**Report of the Joint Standing Committee on the Financial Management of Parliament on the Parliament of the Republic of South Africa’s 2022/23 Third Quarter Report, 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 performance in the third quarter of 2022/23, 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 2022/23 Third Quarter Report was accordingly tabled on 31 January 2023.

1.3 The senior management team, led by the Speaker of the National Assembly, appeared before the Committee in a meeting held on 3 March 2023 during which 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 2022/23 APP and budget, and the Committee’s reports in respect thereof.

1.5 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.

**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**

3.1.1 As indicated in Table 1 below, Parliament met all 12 performance targets in the period under review.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Overall Member Satisfaction %** | **Ease of Access %** | **Timeliness %** | **Reliability %** | **Fairness %** | **Usefulness %** |
| **ICT Services** | 86,60 | 86,67 | 84,56 | 86,32 | N/A | 87,72 |
| **Facilities Management Services** | 80,79 | 79,27 | 81,51 | 80,00 | N/A | 81,92 |
| **Capacity Building Services** | 75,08 | 74,44 | 75,19 | 75,47 | N/A | 74,91 |
| **Research Services** | 81,68 | 82,14 | 80,00 | 81,07 | 82,55 | 82,59 |
| **Content Advice** | 80,83 | 81,05 | 80,70 | 81,07 | 80,35 | 80,70 |
| **Procedural Advice** | 78,56 | 78,55 | 78,11 | 78,89 | 78,52 | 78,46 |
| **Legal Advice** | 76,01 | 76,86 | 75,29 | 75,00 | 76,08 | 76,92 |
| **Committee Support Services** | 84,59 | 85,26 | 84,83 | 83,79 | 84,91 | 84,83 |
| **Public Participation Support** | 76,03 | 76,15 | 75,69 | 77,25 | 75,77 | 75,00 |

**Table 1: Outcome of Member Satisfaction Survey, Third Quarter 2022/23 (Source: Parliament of the RSA)**

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

***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 As indicated in Table 2 below, all targets under this programme were met.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Q3 target** | **Q3 Performance** | **Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Digital service** | % Member satisfaction | 80% | 86,60% | +6,60% | Met | Useful and reliable services provided |
| **Facilities management service** | % Member satisfaction | 75% | 80,79% | +5,79% | Met | Useful and reliable services provided |

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

3.2.3 According to the table above, sub-programmes Digital Services and Facilities Management Service exceeded their targets by 6,6 per cent, and 5,79 per cent respectively. Key performance trends under this programme are captured in paragraphs 3.2.4 to 3.2.19 below.

*Information Communication Technology (ICT)*

3.2.4 In the period under review ICT, and broadcasting and audio-visual services were provided to 22 NA sittings, 14 NCOP sittings, 402 committee meetings, the Medium Term Budget Policy Statement (MTBPS) sitting as well as to a special sitting of the NA held on 13 December 2022.

3.2.5 In addition to the above, such services were provided to public hearings on the Housing Consumer Protection Bill, the National Veld & Forest Fire Amendment Bill, and the Railway Safety Bill.

3.2.6 Members of the public, citizen interest groups, parliamentarians, and the administration were able to access the parliamentary website which provides access to parliamentary information. Content on the website includes parliamentary programmes; order papers; minutes of house proceedings; the Announcements, Tabling and Committee reports publication; parliamentary questions; internal question papers; general information about Parliament, office bearers and parliamentarians; press releases. In the period under review, the website was available 99,47 per cent of the time.

*Facilities Management*

3.2.7 Employees have returned to the precinct on rotational basis. However, facilities management services continued to be provided as required.

3.2.8 The various services provided in the period under review included:

- the daily cleaning of both public and office spaces provided access (to office spaces) was possible;

- transport to the parliamentary precinct as and when required;

- refreshments to parliamentary staff, departmental delegations and meetings which allowed the catering section to recover its cost of sales;

- support to committees and sectoral parliaments on oversight visits;

- daily building security through patrols, inspections and monitoring facilities;

- screening, vetting and processing of all short listed candidates as and when required;

- the provision of images and artwork loans for research purposes when required;

- the monthly restoration of antique furniture;

- measures for the return of parliamentarians and employees to the precinct i.e. the Helpdesk is operational, Parliamentary Protection Service (PPS) staff are stationed at entrances, SHE services have been put in place, the 90 Plein Street cafeteria is operational; and

- courier services to support institutional events.

*Parliamentary Communications Service*

3.2.9 The Parliamentary Communication Service (PCS) supported ten committees on their oversight work and public hearings by providing, amongst others, media liaison services, branding, social media and television support. In the period under review 162 articles about committee meeting activities, including public hearings, were posted on *Faranani*. Due to digital space constraints in the Outlook environment committee news bulletins were no longer shared via e-mail Info Alert.

3.2.10 PCS supported the parliamentary programme by creating awareness and distributing information about parliamentary activities. Such supported included communication support in relation to the special physical sitting that took place at the City Hall in Cape Town in December 2022.

3.2.11 PCS also provided communications support to twenty-two public hearings that were held for various bills across several provinces. The radio broadcast toolkit was used to stream the hearings to twelve community media stations. Community radio stations broadcast live. In addition, the hearings were covered by all platforms i.e. social media, television, photography and design.

*Human Resource Management*

3.2.12 The Sixth Parliament aims to increase the government’s responsiveness and accountability. To realise this goal, Parliament’s Human Capital strategy aims to provide reliable capacity and skills to support parliamentarians in the execution of their constitutional mandate.

3.2.13 The succession planning committee recommended six candidates to be placed in the Succession Planning Committee programme for 5 of the 6 identified succession posts. No suitable candidates were found for theEditing Assistant-post and alternative options were being explored to attract suitable candidates.

3.2.14 The recruitment drive to identify five graduates for internships in the Catering Section was activated in the period under review. A targeted approach was embarked upon with the Cape Town Hotel School. Ongoing support and advice was provided to graduates to complete their work. The following modules were added to their programme: Oversight and Accountability; Parliament and the National Budget, and Public Administration. The project team met regularly to review successes, track the progress, and address challenges.

3.2.15 The Organisational Realignment Project was in its second phase entailing the micro- analysis and design of business operating models, processes, and positional structures to enable a macro-functional design. The following work in relation to the analysis and design of the remaining functions was completed in the third quarter:

- data gathering, service analysis, stakeholder engagements, benchmarking, analysis and design of the operating models and functional design and positional structure options have been completed in respect of Public Participation, Involvement and Education; and Houses and Committees;

- data gathering, service analysis, stakeholder engagements, benchmarking and analysis have been completed in respect of Knowledge and Information Services: documentation and records management; library and language services; institutional support services-catering, household, facilities and SHE (Safety, Health and Environment); Protection and Security Services; and

- data gathering and service analysis have been completed in respect of Legislative Sector Support (LSS); and Employee Engagement levels.

3.2.16 Three resignations were submitted in the period under review: one from PCS, one from Core Business Support Division (CBSD) and, one from the Constitutional and Legal Services Office (CLSO). This represents a turnover rate of 0, 23 per cent of the staff establishment which is much lower than the targeted 5 per cent.

3.2.17 Funding was approved by the Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority (Cathsseta). The first tranche payment of R364 000 was processed in the second quarter, and monitoring meetings were held with the seta in the period under review.

3.2.18 Training interventions were delivered to 124 employees to enhance their expertise and specialist skills in the following areas: behavioural skills; communication and language; computer and information technology; financial and remuneration; human resources; induction to the parliamentary service; knowledge and information management; and safety, health and environment awareness.

3.2.19 The bursary committee awarded bursaries amounting to R532 365 to 30 applicants for various levels of study.

*Programme 2: Legislation and Oversight*

3.2.20 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.

3.2.21 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.

3.2.22 According to Table 3 below, all targets under this programme were exceeded. Key performance trends under this programme are captured in paragraphs 3.2.23 to 3.2.35 below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Q3 target** | **Q3 Performance** | **Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Programming Service** | Number of annual parliamentary frameworks adopted | 1 | 1 | 0 | Met |  |
| Number of NA programmes adopted | 1 | 1 | 0 | Met |  |
| Number of NCOP programmes adopted | 1 | 1 | 0 | Met |  |
| **Capacity Building Service** | % Member satisfaction | 70% | 75,08% | +5,08% | Met | Useful and easy to access services provided |
| **Research Service** | % Member satisfaction | 75% | 81,68% | +6,68% | Met | Useful and reliable research provided |
| **Content Advice Service** | % Member satisfaction | 75% | 80,83% | +5,83% | Met | Reliable, fair and easy to access content service provided |
| **Procedural Advice Service** | % Member satisfaction | 75% | 78,56% | +3,56% | Met | Fair and reliable services provided |
| **Legal Advice Service** | % Member satisfaction | 75% | 76,01% | +1,01% | Met | Reliable and timeous services provided |
| **Committee Support Service** | % Member satisfaction | 75% | 84,59% | +9,59% | Met | Fair and reliable services provided |
| **Public Participation Service** | % Member satisfaction | 75% | 76,03% | +1,03% | Met | Ease of access to services must be improved; Communication on public participation needs to be strengthened |

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

3.2.23 In respect of Members’ capacity-building activities, the following were achieved in the period under review:

- preparation of a capacity-building framework considering the locus of all training and capacity-building initiatives;

- implementation of a client engagement and ticketing model; and

- preparation of revised capacity-building policy for consultation.

*Legislation and Oversight*

3.2.24 Research services scored highest on usefulness followed by fairness, ease of access, reliability, and timeliness. Content advice scored highest on reliability followed by ease of access, equally on timeliness and usefulness, and lastly fairness. Procedural advice scored highest on reliability followed by ease of access, fairness, usefulness and lastly timeliness. Legal advice scored highest on the dimension for usefulness followed by ease of access, fairness, timeliness and lastly reliability. For committee support performed highest on ease of access and fairness, followed equally by usefulness and timeliness, and lastly reliability.

3.2.25 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. To this end the following were delivered in the period under review: House Papers i.e. 53 ATC’s; content, secretariat and logistical support to 19 oversight visits that were undertaken in the period under review; committee reports on bills that were before the NA (12) and NCOP (11) respectively; 384 of 402 sets of minutes were produced within 3 days (95%); 103 of 107 reports were produced within 8 days (95%); 7 legal opinions were completed and provided to committees; 59 legal opinions were completed and provided to the administration; 13 contracts were drafted and completed; 14 private members’ bills were completed; 111 matters relating to pending litigation (worked on pending matters) were attended to; 13 bills were introduced; and 10 Act forms were sent to the President for assent.

3.2.26 Research services were aligned to the programme of Parliament and entailed support to committee oversight visits, committee processes, house proceedings, which included reactive and proactive research services and products. The Research Unit produced 246 research papers which were provided in support of oversight and accountability.

3.2.27 The Multi-Party Women’s Caucus (MPWC) identified the National Strategic Plan (NSP) on Gender Based-Violence and Femicide as a key area of focus. Gender-based violence is also a key oversight area in the Oversight Plan for the Sixth Parliament. An oversight toolkit was developed for the National Strategic Plan on Gender-Based Violence and Femicide. The toolkit is a generic fact-sheet that parliamentarians may use to capture the key areas of focus of the NSP, as well as generic questions for oversight. As the MPWC engages with each of the pillars, more detailed papers and oversight questions will be prepared by the Parliamentary Research Unit (PRU).

3.2.28 The PRU provided support to the Budgetary Review and Recommendation (BRR) report process through the provision of analyses of all departmental and entity annual reports, including reports of the Auditor-General of South Africa (AGSA). These were produced to assist parliamentarians with participation in committee meetings dealing with these reports. The papers were also used in the BRR reports produced by the Committees Section. During October and November 2022 over 80 analyses were produced by the PRU and distributed to the relevant committees.

3.2.29 An overview of the Capital and Maintenance Infrastructure Projects of the Department of Public Works and Infrastructure (DPWI) and the Property Management Trading Entity (PMTE) was prepared for an oversight meeting of Portfolio Committee on Public Works and Infrastructure. The paper provided a brief background on the reported capital maintenance changes the DPWI plan to implement, as well as the budget for the PMTE; and a select review of the maintenance allocation reported for the 2022/23 financial year.

3.2.30 A paper on coalition governments in South Africa and comparative examples was prepared for the Chairperson of the NCOP and provided information on the conditions under which coalition governments form, how they work and their challenges.

3.2.31 An overview of the state of water and sanitation infrastructure in South Africa was prepared to assist parliamentarians who took part in the NCOP’s debate on viable water infrastructure for sustainable and reliable water supply to communities. The paper further discussed the water value chain and the legislative framework; funding for water infrastructure; backlogs in access to water and sanitation infrastructure; government interventions to address backlogs; and planned and current provincial water infrastructure development projects.

3.2.32 Unrevised Hansard reports were produced within 5 days for 40 sittings of the National Assembly (26) and the NCOP (14). Interpretation services in both Houses facilitated debate on matters of oversight over the Executive, including questions to the President, Deputy President, and ministers, as well as debates on matters of public importance, and legislation.

3.2.33 Hansard and interpreting support was provided for amongst others questions to Executive, motions, statements, and reports. These included debates on matters such as the establishment of an ad-hoc committee to investigate matters surrounding *Phala* game farm theft; the negative impact of heavy-duty trucks on the safety of commuters; and on water infrastructure network for sustainable water supply to communities. The reports that were considered in the period under review included the report recommending candidates to fill twelve vacancies on South African Broadcasting Corporation (SABC) Board; and the report of Independent Panel established in accordance with Rule 129A-Q to conduct a preliminary enquiry relating to a motion proposing an enquiry in terms of Section 89 of Constitution, 1996.

3.2.34 During the reporting period 222 papers were tabled within a day of receipt, and in terms of the rules and relevant legislation. Electronic papers were distributed a day before sittings, and physical papers, for hybrid sittings, by 09h00 on the morning of those sittings. Daily papers were delivered digitally to parliamentarians, parliamentary staff and officials of departments mostly the day before the sitting.

*Public Participation*

3.2.35 During the period under review the public participation team implemented interventions focusing on mobilising stakeholders, and capitalising on the use of digital and preferred platforms, to improve the delivery of public education and information programmes and empower citizens to participate in parliamentary processes. A total of 54 unique visitors to Parliament, and a total of 112 participants attended virtual and physical public education workshops.

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

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

3.2.36 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.

*Members Support Services*

3.2.37Members must be supported in an accessible, effortless, accurate and friendly manner. To do so, it was critical to adopt the appropriate technology solution to enable workflow automation, real-time process optimisation, process performance measurement, monitoring and tracking and to give parliamentarians multiple simple ways to engage with staff and each other. With the disruption resulting from the fire in Parliament, the rollout of the online mobile support solution was of even greater priority.

3.2.38 The policies and reports informing members of the facilities that were on offer were continually assessed and reviewed to ensure that facilities were aligned to the needs. The key service area performed on target for the quarter, with the turnaround for claim processing and reimbursement averaging 1,46 days, an improvement on the 3,47 days reported in Quarter 1. This improvement was attributed to additional resources being seconded to the unit, and stricter monitoring and control of the submission process.

3.2.39 Matters completed in Quarter 3 included: the funeral policy, and further assessment of insurance options; upgrading of laptops and tablets; submissions prepared for the remuneration task team; amendment to medical aid rules and alignment to 2008 remuneration structure; the final draft of the revised Presiding Officers Handbook; preparation for the piloting of the client engagement and ticketing model; and preparation for consultation of the revised capacity-building policy.

*Parliamentary Budget Office*

3.2.40 In the period under review, eight outputs related to budget, MTBPS and adjusted budget analysis reports, were achieved. These included a MTBPS analysis; a pre-MTBPS presentation; a pre-MTBPS brief; and the Division of Revenue presentation to the Standing Committee on Appropriations.

3.2.41 Additionally, nine products related to economic, policy and fiscal briefs were produced and presented to keep parliamentarians abreast of current affairs. These included: Policy Brief - Performance on the 2019-2024 MTSF, Policy Priority 3- Education, Skills and Health; Policy Brief - Performance on the 2019-2024 MTSF, Priority 4- Consolidating the Social Wage through Reliable and Quality Basic Services; and Policy Brief - Performance on the 2019-2024 MTSF, Priority 5- Spatial Integration, Human Settlements and Local Government.

3.2.42 The following papers were delivered to domestic and international fora including the PBO Briefing on Vote 1 Presidency Oversight (November 2022); and presentation by the director of the PBO on the NCOP Legislative Review (November 2022).

*Office on Institutions Supporting Democracy*

3.2.43 During the period under review two substantive reports were tabled by the AGSA and referred to the relevant committees for processing.

3.2.44 The OISD reported a total of thirteen vacancies: four in the Public Service Commission (PSC); one in the Independent Communications Authority of South Africa (ICASA); six in the Commission on Gender Equality (CGE); one in the Pan South African Language Board (PanSALB); and one in the Independent Electoral Commission (IEC).

**4. Financial Performance**

**4.1 Overview**

4.1.1 According to Table 4 below, Parliament spent 94 per cent or R599,727 million (excluding direct charges) of its allocated third quarter budget of R635, 068 million. Projections indicate that the annual budget will be spent in full by end of the financial year.

4.1.2 The spending on direct charges stood at R125,748 million or 98 per cent of the third quarter budget of R127,782 million. It is projected that there will be an overspending of R32,154 million at the end of the financial year.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **October – December 2022 Budget** | | | | **Annual Budget** | | | |
| **Main Division** | **Quarterly**  **R’000** | **Actuals**  **R’000** | **Variance**  **R’000** | **%**  **Spent** | **Annual**  **R’000** | **Actuals**  **R’000** | **Variance**  **R’000** | **%**  **Spent** |
| Administration | 204 677 | 185 928 | 18 749 | 92 | 961 821 | 522 541 | 439 280 | 54 |
| Legislation and Oversight | 236 955 | 221 334 | 15 621 | 93 | 875 559 | 569 912 | 305 647 | 65 |
| Associated Services | 193 436 | 192 465 | 971 | 99 | 755 750 | 560 970 | 194 780 | 74 |
| **Sub-Total** | 635 068 | 599 727 | 35 341 | 94 | 2 593 130 | 1 653 423 | 939 707 | 64 |
| Direct Charges | 127 782 | 125 748 | 2 034 | 98 | 471 709 | 376 081 | 95 628 | 80 |
| **TOTALS** | 762 850 | 725 475 | 37 375 | 95 | 3 064 839 | 2 029 504 | 1 035 335 | 66 |

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

4.1.3 Table 5 below details spending across economic classification.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **October – December 2022 Budget** | | | | **Annual Budget** | | | |
| **Economic classification** | **Quarterly**  **R’000** | **Actuals**  **R’000** | **Variance**  **R’000** | **%**  **Spent** | **Annual**  **R’000** | **Actuals**  **R’000** | **Variance**  **R’000** | **% Spent** |
| **Compensation of Members** | 127 782 | 125 748 | 2 034 | 98 | 471 709 | 376 081 | 95 628 | 80 |
| **Compensation of Employees** | 350 602 | 351 316 | (714) | 100 | 1 286 842 | 906 234 | 380 608 | 70 |
| **Goods & Services (APP)** | 104 721 | 82 463 | 22 258 | 79 | 617 471 | 246 762 | 370 709 | 40 |
| **Goods & Services (Members’ entitlements)** | 40 000 | 41 292 | (1 292) | 103 | 130 372 | 109 409 | 20 963 | 84 |
| **Transfers** | 127 967 | 127 261 | 706 | 99 | 518 572 | 381 465 | 137 107 | 74 |
| **Capital Expenditure** | 11 778 | (2 605) | 14 383 | (22) | 39 873 | 9 553 | 30 320 | 24 |
| **TOTALS** | **762 850** | **725 475** | **37 375** | **95** | **3 064 839** | **2 029 504** | **1 035 335** | **66** |

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

4.1.4 The spending on compensation of members stood at R125, 748 million or 98 per cent of the third quarter budget of R127, 782 million. An over-spending of R32,154 million by the end of the financial year is projected.

4.1.5 The spending on compensation of employees stood at 100 per cent or R351, 316 million of the third quarter budget of R350, 602 million. The slight over-expenditure is attributed to salary increases paid in December 2023. Indications are that the budget will be spent in full by the end of the financial year. Included in the available budget is the R17,509 million budget related to vacant posts.

4.1.6 The spending on goods and services relating to the APP, stood at 79 per cent or R82,463 million of the third quarter budget of R104,721 million. The current underspending was the result of slower than anticipated spending within the institution. The variance will be spent in the next quarter. Indications are that, largely driven by spending on the restoration works. The budget will be spent I full by the end of the financial year.

4.1.7 The spending on goods and services relating to members’ entitlements, stood at 103 per cent or R41,292 million of the third quarter budget of R40,000. Indications are that the full annual budget of R 130, 372 million will be spent by the end of the financial year.

4.1.8 Spending on transfer payments relating to transfers to political parties stood at 99 percent or R127,261 million of the budget. Indications are that the full annual budget of R518,572 million will be spent by the end of the financial year.

4.1.9 The spending on capital expenditure stood at 22 per cent or R2,605 million of the third quarter budget of R11,778 million. The R14, 383 million variance emanates from audio visual assets corrections during the month of October. The budget for the restoration works is included in the capital budget. Indications are that the full annual budget of R39, 873 million will be spent by 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 Chief Financial Officer and Head: Parliamentary Protection Service.

*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 Performance Management*

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

**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 before the start of the Seventh Parliament.

*6.3 Performance Management*

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

6.3.2 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.

**Report to be considered.**