**Report of the Joint Standing Committee on the Financial Management of Parliament on the Parliament of the Republic of South Africa’s 2022/23 Fourth Quarter Report, dated 15 June 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 fourth 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 Fourth Quarter Report was accordingly tabled on 8 May 2023.

1.3 The senior management team, led by the Secretary to Parliament, appeared before the Committee in a meeting held on 19 May 2023 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 fourth 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 2022/23 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 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 in 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. Fourth Quarter Performance**

**3.1 Overview**

3.1.1 Parliament succeeded in meeting all eleven quarterly targets in the period under review. Activities of the term included:

 - tributes to Dr F N Ginwala, former Speaker of the National Assembly, after her passing on 12 January 2023;

 - a debate in the NCOP on inter-provincial red tape reduction i.e. transforming the service delivery value chain for faster growth and development; and

 - a debate in the NA on the electricity crisis in South Africa and how to address it.

3.1.2 In the period under review 1 269 written questions, and 69 oral questions were posed to the Executive by members of the National Assembly. Of these 1 045 written questions, and 68 oral questions were responded to. In the NCOP, 245 written questions, and 6 oral questions were posed to the Executive. Of these 159 written questions, and all 6 oral questions were responded to.

3.1.3 In respect of the oversight activities of committees, the following highlights were reported:

 - oversight visit undertaken by the Portfolio Committee on International Relations and Cooperation to diplomatic academy facilities and premises within the headquarters of the Department of International Relations and Cooperation (DIRCO); Protocol State Lounge; and the site identified for the Pan-African Parliament; and

 - an oversight visit by the Portfolio Committee on Women, Youth and People with Disabilities to the Kwazulu-Natal province to assess progress in relation to providing support to flood victims and gender-based violence matters.

3.1.4 In respect of law-making, the institution processed 10 bills including the Prevention of Hate Crimes Bill, the Housing Consumer Protection Bill, and the Electoral Amendment Bill. Eleven public hearings were held in relation to, amongst others, the Basic Education Amendment Bill, and the Climate Change Bill.

3.1.5 In respect of public participation, Parliament’s followers on Twitter, Facebook and Instagram increased by 24 019, 5 852, and 1 314 respectively. Views on Parliament’s YouTube Channel increased by 385 519. Only one petition was finalised in the period under review.

3.1.6 In respect of International Relations, four activities were supported in the period under review, including preparations for Parliament’s participation in the 67th United Nations Commission on the Status of Women which took place in March 2023.

3.1.7 Table 1 below illustrates the outcome of the survey of services 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** | 87,72 | 86,90 | 87,59 | 87,59 | N/A | 88,28 |
| **Facilities Management Services** | 79,56 | 80,00 | 79,63 | 80,00 | N/A | 78,91 |
| **Capacity Building Services** | 77,29 | 77,33 | 76,00 | 76,00 | N/A | 79,11 |
| **Research Services** | 83,38 | 82,80 | 81,57 | 82,80 | 83,60 | 85,10 |
| **Content Advice** | 79,87 | 80,00 | 79,64 | 80,36 | 80,36 | 79,26 |
| **Procedural Advice** | 78,22 | 77,55 | 77,55 | 78,78 | 79,18 | 78,00 |
| **Legal Advice** | 77,45 | 76,44 | 77,27 | 77,21 | 77,67 | 78,22 |
| **Committee Support Services** | 78,94 | 80,00 | 79,64 | 78,95 | 79,31 | 77,93 |
| **Public Participation Support** | 75,70 | 76,00 | 75,20 | 75,92 | 75,92 | 75,51 |

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

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

Paragraphs 3.2.1 to 3.2.50 provide a summary of Parliament’s performance across programmes.

***Programme 1: Administration***

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

3.2.2 All targets under this programme were met. Table 2 below illustrates that sub-programmes Digital Service and Facilities Management Service exceeded their targeted performance by 7,72 per cent, and 4.56 per cent respectively. Key performance trends under this programme are captured in paragraphs 3.2.3 to 3.2.24 below.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Annual & Q4 target** | **Annual Performance** | **Q4 Perfor-mance** | **Q4 Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Digital service** | % Member satisfaction | **80%** | **85,15%** | **87,72%** | **+7,72** |  | Target exceeded |
| **Facilities management service** | % Member satisfaction | **75%** | **78,57%** | **79,56%** | **+4,56** |  | Target exceeded |

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

 *Information Communication Technology (ICT)*

3.2.3 ICT provides business analysis, business process mapping and development and implementation services for the implementation of technology solutions.

3.2.4 In the period under review The Webex Legislate site was created and is up and running. The integration between customer Webex Org and the Legislate site has also been completed.

3.2.5 Continuous ICT technical support was provided to the Members Support Services division to acquire new devices for Members. The following devices were delivered to parliamentarians: mobile devices (260); laptops (323); and tablets (329).

3.2.6 The oversight monitoring and tracking system was rolled out, and in the period under review 59 resolutions were added for tracking. Training in how to use the system was in progress. In the NCOP engagements to document the House Resolution Tracking System business requirements were underway. Engagements with parliamentary committee stakeholders were in progress to document the Committee Decisions Tracking System business requirements.

3.2.7 The Legislative Drafting System business case has been signed off and the terms of reference were in the process of being approved.

3.2.8 The petitions business process and business requirements were documented and the current version of the system was being assessed to determine whether the requirements aligned with the potential solution. The mapping of requirements and business processes for submissions has been completed.

3.2.9 The modernisation of committee rooms and the NCOP Chamber was initiated, and the business case has been revised to take into consideration the impact of the 2022 fire and the NCOP Chamber requirements.

3.2.10 The implementation of the Enterprise Planning, Budgeting and Reporting Cloud module was also in progress. The systems’ specifications were being finalised with the appointed service provider.

3.2.11 The average availability of the network and key systems (e.g. ERP, email, intranet website, uVimba, Bungeni, etc.) during the reporting period, was 99,86 per cent. The offsite Disaster Recovery was being finalised.

 *Facilities Management*

3.2.12 Institutional Support Services continued to be delivered albeit with limited staff on the precinct. Off-site support was also provided for parliamentary activities. Venue management support was provided to the sittings of the NA and NCOP, committee meetings and the enquiry undertaken by the Committee for Section 194 Enquiry.

3.2.13 Members were provided with transport between the parliamentary villages and the parliamentary precinct. Daily transport services supported the various parliamentary divisions for the movement of tools of trade, shuttle service provision (internal and external) and movement of furniture and/ or goods.

3.2.14 Security screening took place as required, with 28 screening requests completed for human resource-related purposes, and 52 applications for permits processed.

3.2.15 A task team was appointed to draft a Hazard Analysis Critical Control Points (HACCP) programme document. This programme will assist with safety, health environment (SHE) compliance and risk mitigation in all kitchens.

 *Parliamentary Communications Services*

3.2.16 The Parliamentary Communication Service (PCS) supported 25 oversight committees in the period under review. Communication support including media liaison, stakeholder management, branding, social media services to all the public hearings and oversight visits that took place.

3.2.17 More than 50 public hearings on bills before numerous committees were held across various provinces and platforms. Communication support was provided to 39 public hearings. Promotional videos and social media promotional banners were produced. Interviews with chairpersons were conducted and bills statements were published internally, and externally to keep the public informed.

 *Human Resource Management*

3.2.18 The development of potential successors for the posts of Procedural Adviser: Questions in the NA and the Chief Editor: Bills Office continued to progress well. The focus was on “on-the-job training” and this component was spearheaded by the potential successors’ line managers. For the Chief Editor: Bills Office position, the focus was on preparing for a “readiness assessment” to determine the readiness of the potential successor to be considered for the position.

3.2.19 The development of the Online Learning Programme progressed well: Unit 3 comprising three modules dealing with the public participation model, voting and elections, and international participation, was finalised. The development of Unit 4 dealing with nation building and citizenship was started.

3.2.20 In respect of the organisational realignment work relating to the analysis and design was completed. A draft analysis and design proposal have been completed for the following: Public Participation, Involvement and Education; Houses and Committees; (KIS) – Documentation and Records Management, Library and Language Services; ISS – Catering, Household, Facilities and SHE (Safety, Health and Environment); and Protection and Security Services. A draft proposal was still in progress for the Legislative Sector Support programme.

3.2.21 There was one resignation in the period under review from the Information and Communication Technology (ICT) section. This represents a turnover rate of 0.08 per cent of the staff establishment for the quarter. The targeted percentage for the 2022/23 financial year was five per cent.

3.2.22 The Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority (CATHSSETA) had funded employee development initiatives and a second tranche payment of R91 000 was processed in the period under review.

3.2.23 Employee training interventions were delivered to 81 participants, and in the following categories to enhance their expertise and specialist skills: behavioural skills training (34); communication and language training (1); computer information technology training (12); financial and remuneration training (1); human resource training (17); induction programme (5); knowledge and information management (10); and safety, health and environmental training (1).

3.2.24 The bursary committee awarded bursaries to 41 applicants, and funding to 13 grant applicants amounting to a total cost of R1 504 923.88 for the academic year. Bursaries were awarded towards the following qualifications: doctorates (2), Masters (3), Honours (13), degree/B Tech (15), National Diploma (6), and National Certificate (2).

***Programme 2: Legislation and Oversight***

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

3.2.26 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.

3.2.27 According to the tables 3 and 4 below, all quarterly targets under this programme were met. Key performance trends under this programme are captured in paragraphs 3.2.28 to 3.2.43 below.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Annual****Target** | **Annual Performance** | **Q4 target** | **Q4 Performance** | **Q4 Variance** | **Status** | **Reason for Variance/ Mitigation** |
| **Programming Service** | # of annual parliamentary frameworks adopted | 1 | 1 | 1 | 1 | 0 |  |   |
| # of NA programmes adopted | 4 | 4 | 1 | 1 | 0 |  |   |
| # of NCOP programmes adopted | 4 | 4 | 1 | 1 | 0 |  |  |

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

3.7.28 Programmes are an essential tool in facilitating the smooth coordination of activities of the NCOP, NA, provincial legislatures and the South African Local Government Association (SALGA). The programmes outline activities of portfolio and select committees, House and other fora in which the NA and the NCOP participate, in particular taking into account the legislation before committees. Per Table 3 above all targets in relation to the Programming Service were met.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Parliamentary Service** | **Indicator** | **Annual & Q4 target** | **Annual Performance** | **Q4 Performance** | **Q4 Variance** | **Status** | **Reasons for Variance/ Mitigation** |
| **Capacity Building service** | **% Member satisfaction** | **70%** | **74,31%** | **77,29%** | **+7,29** |  | target exceeded |
| **Research service** | **% Member satisfaction** | **75%** | **80,32%** | **83,38%** | **+8,38%** |  | **Target exceeded** |
| **Content advice service** | **% Member satisfaction** | **75%** | **80,24%** | **79,87%** | **+4,87%** |  | **Target exceeded** |
| **Procedural advice service** | **% Member satisfaction** | **75%** | **77,05%** | **78,22%** | **+3,22%** |  | **Target exceeded** |
| **Legal advice service** | **% Member satisfaction** | **75%** | **76,08%** | **77,45%** | **+2,45%** |  | **Target exceeded** |
| **Committee support service** | **% Member satisfaction** | **75%** | **82,77%** | **78,94%** | **+3,94%** |  | **Target exceeded** |
| **Public participation service** | **% Member satisfaction** | **75%** | **75,28%** | **75,70%** | **+0,70%** |  | **Target exceeded** |

**Table 4: Programme 2 – Legislation and Oversight (Source: Parliament of the RSA)**

 *Members Capacity Building*

3.2.29 In relation to members’ capacity building, further progress was made in the development of the capacity- building framework, preparation and consultation on the revised capacity-building policy, and the implementation of a client engagement and ticketing model.

 *Committee Support*

3.2.30 The Committee Support service is focused on supporting the core mandates of Parliament i.e. law making, oversight, public participation, cooperative government and inter-governmental relations, and international engagement. In the period under review:

* 44 Announcement Tabling and Committee Report publications were published;
* 12 committee reports were produced on bills that were before the NA (11) and NCOP (1);
* 94 per cent of the 253 minutes that were produced within the 3-day deadline;
* 95 per cent of the 67 reports that were produced within the 8-day deadline;
* 100 per cent of the 8 requested legal opinions were provided to committees.

3.2.31 In respect of the Legal Drafting Service (Contracts and Bills) 7 evaluations, 15 drafts, 1 lacuna opinion, 2 other legislative opinions were delivered per the agreed to procedures;

* 7 out of 7 bills were introduced; and
* 2 of 2 Act forms were sent to the President for assent.

 *Knowledge Management*

3.2.32 In the period under review the Parliamentary Research Unit (PRU) produced 236 research papers in support of oversight and accountability within the operational timeframes. These included analyses of budget votes and annual performance plans; background papers for committee meetings where relevant, to provide committee members with the information that they may require to meaningfully interrogate the information presented to them; papers on various topical issues before committees. Research services were also provided to the NCOP strategic planning session including background notes on relevant sectoral areas for oversight in preparation for the session.

3.2.33 The PRU provided selective papers specifically for distribution to members to support them in their preparations for debates in the NA and the NCOP. These included a paper on Investment in Water Infrastructure Development in South Africa in support of the NCOP debate on Water Infrastructure Investment: Building viable water Infrastructure for Sustainable and Reliable Water to Communities, which took place in March 2023.

3.2.34 In support of Parliament’s Plan for the implementation of recommendations of the State Capture Report, the PRU prepared a paper entitled ‘A Comparative Overview - Enhancing Parliamentary Oversight and Executive Accountability’ at the request of Parliament’s management.

3.2.35 During this period several proactive papers and bulletins were produced in support of the oversight function of Parliament, and in line with the themes contained in the Oversight Plan for the 6th Parliament.

3.2.36 The PRU also supported NCOP committees to ensure they were kept abreast of discussions and amendments made in the NA processes when the bills were referred to them. These included background information and context to the bills, a concise summary of the key aims of the bill and key issues emerging from engagement on and NA amendments to the bills.

 *Language Services*

3.2.37 Language services support was provided to the Houses on several oversight and accountability activities. Interpretation, translation and Hansard reporting services were provided in support of the State of the Nation Address and the budget processes. Language services facilitated debate on matters of oversight over the Executive including Questions to the President, Deputy-President and ministers, and through consideration of numerous reports.

3.2.38 Unrevised Hansard reports were produced within 5 days for 23 of 24 sittings of the National Assembly (21) and the NCOP (3) combined.

 *Public Participation*

3.2.39 The PRU supported the public participation function by, amongst others, producing draft committee reports for the Portfolio Committee on Forestry, Fisheries and the Environment following the public hearings on the Climate Change Bill (B9-2022) held in Mpumalanga, Limpopo, Gauteng and Kwazulu-Natal. These reports on public submissions received during hearings provided an overview of proposed amendments to the bill as well as a breakdown of participants by age and gender.

3.2.40 Parliament’s library provided a total of 93 key information resources to Members, internal staff and external clients in support of public involvement.

 *Support to delegations participating in international fora*

3.2.41 Support was provided to parliamentary delegations to assist in effective participation in international fora including the 67th United Nations Commission on the Status of Women in March 2023 and the SA- EU Parliamentary Meeting, the 2nd International Parliamentary Conference (Russia-Africa Relations).

 *Public Participation*

3.2.42 In the period under review the public participation team implemented interventions focusing on mobilising stakeholders, and capitalising on the use of digital and preferred platforms in order to improve the delivery of public education and information programmes, and to empower citizens to participate in parliamentary processes.

3.2.43 A total of 49 public hearings were supported. A total of 406 live-stream sessions were held with 348 unique listeners and 82 hours of listening. The total number of website users was 357,148, an increase of 170,233.

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

3.2.44 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’ Interest*

3.2.45 Members must be supported in an accessible, effortless, accurate and friendly manner. In order to do so it was critical to adopt an appropriate technology solution to enable workflow automation, real-time process optimisation, process performance measurement, monitoring and tracking and to provide parliamentarians with multiple simple ways to engage with staff and each other. With the disruption resulting from the 2022 fire, the rollout of the online mobile support solution was of even greater priority to ensure members could access support and information remotely.

3.2.46 The turnaround time for claim processing and reimbursement averaged 1.48 days with R5,910 million paid out on 6 958 claims in the period under review.

3.2.47 Claims and reimbursements increased by R724 066. Tools of trade increased by 103 per cent from R814 704 to R1 650 026. This is attributable to the extension of the tools of trade provision. Parliamentarians may now claim for equipment, accessories and additional storage services like Google Drive.

 *Parliamentary Budget Office*

3.2.48 In the period under review the PBO delivered sixteen outputs related to the budget, Medium Term Budget Policy Statement (MTBPS) and Adjusted budget analysis reports including a brief on the 2023 Division of Revenue Bill for the Standing Committee on Appropriations, and an analysis of government underspending between 2011 – 2021 (in the departments of Health, and Social Development).

 *Office on Institutions Supporting Democracy*

3.2.49 At the time of reporting there were nine vacancies across the Public Service Commission (3), the Independent Communications Authority of South Africa (1), the Pan South African Language Board (1), the Independent Electoral Commission (1), the Financial Fiscal Commission (2) and the South African Human Rights Commission (1).

3.2.50 The ISDs tabled several substantive reports in the period under review including the Implementation of Remedial Actions contained in the various reports issued by the Public Protector for the 2021-22 and 2022-23 financial years (Public Protector of South Africa), and an Overview Report on the Implementation of the Financial Disclosure Framework for the 2021/2022 Financial Year (Public Service Commission).

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

**4.1 Overview**

4.1.1 Table 5 below illustrates that by the end of the fourth quarter Parliament had spent 70 percent or R724,3 million of the R1,035,3 million fourth quarter budget. Excluding the direct charges, Parliament had by the end of the fourth quarter spent 60 per cent or R562,1 million of the R939,7 million budget. The underspending comprises R49, 5 million not spent due to delays in the filling vacant positions, delay in the finalisation of the Voluntary Early Retirement Dispensation (VERD), and the non-payment of performance bonuses; R118 million not spent due to delays in the finalising the Disaster Management Projects, and R135,6 million unspent from operational budgets. In line with section 16(2) of the FMPPLA the unspent funds will be available for allocation in the next financial year.

4.1.2 The spending on direct charges stood at R162,1 million or 170 percent of the fourth quarter budget of R95,6 million. The overpayment was the result of the payment of loss of office and exit gratuity to Members. In line with section 23(4) of the FMPPLA the overspent amount will be refunded by the National Revenue Fund.

|  |  |  |
| --- | --- | --- |
|  | **January – March 2023** | **Annual** |
| **Main Division** | **Quarterly****Budget****R’000** | **Actuals****R’000** | **Variance****R’000** | **%****Spent** | **Annual Budget****R’000** | **Actuals** **R’000** | **Variance****R’000** | **%** **Spent** |
| Administration |  428 680  |  177 078  |  251 602  | 41 |  951 221  |  699 619  |  251 602  | 74 |
| Legislation and Oversight |  301 748  |  194 109  |  107 639  | 64 |  871 659  |  764 020  |  107 639  | 88 |
| Associated Services |  209 280  |  190 960  |  18 320  | 91 |  770 250  |  751 930  |  18 320  | 98 |
| **Sub-Total** |  **939 708**  |  **562 147**  |  **377 561**  | **60** | **2 593 130** |  **2 215 569**  |  **377 561**  | **85** |
| Direct Charges |  95 628  |  162 156  | (66 528)  | 170 | 471 709 |  538 237  | ( 66 528)  | 114 |
| **TOTALS** |  **1 035 336**  |  **724 303**  |  **311 033**  | **70** | **3 064 839** |  **2 753 806**  |  **311 033**  | 90 |

**Table 5: Expenditure across programmes (Source: Parliament of the RSA)**

4.1.3 Table 6 below details spending across economic classification.

|  |  |  |
| --- | --- | --- |
|  | **January – March 2023** | **Annual** |
| **Economic classification** | **Quarterly****Budget****R’000** | **Actuals****R’000** | **Variance****R’000** | **%****Spent** | **Annual Budget****R’000** | **Actuals** **R’000** | **Variance****R’000** | **% Spent** |
| **Compensation of Members** |  95 628  |  162 156  | (66 528)  | 170 |  471 709  |  538 237  | (66 528)  | 114 |
| **Compensation of Employees** |  379 889  |  284 876  |  95 013  | 75 |  1 286 842  |  1 191 829  |  95 013  | 93 |
| **Goods and Services (APP)** |  360 221  |  106 546  |  253 675  | 30 |  606 265  |  352 590  |  253 675  | 58 |
| **Goods and Services (Members’ entitlements)** |  35 188  |  39 662  | (4 474)  | 113 |  144 872  |  149 346  | (4 474)  | 103 |
| **Transfers** |  137 384  |  127 633  |  9 751  | 93 |  518 572  |  508 821  |  9 751  | 98 |
| **Capital Expenditure** |  27 026  |  3 430  |  23 596  | 13 |  36 579  |  12 983  |  23 596  | 35 |
| **TOTALS** |  **1 035 336**  |  **724 303**  |  **311 033**  | **70** |  **3 064 839**  |  **2 753 806**  |  **311 033**  | **90** |

**Table 6: Spending across economic classification (Source: Parliament of the RSA)**

*Compensation of Members*

4.1.4 As indicated above the spending on compensation of Members amounted to R162,1 million or 170 percent of the fourth quarter budget of R95,6 million. The overpayment was due to the payment of loss of office and exit gratuities, and will be refunded from the National Revenue Fund in line with section 23(4) of the FMPPLA.

4.1.5 The spending on compensation of employees amounted to 75 percent or R284,8 million of the R379,8 million fourth quarter budget. The underspending was mainly due to delays in the filling of vacant positions (R49, 5 million); delays in the finalisation of the VERD (R32,0 million); and non-payment of performance bonuses.

4.1.6 The spending on goods and services which relate to the APP amounted to 30 per cent or R106, 5 million of the R360,2 million fourth quarter budget. The underspending amounts to R253, 6 million which was mainly as a result of delays in finalising and spending on the Disaster Management Projects (R118 million), and underspending of operational budgets (R135,6 million). All unspent funds will be available for allocation in the next financial year in line with section 16(2) of the FMPPLA.

4.1.7 Post the adjustments budget, a virement of R14,5 million was processed from underspending under the Human Resources Division (R9,6 million), PCS (R1 million), Core Business Support Services (R1,9 million) and NCOP (R2 million) to Members Facilities. This virement was necessary as the prices of airfares had increased by 45 percent. Actual spending for the fourth quarter amounted to R39,6 million or 113 per cent which represents an overspending of R4,4 million.

4.1.8 Spending on transfer payments, which relate to transfers to political parties represented in Parliament, amounted to 93 per cent or R127,6 million of the R9,7 million budget. An amount of R3,6 million was set aside to pay the increases for the leadership and administration allowances payable to the parties for the 2022/23 financial year.

4.1.9 The spending on capital expenditure stood at 13 per cent or R3,4 million of the R27 million fourth quarter budget. The underspending was due to the delays in the refurbishment and restoration projects of Parliament.

**4.2 Expenditure across programmes**

***Programme 1: Administration***

4.2.1 The Administration programme had spent 41 percent or R177 million of its fourth quarter budget. The underspending was due in the main to the delay in the filling of key vacancies, and delays in the finalisation of the projects related to the restoration of the fire damaged buildings.

4.2.2 The spending on compensation of employees stood 68 per cent or R129 million of the R188,4 million fourth quarter budget. The underspending was due in the main to delays in the filling of vacancies (R17,5 million), the VERD (R32,0 million), and the non-payment of performance bonuses.

4.2.3 The spending on goods and services stood at 21 per cent or R45,1 million of the R214,6 million fourth quarter budget. The underspending was due to delays in the restoration of the fire- damaged buildings and slower than anticipated spending institutionally.

4.2.4 The spending on capital expenditure stood at 11 percent or R2,8 million of the R25,5 million fourth quarter budget, resulting in underspending of R14,7 million mainly due to delays encountered with the implementation of projects related to the restoration of the fire-damaged buildings.

***Programme 2: Legislation and Oversight***

4.2.5 The Legislation and Oversight programme spent 64 per cent or R194,1 million of its R301,7 million fourth quarter budget.

4.2.6 The spending on compensation of employees stood at 85 per cent or R132,18 million of the R155,3 million fourth quarter budget. The underspending was due to the non-payment of performance bonuses and delays in the filling of critical vacancies.

4.2.7 The spending on goods and services stood at 42 per cent or R61,3 million of the R144,9 million. fourth quarter. No explanation was provided for the underspending.

4.2.8 Spending on capital expenditure stood at 41 per cent or R594 000 of the R864 000 fourth quarter budget.

***Programme 3: Associated Services***

4.2.9 A virement amounting to R14,5 million was processed between Programme 1: Administration (Human Resources Division, R9,6million; PCS division, R1 million; Programme 2 (NCOP R2 million) and Core Business Support division, R1,9 million to Programme 3 (Members Facilities) to cater for the increase in airline tickets for Members entitlements. The Associated Services has spent 91 percent or R190,6 million of its quarterly budget of R209,2 million.

4.2.10 Spending on compensation of employees stood at 66 per cent or R23,6 million of its fourth quarter budget and related to Parmed payments for the medical aid of former members of Parliament and provincial legislatures. The variance was as a result of resignations/deaths of former members.

4.2.11 The spending on goods and services, which includes Members’ entitlements, stood at 111 per cent or R39,7 million of the R35,8 million fourth quarter budget. The R3,8 million overspending was due to the drastic increase in airline tickets.

4.2.12 Spending on transfers to political parties stood at 93 percent or R127,6 million of the R137,3 million fourth quarter budget. R3,6 million of this amount will be used to pay the increases for the leadership and administration allowances payable to the parties for the 2022/23 financial year.

**Part C**

**5. Observations**

5.1 *Petitions*

5.1.1 The petitions process was an important mechanism for public participation. Efforts to streamline the petitions process were noted.

*5.2 Resolution Tracking Mechanisms*

5.2.1 The Committee notes progress made in the development of the oversight monitoring and tracking mechanism. This intervention is welcomed as it will assist in ensuring Executive accountability.

*5.3 Underspending*

5.3.1 The Committee notes with concern the underspending reported in the period under review. Underspending has the potential to undermine Parliament’s negotiations for a more appropriate budget.

*5.4 Parliamentary Protection Service*

5.4.1 The Committee notes with concern that the institution has not yet filled the long-vacant Head: Parliamentary Protection Service position. This post is integral to the security strategy and arrangements on the precinct.

**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 *Petitions*

6.1.1 The Committee recommends that the petitions process be automated and streamlined to allow for the more expeditious processing of petitions.

6.1.2 The Committee also recommends that the institution investigate the feasibility of select committees receiving petitions directly from the Chairperson of the NCOP instead of via the Select Committee on Petitions and Executive Undertakings. Should it be found to be feasible, the Rules Committee should consider amending the parliamentary rules in this regard accordingly.

*6.2 Resolution Tracking Mechanisms*

6.2.1 The Committee recommends that a comprehensive oversight monitoring and tracking mechanism be finalised and put in place before the Seventh Parliament.

*6.3 Underspending*

6.3.1 The Committee recommends that the institution addresses the institutional weaknesses that contribute to underspending, including the finalisation of the organisational realignment project and the filling of all vacancies within the prescribed timeframes.

*6.4 Parliamentary Protection Service*

6.4.1 The Committee recommends that the Head: Parliamentary Protection Services post be filled as a matter of urgency. The Committee should receive quarterly progress reports in this regard.

**Report to be considered.**