

Report of the Joint Standing Committee on the Financial Management of Parliament on the Parliament of the Republic of South Africa's 2023/24 Mid-Year Performance, dated 5 March 2024

The Joint Standing Committee on the Financial Management of Parliament having considered the Parliament of the Republic of South Africa's 2023/24 mid-year performance, 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 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 five working days of receiving it for the consideration of the oversight mechanism i.e., the JSC Financial Management of Parliament. The 2023/24 Quarter 2 report was duly tabled, on 2 November 2023, and referred to the Committee on 6 November 2023.
- 1.3 Parliament's 2023/24 mid-year performance report was tabled on 2 November 2023, and referred to the Committee on 6 November 2023 for consideration in terms of section 54(2) of the FMPPLA. The senior management team appeared before the Committee in a meeting held on 24 November 2023 where the institution's performance in the period under review was interrogated.
- 1.4 This report should be read along with Parliament's 2019-2024 Strategic Plan, the 2022/23 revised Annual Performance Plan (APP) and budget, and the Committee's reports in respect thereof.
- 1.5 The report comprises three parts: Part A, containing the background to the mid-year performance report; Part B, the summary of the institution's financial and performance information for the period under review; Part C, containing the Committee's observations and recommendations.

Part A

2. Background

2.1 Mandate

- 2.1.1 Parliament derives its mandate from:
 - Chapter 4 of the Constitution of the Republic of South Africa, 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 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.
- 2.1.2 Section 53 of the FMPPLA provides for Parliament's mid-year expenditure and performance to be assessed. Section 53(1) requires that the Secretary to Parliament must submit a report assessing the administration's performance during the first half of the financial year to the Executive Authority by 31 October each year. The report must consider: the monthly financial statements for the first half of the financial year, the past year's annual report and progress made in addressing challenges identified in that year, and progress made in the implementation of the current year's annual performance plan. The Secretary to Parliament should also recommend whether an adjustments budget may be necessary; and whether to revise projections for revenue and expenditure to the extent that this may be necessary.

- 2.1.3 Section 54 of the FMPPLA requires that the Executive Authority must table the above-mentioned mid-year reports within five days of receiving the reports from the Secretary to Parliament, and that the reports must be referred promptly to the oversight mechanism.

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 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.

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, through allowing more time in the parliamentary programme for oversight activities and encouraging committees to undertake joint oversight activities. Joint the need for more time allocated to committee oversight activities, and the possibility of holding joint briefings and meetings; and
- *improve the effectiveness of public hearings* through greater public participation by 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.

2.4 Macro-Structure for the Seventh Parliament

- 3.4.1 As previously reported, the new macro framework for the Seventh Parliament has been designed to ensure a parliament that is transformative, responsive, and collaborative (through effective stakeholder engagement). The parliamentary administration will be affecting a series of improvements to its reporting framework to align it to the new macro framework which focusses on Parliament's outcomes and impact.

- 2.4.2 The new reporting framework will focus on Parliament's transformative work i.e., it will measure the extent to which Parliament impacts the daily lives of people in South Africa. This impact will be measured through the National Development Plan (NDP)-impact indicators related to poverty alleviation, unemployment reduction, and inequality eradication. To assist in the above new outcome indicators have been developed in respect of Parliament's oversight work, with a specific focus on medium term strategic framework (MTSF) indicators tabled in Parliament. The new outcome indicators include indicators focussed specifically on Parliament's the identified oversight priorities.

- 2.4.3 Performance reporting include indicators related to oversight priorities, key development trends and how Parliament has impacted the quality of life of people in South Africa in respect of the following: economic empowerment, education and skills development, access to quality health care, infrastructure development, social cohesion, and environmental stability.

- 2.4.4 The revised 2023/24 APP tracks 30 key indicators in respect of the parliamentary programme (3 indicators), member satisfaction (9 indicators), and achieving transformational objectives (19 indicators). To meet its performance targets, the institution intends to execute specific change management measures, including:
- restoring and reconstructing the buildings destroyed in the 2022 fire on the parliamentary precinct;
 - injecting renewed vigour into the implementation strategy, supported by credible delivery mechanisms and clearly defined priorities;
 - cultivating a leadership team that is committed to Parliament's goals;
 - elevating the quality and efficiency of planning processes;
 - undertaking comprehensive efforts to rectify and rejuvenate Parliament, thereby restoring governance, and improving service delivery;
 - implementing robust procurement systems, while simultaneously fostering greater competition and productivity in the broader economy;
 - demonstrating decisiveness in the professionalisation of the parliamentary service, and undertaking organisational realignment; and
 - vigorously pursuing fiscal sustainability, fostering sound financial governance, and diligently working to eliminate corruption.

Part B

3. 2023/24 Mid-Year Performance Report

3.1 Overview

- 3.1.1 The institution reported that, by the end of the reporting period, nineteen indicators were on track, two were in progress and nine were lagging.
- 3.1.2 Programme 1 provides for strategic leadership, management and corporate services to Parliament, and comprises the following sub-programmes: Executive Authority, Office of the Secretary, and Corporate and Support Services. By the end of the period under review, 7 of the 9 indicators under this programme were on track, 1 was in progress, and 1 was lagging.
- 3.1.3 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 encompasses the core business of Parliament and focusses on the outputs, activities and inputs related to legislation and oversight functions. By the end of the period under review 12 of the 20 indicators under this programme were on track, and 8 were lagging.
- 3.1.4 The dashboard below summarises the indicators that were on track (green), in progress (amber), lagging (red) and for annual assessment (grey).

MID-YEAR PERFORMANCE DASHBOARD	
OUTPUT	STATUS
Institutional strategy to improve public trust	Green
Broadcasting Strategy Implemented	Red
New implementation plan for realignment project developed and implemented	Green
Change management implementation plan developed and implemented	Green
Policy review implementation plan developed and implemented	Green
Restoration plan implemented	Yellow
Big data and analytics implementation plan	Green
Members Satisfaction (Digital Service)	Green
Members Satisfaction (Facility Management Service)	Green
Oversight Priority Model	Red
Committee planning	Red
Country outcome indicator dashboard implemented	Red

Modelling and scenario tools	Red
Impact assessment framework	Red
Monitoring and tracking mechanism	Green
Recommendations implemented	Green
Partnership	Red
Review of support for Constituency Offices	Green
International engagement strategy and capability	Yellow
Stakeholder framework implemented	Red
Integrated petitions framework	Green
Number of annual parliamentary frameworks adopted	Grey
Number of NA Programmes adopted	Green
Number of NCOP Programmes adopted	Green
% Member satisfaction (Capacity building service)	Green
% Member satisfaction (Research service)	Green
% Member satisfaction (Content Advice service)	Green
% Member satisfaction (Procedural Advice service)	Green
% Member satisfaction (Legal advice service)	Green
% Member satisfaction (Committee support service)	Green
% Member satisfaction (Public participation service)	Red

Table 1: Mid-Year Performance Dashboard (Source: 2023/24 Mid-Year Report of the Parliament of the RSA)

- 3.1.5 As indicated above eight indicators were lagging at the end of the period under review. The institution acknowledged that there was a need for concentrated efforts to address the challenges that limit performance.
- 3.1.6 In respect of transformational initiatives, nine indicators were on track, and two in progress. Eight indicators, however, were lagging at the end of the period under review.
- 3.1.7 In the service category the institution reported considerable success: eight indicators were on track; and one lagged.

3.2 Progress in respect of the macro-framework

Paragraphs 3.2.1 to 3.2.31 below provide a summary of Parliament’s performance in respect of the implementation of the macro-framework. Table 2 below illustrates progress at the end of period under review.

	On Track	In Progress	Lagging
Transformative	1	1	4
Responsive	1	0	0
Collaborative	0	2	1
Stakeholder-centric	1	0	1
Operational Excellence	2	2	1
Caring	n/a		
Intervening	n/a		

Table 2: Progress on the implementation of the macro-framework (Source: Presentation on Parliament’s 2023/24 mid-year report)

- 3.2.1 *Transformational Parliament: Oversight Propriety Model*
The target in respect of the development and implementation of an oversight priority model to ensure focussed oversight was lagging possibly due to a delayed start in the first quarter. By the end of the period under review the data collection report was in progress, the template for the model had been completed, and a multi-sectoral task team had been formalised.
- 3.2.2 The administration will implement the following corrective measures to address the under-performance:

- complete and submit the analytical research paper on data insights gathered by 24 November 2023;
- schedule standing workstream meetings to accelerate progress in the remaining two quarters of 2023/24; and
- implement more stringent monitoring and evaluation, and regular reporting for real-time troubleshooting and corrective action.

Transformational Parliament: Committee Planning Framework

- 3.2.3 The target in respect of the development and implementation of a committee planning framework to align committee oversight with oversight focus areas was not achieved owing to a lack of project support through monitoring of teams and ensuring compliance with timelines. This led to the delay in the issuing of appointment letters.
- 3.2.4 The development of the 2024/25 APP allowed for the re-evaluation of project timelines and the assessment of resource allocation to ensure that teams had the necessary support and tools to complete tasks within the prescribed timelines. The administration has implemented the following corrective measures to address the under-performance:
- expediting the appointment of a team to develop the framework;
 - improving communication and coordination to ensure teams were aware of their responsibilities and timelines; and
 - regular quarterly review meetings to discuss progress, challenges, and potential improvements to address challenges as they arose.

Transformational Parliament: NDP impacts country indicator dashboard

- 3.2.5 The target in respect of the development and implementation of a country indicator dashboard supporting the measurement of progress towards the attainment of the NDP impacts was not met. While there had been progress in respect of the development of the concept for the dashboard, the completion of the template, and data collection, the overall target was not met. The process to formalise the multi-sectoral task team was ongoing.
- 3.2.6 Performance in respect of this target was aligned to the development of the oversight priority model. As a corrective measure, the administration will complete the analytical research paper by 24 November 2023.

Transformational Parliament: data modelling and scenario tools to improve the quality of oversight

- 3.2.7 The target in respect of the implementation of data modelling and scenario tools to improve the quality of oversight was not met. The multi-disciplinary team could not be established due to delays in the signing of a memorandum of understanding (MOU), as well as competing operational demands.
- 3.2.8 In order to address the under-performance the administration has:
- expedited the appointment of the team, and the legal vetting of the MOU for it to be signed timeously;
 - improved coordination to align operational demands and facilitate smoother project implementation;
 - convened regular quarterly review meetings to discuss progress, challenges, and potential improvements.

Transformational Parliament: impact assessment framework for bills

- 3.2.9 Although the administration did not meet the targets to develop a framework to assess the impact of bills passed by Parliament by the end of the first quarter, it did meet its second quarter target of producing a research report on best practices. The research report ensured progress in respect of the development of the framework i.e., the multi-disciplinary team that should have been established in the first quarter, was established.
- 3.2.10 To ensure that work remains on track the administration:
- encouraged knowledge sharing within the team to leverage team members' diverse expertise and insights;
 - convened quarterly review meetings to discuss progress, challenges, and potential improvements.

Transformational Parliament: oversight monitoring and tracking mechanism

- 3.2.11 Performance in respect of the development and implementation of an oversight monitoring and tracking mechanism was on track. By the end of the period under review the concept for the system had been developed, a benchmark report had been produced, and the specification for the dashboard had been finalised.

Responsive Parliament: Implementation of Zondo Commission recommendations

- 3.2.12 The target in respect of the implementation of the recommendations of the Judicial Commission of Inquiry into Allegations of State Capture, Corruption, and Fraud in the Public Sector including Organs of State (the Zondo Commission) was met i.e., the administration succeeded in completing the quarterly report on the implementation of the President's Plan; and the Rules Committee considered recommendations referred to it. To monitor the ongoing implementation of the recommendations, regular reporting against set timelines have been agreed to.

Collaborative Engagement: new partnership framework for oversight

- 3.2.13 The target in respect of the development of a new partnership framework on oversight was not met. The target set for the first quarter was transposed to the second quarter however the research report on relevant partnerships to enhance committee oversight was not produced.
- 3.2.13 The above-mentioned research report would be completed by 31 October 2023. The administration has identified specific challenges and obstacles that led to the under-performance. The following corrective measures have since been implemented:
- project timelines have been reassessed and adjusted; and
 - quarterly review meetings were being convened to discuss progress, challenges, and potential improvements.

Collaborative Engagement: Constituency Offices

- 3.2.14 Although the first quarter target had been met, the benchmarking report on the support for constituency offices internally, which was supposed to have been completed in the second quarter, was not completed owing to lack of compliance with timelines.
- 3.2.15 In an attempt to manage the under-performance, the administration was:
- reconsidering the project timelines;
 - enhancing communication within the project team to reinforce responsibilities and timelines; and
 - introducing quarterly review meetings to discuss progress, challenges, and potential improvements.

Collaborative Parliament: Review Parliament's strategy and capability to implement its international priorities

- 3.2.16 The second quarter target in respect of the review of Parliament's strategy and capability to implement international priorities which are aligned the country's national agenda—to report on international priorities, obligations and commitments—was not met. The administration delivered the draft position paper for the review of Parliament's international engagement policy during the first quarter as planned.
- 3.2.17 The administration will do the following to correct the under-performance:
- establish clear reporting procedures to ensure that reports on completed tasks were submitted by the responsible persons and within the agreed to timeframes;
 - define report targets for each quarter; and
 - establish quarterly review meetings to discuss progress, challenges, and potential improvements.

Effective Stakeholder Engagement: new stakeholder framework ensuring participation and cooperation

- 3.2.18 Targets in respect of the implementation of a new stakeholder framework to ensure participation and cooperation were not met. While the draft concept document on cooperation was completed the draft stakeholder framework was not developed. The administration reported that the reason for the under-performance was unknown and that although a workshop was held with stakeholders it was not clear what impact it should have had on the target being met.

3.2.19 The administration has identified the challenges that hindered the implementation of the stakeholder framework in the period under review. Quarterly review meetings have been introduced to discuss progress, challenges, and potential improvements.

Effective Stakeholder Engagement: develop and implement a petitions framework

3.2.20 Targets in respect of the development and implementation of a petitions framework were met. Research and benchmarking for the petitions framework was undertaken, and additional progress was made with the development of petitions guidelines which, at the time of reporting, were under consideration by the *Subcommittee on the Review of Assembly Rules*. Quarterly review meetings were introduced to discuss progress, challenges and potential improvements, and to ensure progress remained on track.

Operational Excellence: improve public trust and confidence in Parliament

3.2.21 A new research cycle was initiated in the period under review, introducing a proactive approach to improving public trust and confidence in Parliament. The first term target could not be met owing to the delay in appointing a service provider for the research.

3.2.22 To correct the slow progress, the administration has engaged relevant key internal role-players to seek input and feedback on strategies that could improve public trust. Involving key stakeholders should ensure the development of a comprehensive and effective institutional strategy. Quarterly review meetings would be convened to discuss progress, challenges, and potential improvements.

Operational Excellence: restoration of parliamentary buildings

3.2.23 With regards to the implementation of the plan to restore the parliamentary buildings affected by the 2022 fire, the administration reported “commendable progress” in respect of the implementation of the restoration management plan. It was reported that 95 per cent of the 155 offices that were being renovated to accommodate those affected by the fire had been completed in the period under review.

3.2.24 Despite success in the viability report and SDP, there were delays in the heritage approvals to be granted by the South African Heritage Resources Agency (SAHRA). The approvals were delayed owing to prolonged stakeholder engagement and stringent requirements.

3.2.25 The institution reported 11 per cent under-spending on the project as a result the delays reported in Quarter 1, and unforeseen damage to the old heating, ventilation and, air-conditioning system.

3.2.26 The administration has introduced the following interventions to ensure that the project stays on track:

- fortnightly engagements with SAHRA to ensure all heritage requirements are known and adhered to;
- improved communication with stakeholders to ensure all parties are informed of progress, challenges, and mitigation strategies; and
- quarterly review meetings to discuss progress, challenges, and potential improvements.

Operational Excellence: outcome and impact-driven business analytics using big data

3.2.27 The targets in relation to the shift towards outcome and impact-driven business analytics using big data was on track: the data management policy was developed and submitted as planned during Quarter 1. In Quarter 2 a diagnostic assessment report of structured data was completed, and the data management policy was developed. This policy will serve as a foundation for future analytics projects.

3.2.28 To remain on track regular quarterly review meetings would be convened to discuss progress, challenges, and potential improvements.

Programming indicators

3.2.29 Parliamentary programming provides the basis for effective implementation of Parliament’s mandate. All quarterly targets in respect of the programming service were on track: NCOP and NA programmes were adopted as targeted. Engagements with relevant stakeholders will continue to ensure the institution manages programming priorities effectively.

Service indicators

3.2.30 As illustrated in Table 3 below, most services experienced an increase in member satisfaction. The increase ranged from 1.42 to 7.48 per cent. The Public Participation Service, however, experienced a significant decrease in satisfaction with 4.68 per cent lower satisfaction reported compared to the previous quarter. The main area of dissatisfaction related to whether the services provided were fair, objective, and non-partisan.

		Q1	Q2	STATUS
Service Indicators	% Member satisfaction (Capacity building service)			
	% Member satisfaction (Research service)			
	% Member satisfaction (Content advice service)			
	% Member satisfaction (Procedural advice service)			
	% Member satisfaction (Legal advice service)			
	% Member satisfaction (Committee support service)			
	% Member satisfaction (Public participation service)			

Table 3: Performance in respect of Service Indicators (Source: Presentation on the Parliament of the RSA's 2023/24 mid-year report)

3.2.31 To correct the unsatisfactory performance the institution was in the process of improving public participation programmes. Quarterly review meetings would be convened to discuss progress, challenges, and potential improvements.

3.3 Human Resources

Attrition

3.3.1 The institution reported an employee turnover rate of 0.08 per cent. Although low attrition may be considered a positive outcome, the administration warned that excessively low attrition could be detrimental to an organisation: lack of fresh perspectives and new talent entering the workforce may potentially hinder innovation and diversity.

3.3.2 In an attempt to address the above-mentioned risk, the institution is facilitating a voluntary early retirement process. A cost-benefit analysis has been conducted in collaboration with actuaries. The offering to the employees who were members of the Pension Scheme for Officers of Parliament (PSOP) has accordingly been reviewed. Of the employees who were members of the Government Employees Pension Fund (GEPF) and were eligible for early retirement, 15 have expressed interest in applying for early retirement.

Workplace culture

3.3.3 A diagnostic report assisted in the identification of strategic change projects and cultural change priority areas. A robust change management programme and plan to foster a positive organisational culture has been developed.

Skills acquisition/development

3.3.4 Twenty appointments were made in the period under review: nine internal promotions, and 11 newly-hired employees. Key leaders were appointed in critical positions, supporting the organisation's capabilities in finance, strategy and security

3.3.5 In addition, the graduate programme was performing well. An MOU has been signed with the South African Council of Graduates. Of the graduates already participating in the programme, 93 per cent have concluded their performance contracts, and 60 per cent have completed their personal development plans.

3.3.6 Organisational capabilities were further enhanced, owing to 172 employees having participated in learning and development training interventions.

Remedial actions

- 3.3.7 The low attrition must be assessed against previous surveys that have highlighted concerns such as low employee satisfaction, burnout, and limited career progression opportunities. To address these issues and ensure robust talent acquisition, the institution has implemented a multi-pronged strategy that encompasses an extensive graduate programme, the facilitation of voluntary early retirement, a culture change initiative aimed at cultivating a conducive work environment, and a policy change drive to ensure that cultural shifts were supported by effective policies.
- 3.3.8 The change agenda introduces comprehensive programme to address burnout among employees and offer opportunities for career advancement. It emphasises mentorship, training, and career growth as key components in retaining and nurturing talent within the organisation. Several interventions were necessary to ensure the success of the change programme including effective communication, leadership training, and commitment to the organisation's mission and core values. Continual assessment of employee satisfaction through surveys and feedback mechanisms, and evaluating the effectiveness of talent acquisition strategies were essential to measuring the success, and to ensure that the interventions were aligned to the organisation's goals. Where necessary interventions will be adjusted for optimal impact.
- 3.3.9 Policy changes were being introduced with the culture change initiative and the institution will remain diligent in ensuring that the institutional policies reflected the organisation's commitment to employee well-being, career progression, and overall satisfaction.

3.4 Governance

- 3.4.1 In respect of the governance of the institution, a number of the governance structures met in the period under review. Although the Executive Authority did not convene any meetings in the period under review, and the Policy Committee did not sit, the following structures met as indicated: the Executive Committee (2 meetings); the consultative and advisory parliamentary forums (2 meetings); management team (3 meetings); risk management committee (1 meeting); risk management forum (1 meeting); and the audit committee (1 meeting). The institution was considering whether more frequent meetings were required to enhance efficient decision-making and monitoring of progress.
- 3.4.2 The institution had largely complied with the provisions of the FMPPLA, except in one instance: the Quarter Four report was submitted a day late. Efforts to strengthen controls will be implemented to mitigate any future late submissions.
- 3.4.3 The management team was in the process of optimising the effectiveness of governance structures and streamlining decision-making processes to ensure alignment with the organisation's broader objectives.

4. Financial Performance in the period under review

4.1 Expenditure Overview

2ND QUARTER 2023	JULY TO SEPTEMBER 2023 R'000				ANNUAL R'000			
	Budget	Actual	Variance	%	Annual Budget	Actual	Budget available	%
MAIN DIVISION								
Administration	210 772	210 258	514	100%	988 091	385 013	603 078	39%
Legislation & Oversight	257 239	254 582	2 657	99%	924 037	453 884	470 153	49%
Associated Services	194 366	195 893	(1 527)	101%	830 724	403 694	427 030	49%
SUB TOTAL	662 377	660 733	1 644	100%	2 742 852	1 242 591	1 500 261	45%
Direct Charges	133 250	149 897	(16 647)	112%	471 709	285 367	186 342	60%
TOTAL (EXCLUDING DISASTER FUND)	795 627	810 630	(15 003)	102%	3 214 561	1 527 958	1 686 603	48%
Capital (Disaster Fund)	68 101	67 862	239	100%	1 136 924	74 983	1 061 951	7%
TOTAL	863 728	878 492	(14 764)	102%	4 351 485	1 602 941	2 748 554	37%

Table 4: Appropriation Statement by programme (Source: Presentation on Parliament's 2023/24 mid-year report)

Appropriated budget

- 4.1.1 Parliament received an appropriated budget of R2,757 billion in 2023/24. As previously reported, the institution had spent 92 per cent or R 558,978 million of the appropriated R639,351 million first quarter budget.
- 4.1.2 Table 4 above, illustrates that by the end of the second quarter, Parliament had spent 102 per cent or R878,4 million of its appropriated second quarter budget of R863,7 million. It is projected that the institution will have spent its full appropriated budget by end of the year, except the budget for restoration of the buildings affected by the fire.
- 4.1.3 In respect of the restoration effort, the institution reported projected underspending of R710,5 million due to delays experienced in the implementation of the project. The monies not spent will be used during the following year.

Direct Charges

- 4.1.4 The spending on direct charges in the second quarter came to R149,8 million or 111 per cent of the second quarter budget of R133,2 million. The overspending was attributable to the payment of the loss of office gratuities over and above the payment of members' salaries.
- 4.1.5 The institution reported a projected overspending of R67,4 million at the end of the financial year, which is attributable to the increase in salaries of members, the payment of loss of office gratuities and exit gratuities, and to budget reductions. The projected overspending will be a direct charge against the National Revenue Fund (NRF) in line with section 23(4) of the FMPPLA.

4.2 Spending Across Economic Classification

- 4.2.1 Table 5 below details spending across economic classification.

2ND QUARTER 2023	JULY TO SEPTEMBER 2023				ANNUAL			
	R'000				R'000			
ECONOMIC CLASSIFICATION	Budget	Actual	Variance	%	Annual Budget	Actual	Budget available	%
Compensation of Members	133 250	149 897	-16 647	112%	471 709	285 367	186 342	60%
Compensation of Employees - PARMED	20 301	20 027	274	99%	83 872	40 157	43 715	48%
Compensation of Employees	312 628	311 965	663	100%	1 239 182	582 064	657 118	47%
Goods & Services APP	161 320	159 005	2 315	99%	693 203	267 160	426 043	39%
Goods & Services Members	36 127	36 122	5	100%	182 096	83 363	98 733	46%
Transfers	132 001	133 554	-1 553	101%	544 500	269 846	274 654	50%
TOTAL (EXCLUDING DISASTER FUND)	795 627	810 570	-14 943	102%	3 214 562	1 527 957	1 686 605	48%
Capital - Disaster Fund	68 101	67 922	179	100%	1 136 924	74 983	1 061 941	7%
TOTAL	863 728	878 492	-14 764	102%	4 351 486	1 602 940	2 748 546	37%

Table 5: Spending across economic classification (Source: Presentation on the Parliament of the RSA's 2023/24 Mid-Year Performance Report)

- 4.2.1 By the end of the period under review the institution had spent 48 per cent of the annual budget. The funds towards the restoration project—the Disaster Fund—is classified separately to provide a more realistic assessment of the financial performance. The under-expenditure reported was the result of delays in the implementation of projects under Goods and Services. Expenditure in this regard will be accelerated in the third quarter to meet the set financial targets.

Compensation of Members

- 4.2.2 The spending on compensation of members stood at R149,8 million or 112 per cent of the second quarter budget of R133,2 million. The overspending was due to the payment of loss of office gratuities. The projected overspending for the financial year was R67,400 million, attributable to budget reductions, an increase of 3 per cent for the 2023/24 financial year, and the payment of loss of office gratuities and exit gratuities to members exiting Parliament.

Compensation of employees

- 4.2.3 The spending on compensation of employees stood at 100 percent or R311,965 million of the second quarter budget. Indications were that the entire annual budget will have been spent by the end of 2023/24.

Parmed Medical Aid Scheme

- 4.2.4 The spending on the Parmed Medical Aid Scheme stood at 99 per cent or R20,027 million for the second quarter budget of R20,3 million. Indications were that the entire budget will have been spent by the end of 2023/24.

Goods and services (APP)

- 4.2.5 The spending on goods and services relating to the APP, stood at 99 per cent or R159 million of the second quarter budget of R161,3 million. Indications were that the entire annual budget allocated for normal operations will have been spent by the end of 2023/24.

Goods and services (Members' entitlements)

- 4.2.6 The spending on goods and services, relating to Members' entitlements, stood at 100 per cent or R36,1 million of the second quarter budget. The institution projected an over-expenditure of R8,2 million by the end of 2023/24 owing to greater than anticipated use of the air ticket entitlement.

Transfer payments

- 4.2.7 Transfer payments are the transfers to political parties represented in Parliament. In the second quarter spending on transfers stood at 101 per cent or R133,5 million of the R132,0 million second quarter budget. Indications were that there will be overspending of R1,5 million by the end of 2023/24 due to an increase in the administration and leadership allowances which was not fully funded by the National Treasury.

Capital expenditure

- 4.2.8 The spending on capital expenditure stood at 100 per cent or R67,8 million of the second quarter budget of R68,1 million.

Part C

5. Observations and Recommendations

5.1 Observations

Disaster Fund

- 5.1.1 The Committee notes the under-spending in relation to the budget allocated towards the restoration of the buildings destroyed during the 2022 fire, due to lower than anticipated progress in respect of the restoration effort.

Broadcasting Strategy

- 5.1.2 The Committee shared the institution's concerns about the absence of an effective institutional broadcasting strategy. Of particular concern is the broadcasting of parliamentary activities on pay-to-view and data-dependent platforms which, under the current economic conditions, makes it impossible for a significant section of the population to have access to how they were represented in Parliament, and the business of Parliament in general.

Public Participation

- 5.1.3 The Committee notes the lower than expected performance in respect of public participation which was central to Parliament's activities.

Constituency Offices

- 5.1.4 Constituency offices are citizens' most immediate point of access to Parliament and public representatives. The Committee notes the delay in the completion of the benchmarking of the support constituency offices required to operate effectively.

Organisational re-alignment

- 5.1.5 The Committee notes interventions underway to professionalise the parliamentary service but remains concerned about the lack of progress in respect of the organisational re-alignment project.

5.2 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.

Disaster Fund

- 5.2.1 The Committee recommends that the quarterly progress reports to the oversight mechanism include the detail of expenditure in relation to the project, as well as mechanisms that will be put in place to ensure that the project remains on track.

Broadcasting Strategy

- 5.2.2 The Committee notes that the finalisation of the institutional broadcasting strategy was dependent on the finalisation of the South African Broadcasting Corporation SOC Ltd Bill. We recommend that once that law has been finalised, the broadcasting strategy should be completed as a matter of urgency. This strategy should include provision for free access to televised and social media content.

Public Participation

- 5.2.3 The Committee recommends that that progress in respect of public participation-related indicators be monitored closely and that remedies for the slow progress be implemented immediately. Shortcomings in Parliament's management of public participation must be addressed by the time the Seventh Parliament commenced.

Constituency Offices

- 5.2.4 The Committee recommends the benchmarking exercised be completed as a matter of urgency, and before the Seventh Parliament commences. Constituency offices must be supported to ensure that they operated effectively as the link between citizens and Parliament, and must be adequately funded. In addition, constituency offices must be equipped to account for the funds allocated to them, in terms of the Political Party Funding Act, No 6 of 2018.

Organisational re-alignment

- 5.2.5 The Committee recommends that the institution reports on progress in respect of the organisational re-alignment project specifically the reasons for the long delay and how these will be addressed. Every effort should be made to fast-track the process to ensure that the Seventh Parliament is well-supported.

Report to be considered.