6 The Committee recommends that every avenue be pursued to ensure that the vast majority of citizens are able to access information about parliamentary committee meetings and plenaries. Parliamentary meetings should not be aired on pay-to-view channels, but should be broadcasted on the SABC's free-to-view platform or on the special channel for which the institution is seeking licensing. The Committee against requests quarterly progress reports on the interventions the Parliamentary Communication Service is working on.
 - 5.7 The Committee recommends that the regulations referred to in Chapter 9 of the FMPPLA be developed and finalised as a matter of urgency and before the end of the 2023/24 financial year. The Committee should be provided with quarterly updates on progress made in this regard.

Report to be considered.