



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



2022 / 2023 ANNUAL REPORT

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OF THE REPUBLIC OF SOUTH AFRICA

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA ANNUAL REPORT FOR THE 2022/23 FINANCIAL YEAR

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@Parliament of the Republic of South Africa

Tel: (021) 403 2911

Email: info@parliament.gov.za

Postal Address: P O Box 15, Cape Town, 8000

Physical address: Parliament Street, Cape Town

 Website: www.parliament.gov.za

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*An activist and responsive people's Parliament that improves the quality of life of
South Africans and ensures enduring equality in our society.*

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OF THE REPUBLIC OF SOUTH AFRICA

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Hon. N.N. Mapisa-Nqakula, Speaker of the National Assembly and
Hon. A.N. Maseko, Chairperson of the National Council of Provinces,

I am pleased to submit the Annual Report of the Parliament of the Republic
of South Africa, for the 2022/23 financial year.

Mr Xolile George
Secretary to Parliament

25 AUGUST 2023

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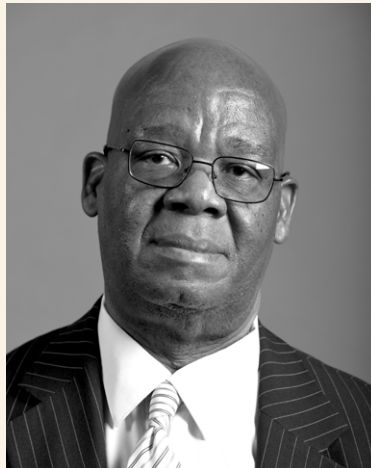
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List of abbreviations

APP	Annual Performance Plan
FMPPLA	Financial Management of Parliament & Provincial Legislatures Act, 2009
HR	Human Resources
ICT	Information and Communication Technology
MP	Member of Parliament
NA	National Assembly
NCOP	National Council of Provinces
PBO	Parliamentary Budget Office
PDOs	Parliamentary Democracy Offices
PC	Portfolio Committee
SC	Select Committee
PAP	Pan-African Parliament
SADC PF	SADC-Parliamentary Forum
IPU	Inter-Parliamentary Union
CPA	Commonwealth Parliamentary Association
ACP-EU JPA	African, Caribbean, and Pacific-European Union Joint Parliamentary Assembly
WTO	World Trade Organisation
NAM	Non-Aligned Movement

EXECUTIVE AUTHORITY STATEMENT



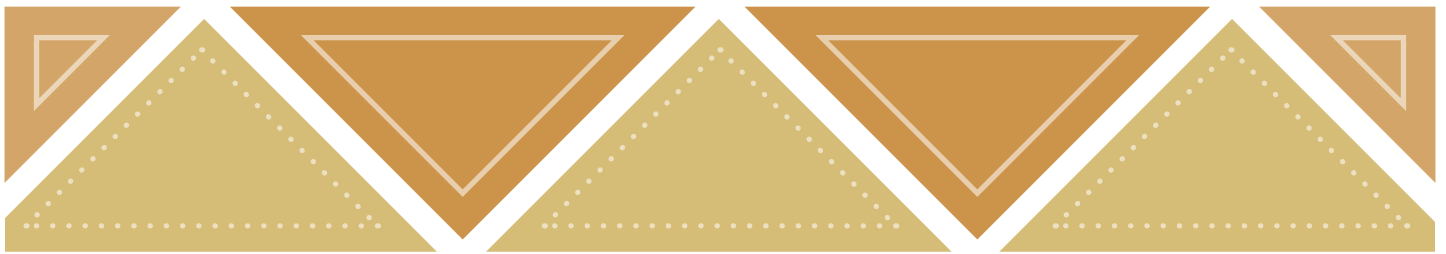
The Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, requires the Executive Authority to table Parliament's Annual Report, including the audited financial statements for that financial year, the audit report on those statements, and the annual performance report. This Annual Report for the financial year 2022/23 is tabled in accordance with the requirements of the Act.

As the Executive Authority of Parliament, we present the Annual Report of the Parliament of South Africa, which reflects the achievements and progress we have made during this past year. Several global trends are impacting the the progress of development in South Africa, including the effects of evolving democracies, emerging contestations, geo-political tensions, uneven global economic growth, increased expectations and demands, changing forces in global governance, unpredictable weather conditions, and societal risks such as pandemics.

The global economy remains highly uncertain, with the cumulative effects of the past three years of adverse shocks manifesting in unforeseen ways. Global and local inflation remains high, with lingering supply disruptions, commodity price spikes, and central banks raising interest rates to counter these effects. Several risks to development and growth remain on the horizon, including cost-of-living crisis, rising inflation, food supply crisis, cyber-attacks, disruption of global supply lines, and continued waves of Covid-19.

Locally, the medium-term growth outlook for South Africa remains constrained. Real GDP growth is now projected to average 1.4 per cent from 2023 to 2025. Inadequate electricity supply remains the most immediate and significant constraint to production, investment, and employment. This is compounded by disruptions to logistics networks, which further erode competitiveness. Rising inflation has limited household spending and raised the cost of living significantly. The economic effects of the Covid-19 pandemic – lost jobs and delayed investments – are being exacerbated by inadequate electricity supply, with high levels of load-shedding.

Industries have suffered, businesses have struggled, and individuals have endured hardships as a result of the energy crisis. Parliament acknowledges the urgency of addressing this issue decisively, working hand in hand with all relevant stakeholders to ensure a stable and sustainable power supply for our nation. Only then can we truly unlock the potential of our economy and create opportunities for all our citizens.



Parliament remains the democratic institution tasked with ensuring openness, responsiveness and accountability of government. This responsibility requires elected representatives to hold the Executive to account, both to the letter of their constitutional obligations as well as the spirit in which our founding document was drafted. This obligation was brought into sharp focus as we mourned the passing of Dr. Frene Ginwala, the first Speaker of our democratic Parliament, who embodied the very essence of the promise of a better South Africa. Whether activist, feminist or freedom fighter, Dr. Ginwala will always be remembered for her fierce advocacy for the creation of an inclusive and equal society for all.

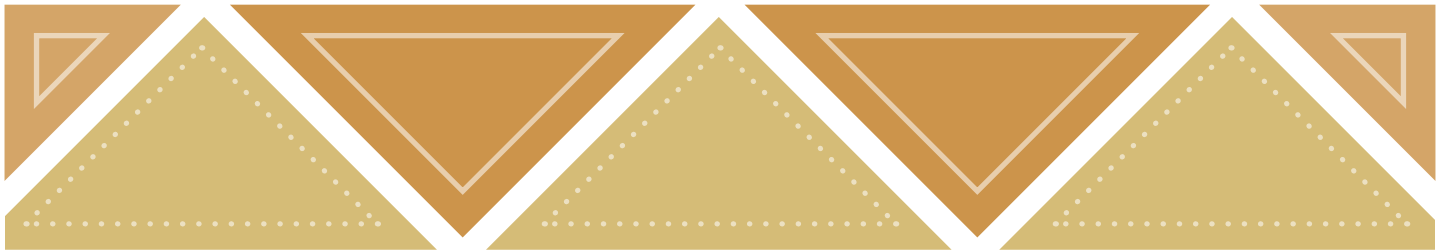
As we reflect upon the work accomplished during this time, we are mindful of the vital role Parliament plays in shaping the discourse, and direction of our nation. Over the past year, Parliament has strived to navigate a complex political landscape, marked by economic challenges, and pressing social issues. We recognize that progress has been made in some areas, but we also acknowledge that there is much work to be done to address poverty, unemployment, and inequality—the most pressing concerns that continue to impact the lives of many people.

In the past year, the collective work and efforts undertaken by Members to Parliament have been commendable, especially when one recognises the challenges confronting the institution. Good progress was also shown in the planning phases of the restoration of our fire-damaged buildings, whilst the Houses and Committees continued to perform their work. Committee proceedings included 75 oversight visits to scrutinise government's work, and 198 public hearings to ensure people are involved in the work of the legislature. The committees of Parliament conducted 1313 meetings to represent the interest of people in various processes, including the passing of Bills and the approval of the annual budget. In addition, Members of Parliament put 5535 questions to the Executive as part of the mechanisms to ensure accountable government.

The establishment of the Ad Hoc Joint Committee on Flood Disaster Relief and Recovery, as well as the Committee on Section 194 Enquiry, are examples of an institution determined to promptly respond to the pressing issues faced by the citizens, and to demonstrate commitment to effective governance and the well-being of the nation. This involves embracing a proactive approach towards overseeing the Executive and adapting legislative agendas to reflect the needs of the people. By upholding this approach, Parliament contributes to the consolidation of democratic ideals, enhances public trust, and ensures that the voices of citizens are heard and valued.

We also welcome the achievement of a clean audit for the 2022/23 financial year – the 9th consecutive clean audit for Parliament. We acknowledge the work done by the administration to ensure ongoing improvements in the effectiveness and efficiency of the institution.

As we move forward, we urge citizens to remain engaged and hold us accountable. Active participation in the democratic process is essential, and Parliament is strengthened when we hear the concerns, ideas, and aspirations



of our people. As articulated by Dr. Frene Ginwala:

'The voices of the people must be heard in our legislative and executive institutions, but this will not happen if we sit back in our committee meetings and offices. We need, instead, to seek out those voices and opinions and facilitate ways and means of engaging all sectors of society in crucial debates. This is what is meant by a "people's parliament".'

As we push forward to the final year of the 6th Parliament, we extend our gratitude to the citizens of South Africa for entrusting us with the responsibility of representing them in Parliament. We stand resolute in our commitment to work tirelessly on their behalf, knowing that our collective actions have the potential to alleviate the challenges we face as a nation. May our work serve as both a reflection of our achievements and a catalyst for greater progress. Together, we can forge a future that upholds the values of justice, equality, and freedom.

Ms Nosiviwe Nolutando Mapisa-Nqakula
Speaker of the National Assembly

Mr Amos Masondo
Chairperson: National Council of Provinces

ACCOUNTING OFFICER STATEMENT



The Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, requires that the Accounting Officer prepare an Annual Report for each financial year to provide a record of the activities and performance of Parliament, based on the annual performance plan. The annual report must also include the audited financial statements, and the Auditor-General's audit report. This report sets out the financial and performance information for the 2022/23 financial year.

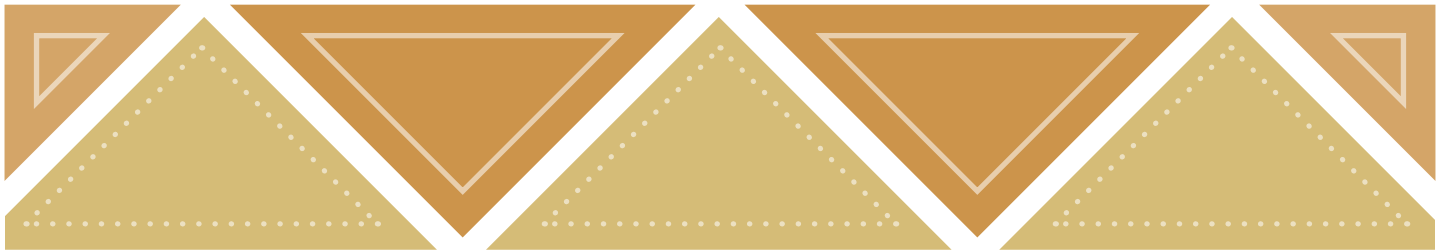
Over the past year, Parliament remained steadfast in its commitment to fulfil its constitutional function. We have strived to enhance parliamentary oversight, public participation, and the effectiveness of legislative processes. Through rigorous efforts, we have worked in close collaboration with Members of Parliament and citizens alike, to foster a responsive and inclusive democracy.

The Parliamentary Service supported oversight visits by committees and organised public hearings to ensure the needs and aspirations of citizens are reflected in the legislation passed by the legislature.

In order to prepare the institution for the transition to the 7th Parliament, a review of the institutional strategy was conducted in November 2022 with the theme of “*Improving the quality of governance and accountability through enhanced oversight*”. The session served as a platform to consider updates in the operating environment, assess the performance of the institution in executing strategy, and make recommendations with regards to the strategy and the budget of the institution. The session stretched over four days and included participation by the Executive Authority, Presiding Officers and representatives of civil society. The deliberations from the session culminated in a draft macro framework for the 7th Parliament, including the following strategic themes:

- Ensuring a *transformative Parliament* to drive the attainment of national development outcomes, as reflected in the National Development Plan;
- Being a *responsive Parliament* that addresses the shortcomings of Parliament, as pointed out by civil society and the Commission on State Capture;
- *Collaborative engagement* to form new partnerships in order to harness the strength of combined effort;
- *Engagement with stakeholders* so as to meet expectations and needs of South Africans; and
- *Operational excellence* ensuring a more effective and efficient institution.

Moving the institution into this new strategic direction will require significant transformation and change. In order to move from the current ‘*business-as-usual*’ strategy to a ‘*transformational strategy*’, the institution will need to implement certain change management actions including:



- Restoration and reconstruction of the fire-damaged buildings on the parliamentary precinct;
- A re-invigorated implementation strategy with credible delivery mechanisms and priorities;
- A focused and committed leadership across Parliament;
- Improvement in the quality and efficiency of our planning processes;
- Improving governance and service delivery;
- Sound procurement systems, as well as greater competition and productivity in the economy;
- Being decisive in professionalising the Parliamentary Service, organisational re-alignment; and
- Pursuing fiscal sustainability, sound financial governance and eliminating corruption.

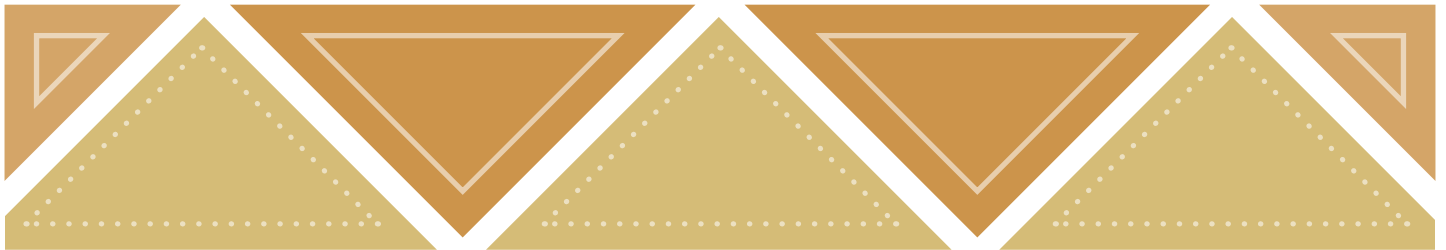
The restoration of Parliament has made significant progress in the last year, with the *Infrastructure Programme Implementation Plan* being completed and approved. It is envisaged that the restoration project will be completed within 24 months. The restoration project provides a unique opportunity to ensure that spaces are designed in a manner that best suits the specific needs of a democratic Parliament and to modernise the institution's digital infrastructure. The key deliverables achieved so far include:

- A business continuity framework to minimise disruption to Parliament's business;
- Assessment and quantification of damage and costs by various agencies;
- Adjustment of Parliament's budget to include funds for the restoration project, resulting in over R 2 billion being allocated for the rebuilding of buildings;
- Partnering with the Development Bank of South Africa (DBSA) for the purpose of the project, including capacity development, technical support, and implementation of infrastructure projects; and the
- Near completion of the remodelling of 155 offices for Members in the 90 Plein Street building.

The next steps include the removal of rubble to pave the way for detailed assessments, designs of damaged buildings, compilation of bills of quantities, and finalising budget estimates and the final implementation plan.

In line with this transformative agenda, we recognize the imperative of digital transformation and the utilisation of data analytics to provide relevant and useful support to Members of Parliament. Embracing technological advancements will enable us to streamline processes, improve access to information, and enhance the overall efficiency of parliamentary operations. By harnessing the power of digital tools, we aim to make information more accessible and empower Members of Parliament to make informed decisions for the betterment of our nation.

The timing of the transformative change is opportune. As we prepare for the 7th Parliament, reviewing our efforts,



and planning for our most strategic priorities, we have begun to lay the foundations of an effective and responsive service, equipped to support Members to fulfil their Constitutional obligations and to serve the nation's most vulnerable.

In conclusion, I extend my gratitude to staff and Members of Parliament who all assisted in the achievement of a clean audit for the 2022/23 financial year. Together, we can shape a future that upholds the principles of openness, accountability, and democratic governance.

Mr X George
Secretary to Parliament

EXECUTIVE SUMMARY

The Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, requires that the Accounting Officer report institutional performance and financial information, as set out in the Act. This Annual Report reflects on Parliament's performance and financial information for the financial year of 2022/23.

The Annual Report of Parliament for the 2022/23 financial year outlines the institution's performance, accomplishments, and future strategies. It is organized into several sections, each providing insights into Parliament's activities, achievements, financial performance, and governance.

1. Reducing unemployment, poverty, and inequality remains the key impact goal for Parliament.

At a national level, Parliament monitors development progress, assess the impact of policies on citizens' lives, and holds the government accountable for meeting development targets. By actively engaging in the pursuit of development goals, Parliament contributes to fostering sustainable, equitable, and prosperous outcomes for the people of South Africa. The pressing challenges of poverty, unemployment and inequality continue to hinder the nation's progress towards achieving the goals outlined in the National Development Plan (NDP). With its oversight and accountability mandate, the legislature serves as a crucial pillar in evaluating the effectiveness of government actions, ensuring transparency, and advocating for inclusive policies that can tangibly uplift the lives of all citizens.

2. Being a transformative Parliament that seeks to improve quality of life informs the legislative and oversight work of the institution.

Parliament plays a crucial role in enacting legislation that shapes the nation's legal framework and contributes to its socio-economic development. Addressing key socio-

KEY MESSAGES

1. Reducing unemployment, poverty, and inequality remains the key impact goal for Parliament.
2. Being a transformative Parliament that seeks to improve quality of life informs the legislative and oversight work of the institution.
3. 100% of the performance targets for 2022/23 were attained.
4. A clean audit for 2022/23.
5. Restoration of buildings proceeding well with completion of planning and preparation phases.

economic challenges throughout the year, Parliament passed 28 Bills, each serving a specific purpose in tackling pressing social and economic issues. Money Bills focused on the allocation of financial resources to support poverty alleviation programs, employment initiatives, and inclusive economic growth. These bills aim to ensure efficient and equitable distribution of funds for the betterment of all citizens.

In fulfilling its critical oversight mandate and upholding democratic governance, both Houses held sittings dedicated to debates, sessions for making statements, and asking critical questions on the performance of the Executive. Committees of both Houses conducted

75 oversight visits as part of Parliament's mandate to scrutinise Executive action

In response to the challenges posed by the global pandemic, Parliament swiftly adapted its operations and embraced virtual proceedings. Throughout the reporting period, Parliament successfully conducted 1,300 committee meetings. The majority of these meetings focused on the implementation of legislation, ensuring its efficacy, and scrutinizing budgets and performance. These meetings played a pivotal role in upholding Parliament's oversight mandate, even in the face of unprecedented circumstances.

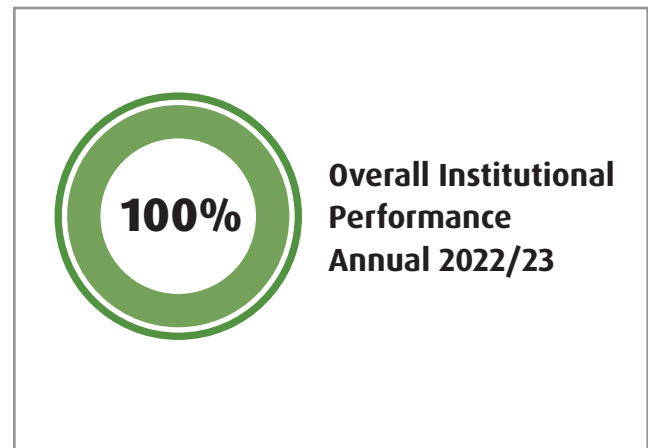
South Africa's parliamentary diplomacy continued to gain ground in regional, continental and global multilateral parliamentary structures. Multilateralism remains a focal point of engagements in organisations such as the Pan-African Parliament (PAP); the SADC-Parliamentary Forum (SADC-PF); the Inter-Parliamentary Union (IPU); the Commonwealth Parliamentary Association (CPA); BRICS parliamentary engagements; the African, Caribbean, and Pacific-European Union Joint Parliamentary Assembly (ACP-EU JPA); and the Parliamentary Conference on the World Trade Organisation (WTO). Parliament's engagements in these organisations is premised on the need to advance the country's national interests and those of the African continent as reflected in the National Development Plan and the African Union Agenda 2063.

Ten international agreements were adopted, and several government interventions in municipalities were approved. Recommendations to fill vacancies of public appointments were made for the Electoral Commission, Inspector-General of Intelligence, Media Development and Diversity Agency, Independent Communications Authority of South Africa, Commission for Gender Equality, South African Broadcasting Corporation (SABC), and the Independent Tribunal for Social Assistance Appeals.

Some 198 public hearings were held across various issues of national significance. These hearings provided opportunities for diverse stakeholders to engage directly with legislators and contribute to the policy-making process.

3. Performance targets for 2022/23 were attained.

Parliament attained 100% of the targets set for the 2022/23 financial year.



Indicators measured during the period under review were focused on Member satisfaction with services by the administration.

4. A clean audit for 2022/23

Parliament received a clean audit for 2022/23 – the 9th consecutive clean audit for the institution, illustrating Parliament's commitment to financial prudence, transparency, accountability, and effective governance. The continued trend of clean audits underscores the institution's responsible management of public funds and resources, while also reflecting its dedication to upholding the principles of good governance. This result symbolizes more than just financial compliance, and embodies the institution's dedication to its constitutional role.

5. Restoration of buildings proceeding well with completion of planning and preparation phases.

The restoration of Parliament has made significant progress in the last year, with the Infrastructure Programme Implementation Plan being completed and approved. The key deliverables achieved so far include:



- A business continuity framework to minimise disruption to Parliament's business;
- Assessment and quantification of damage and costs by various agencies;
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including capacity development, technical support, and implementation of infrastructure projects; and the

- Near completion of the remodelling of 155 offices for Members in the 90 Plein Street building.

The next steps include the removal of rubble to pave the way for detailed assessments, designs of damaged buildings, compilation of bills of quantities, and finalising budget estimates and the final implementation plan.



1

STRATEGIC CONTEXT



1. STRATEGIC CONTEXT

The Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, directs the strategy formulation and execution for the institution. It requires the development of a 5-year strategic plan, which is executed through the annual performance plan and budget. Following each financial year, the Accounting Officer is required to report institutional performance and financial information, as set out in the Act. This Annual Report reflects on Parliament's performance and financial information for the financial year of 2022/23.

1.1 MANDATE OF PARLIAMENT

1.1.1 Legislative mandate

The mandate of Parliament derives from the Constitution of the Republic of South Africa, 1996, establishing Parliament and setting out the functions it performs. Parliament's role is to represent the people and ensure government by the people, under the Constitution, as well as to represent the provinces and local government in the national sphere of government. The mandate and functions of Parliament are based on the following legislation:

- Constitution of the Republic of South Africa, 1996;
- Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, Act 4 of 2004;
- Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009;

- Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009;
- National Council of Provinces (Permanent Delegates Vacancies) Act, Act 17 of 1997;
- Determination of Delegates (National Council of Provinces) Act, Act 69 of 1998;
- Mandating Procedures of Provinces Act, Act 52 of 2008; and
- Remuneration of Public Office Bearers Act, Act 20 of 1998.

1.1.2 Business of Parliament

The strategic outcome, budget programme structure and the organisational structure of Parliament are predicated on the business of Parliament, as set out in the Constitution. The Constitution is the supreme law of the Republic and lays the foundations for a democratic and open society in which government is based on the will of the people, and where every citizen is equally protected by law. It stipulates the values and mechanisms of governance for our uniquely people-centred democracy.

The Constitution sets a single, sovereign democratic state where government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. On the national sphere, government is effected through Parliament, the Executive and the Judiciary. In the Republic, the legislative authority of the national sphere of government is vested in Parliament, the executive authority is vested in the President, and the judicial authority is vested in the Courts. Parliament represents the people and provincial interests in order to ensure government by the people, under the Constitution. Such representation takes place in the activities of passing legislation, overseeing and scrutinising executive action, and the facilitation of public involvement, co-operative government and international participation. Although these processes are somewhat distinct in their nature and operation, they are also interconnected and interrelated.



*Figure 1: The interrelatedness of Parliament's functions
(Practical guide for Members of Parliament and Provincial Legislatures, 2019,
Legislative Sector of South Africa)*



Since the establishment of the 1st democratic Parliament in 1994, each term of the legislature was characterised by a unique emphasis and focus. The focus of each term was dictated by the national agenda and the subsequent role required of Parliament. The 1st and 2nd Parliaments focussed on legislation, directing their efforts at repealing apartheid legislation and introducing transformational laws to create an environment that is conducive to the entrenchment of democracy.

Adopting mechanisms to strengthen oversight and accountability became the leading priority of the 3rd Parliament. This resulted in the development of the Oversight and Accountability Model, and the adoption of the Money Bills Amendment Procedure and Related Matters Act. The effect of these new processes and capacity is now evident in Parliament's budget recommendations to the Executive, thereby increasing the responsiveness and accountability of government.

The 4th Parliament adopted an activist orientation to its work. In this term the legislative sector developed a Public Participation Framework for Parliament and Provincial Legislatures. This framework guides Parliament's response to the expectations of the public, and demands greater participatory democracy. Both the 4th and 5th Parliaments built on the work of previous Parliaments, and concretised instruments to strengthen oversight and accountability. This included the development of processes and capacities to implement the Money Bills Amendment Procedure and Related Matters Act, and the Financial Management of Parliament and Provincial Legislatures Act.

Since 1994, each Parliament performed its required functions, whilst also focussing on a particular priority in order to build capacity and facilitate transformation and change in society. It affirms the interrelatedness of the functions of Parliament, and how these operate collectively to establish the desired outcome.

1.1.3 Framework for planning

To understand the relationship between resources, functions and deliverables better, the institution uses the logical framework approach to identify links between inputs, activities, outputs, outcomes and impacts. Accordingly, inputs relate to Parliamentary Services such as advisory and information services, Member capacity building programmes, and facilities and support services used by Members to perform their daily activities. These activities include the passing of legislation, overseeing and scrutinising executive action, the facilitation of public involvement, functions around co-operative government and international participation. These activities are mainly constituted as plenaries, committee meetings and the work performed in constituencies and on international platforms.

The ensuing outputs of Parliament include Bills, budget recommendations, appointment recommendations, approved international agreements, approved government interventions and other resolutions of Parliament. The outcome of Parliament is orientated to ensure open, responsive and accountable government.

PARLIAMENT	RESULT	
Impact	<i>Improve quality of life:</i>	Eliminate income poverty Reduce unemployment Reduce inequality
Outcome	<i>Open, responsive: and accountable government</i>	Improve the responsiveness and accountability of government
Outputs	<i>House resolutions:</i>	Bills, approved international agreements, appointment recommendations, approved interventions, resolutions
Activities	<i>Houses: Committees: Constituencies:</i>	Plenaries Committee meetings Constituency office representation
Inputs	<i>House: Committees: Constituencies:</i>	Advisory and information services, Members' support services. Procedural and legal advice, analytical and content advice, research, records, public education, communication, media, meeting room preparation, catering, security. Transfer payments for constituency work.

Table 1: Framework linking inputs, activities, outputs, outcomes and impacts of Parliament

1.2 VISION, MISSION & VALUES

Vision

An activist and responsive people's Parliament that improves the quality of life of South Africans and ensures enduring equality in our society.

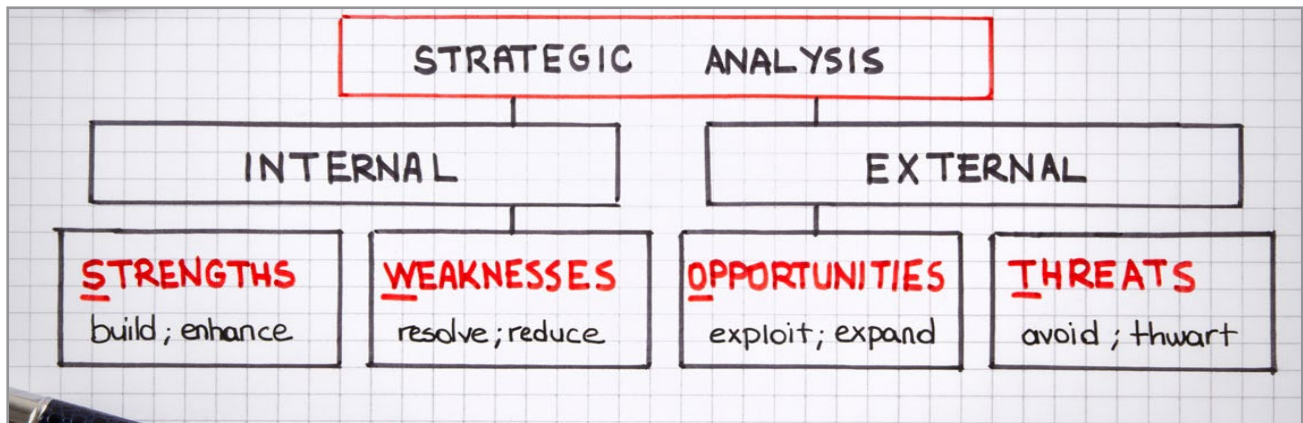
Mission

To represent the people, and to ensure government by the people in fulfilling our constitutional functions of passing laws and overseeing executive action.

Values

Openness
Responsiveness
Accountability
Teamwork
Professionalism
Integrity

1.3 UPDATE ON THE SITUATIONAL ANALYSIS RELEVANT TO PARLIAMENT



1.3.1 The external environment

The work of Parliament is influenced by several developing trends within the global, continental and national contexts, including the effects of evolving democracies, emerging contestations, geo-political tensions, uneven global economic growth, increased expectations and demands, changing forces in global governance, and societal risks such as pandemics.

As the world emerges from the 3-year long Covid-19 pandemic, several other risks to growth and development are taking centre stage. The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks manifesting in unforeseen ways. Risks to the economic growth outlook remain unusually large and to the downside, including energy supply crisis, cost-of-living crisis, rising inflation, food supply crisis, cyber-attacks, disruption of global supply lines, debt crisis, continued waves of Covid-19, and now possible deployment of nuclear weapons.

The medium-term growth outlook for South Africa has deteriorated. Real GDP growth is now projected to average 1.4 per cent from 2023 to 2025. Inadequate electricity supply remains the most immediate and significant constraint to production, investment and employment. This is compounded by disruptions to and underinvestment in freight and logistics networks, which erode competitiveness. Rising inflation has constrained household spending and raised the cost of living significantly. The economic effects of the Covid-19 pandemic – lost jobs and delayed investments – are being exacerbated by inadequate electricity supply, with the highest levels of load-shedding to date.

Several of South Africa's challenges can only be addressed through improved international and regional co-operation. The World Economic Forum (March 2020) indicated that the coronavirus pandemic was not an outlier, but that it is part of the new normal – our interconnected and viral world. Epidemics will become more common with an increasingly connected world. These social risks will require more and better collaboration and cooperation on international and regional levels. But this is also so for many other issues which contains risk to development. Global risks such as infectious diseases, climate action failure, extreme weather patterns, biodiversity loss, geo-economic confrontation, debt crises, trade barriers, cyber security failures, and natural resource crises will all require greater co-operation and collaboration.

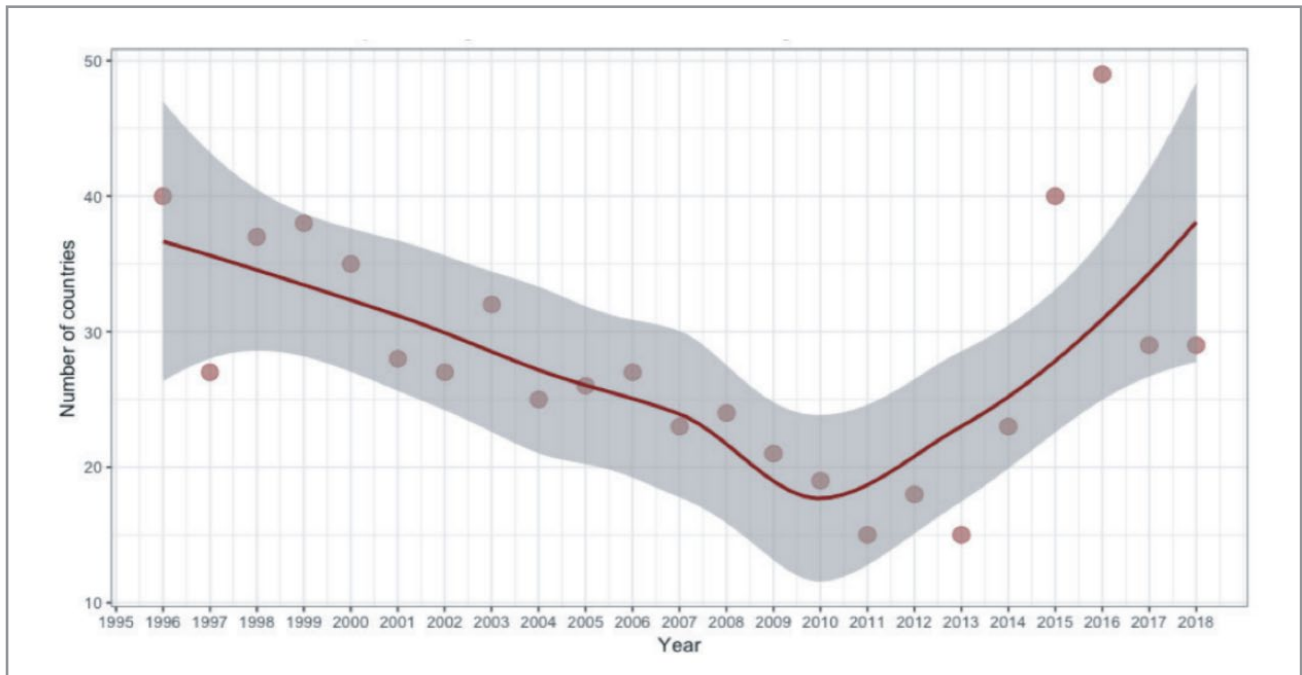


Figure 2: Number of countries with significant disease outbreaks, 1995-2018.
WEF Outbreak Readiness and Business Impact, January 2020.

Despite several progressive initiatives, the main challenges of poverty, unemployment and inequality persist in South Africa. South Africa's unemployment rate decreased slightly in the fourth quarter of 2022, from 32,9 percent to 32,7 percent, but remains stubbornly high (StasSA). For the first time since 2006, poverty levels started to rise again (StatsSA, 2017). Although human development in South Africa has seen a slight increase, from 0.638 in 2010, to 0.666 in 2015 (HDI, UNDP, 2016), the Gini coefficient remained high at 0.63, indicating the extreme levels of inequality in society.

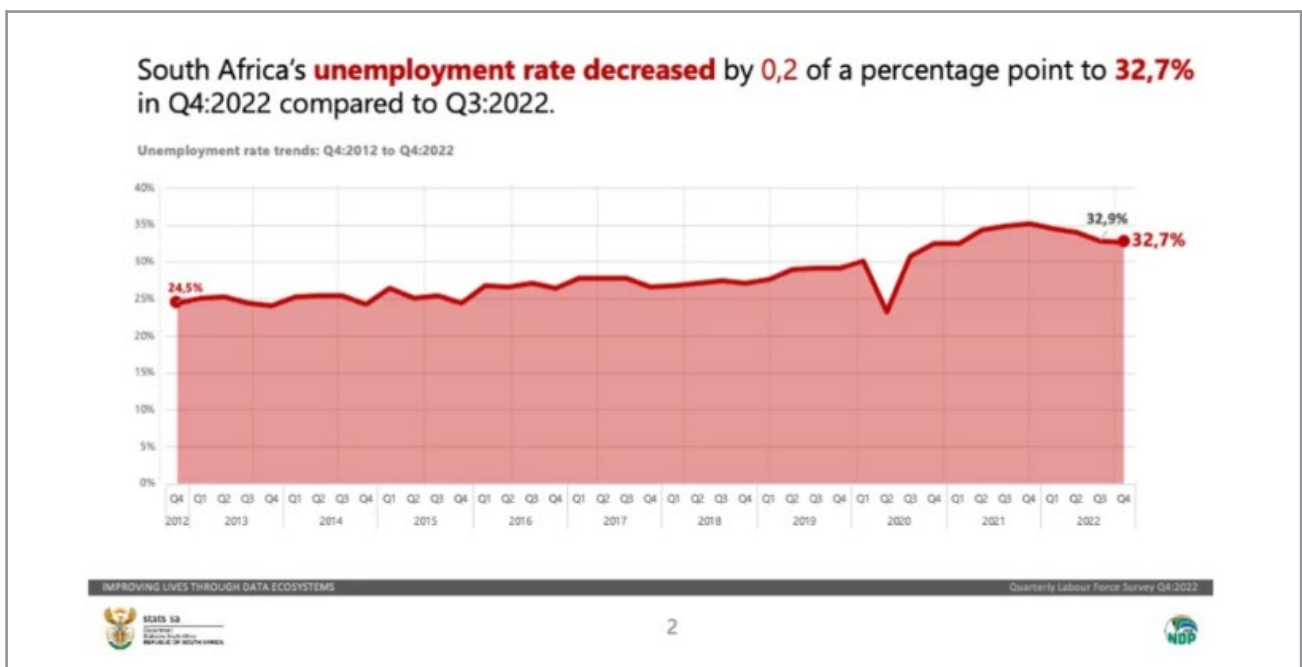


Figure 3: Unemployment in South Africa. StatsSA, 2023.
Unemployment remains the largest contributor to poverty in South Africa.



Between 2006 and 2015 poverty rates fell among both economically active and economically inactive people. In this period those who were economically active experienced a fall in the rate of poverty from 27.3 percent to 20.5 percent, whilst the rate of poverty among those economically inactive fell from 57.7 percent in 2006 to 46.3 percent in 2015. While poverty levels declined between 2006 and 2011, they increased over the period 2011 to 2015. (Towards a 25 Year Review, 2019).

Inequality in South Africa has remained high. Today, South Africa is the most unequal society in the world. The measurement commonly used for inequality, the Gini coefficient, shows that between 1996 and 2001, inequality increased from 0.68 to 0.7314, and decreased from 0.72 to 0.68 between 2006 and 2015. Over the period inequality remained high. (Towards a 25 Year Review, 2019).

Top 10 countries with the largest Gini coefficients

South Africa – 0.63

Namibia – 0.59

Suriname – 0.57

Zambia – 0.57

Sao Tome and Principe – 0.56

Central African Republic – 0.56

Eswatini – 0.54

Mozambique – 0.54

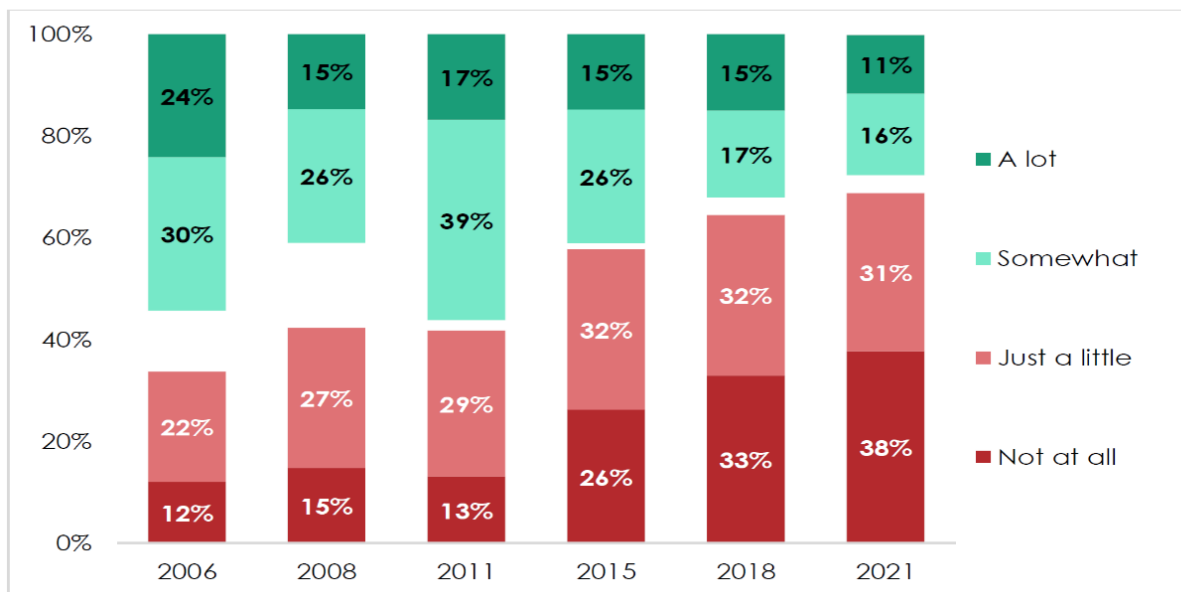
Brazil – 0.53

Belize – 0.53

Figure 4: Top 10 countries with greatest levels of inequality as measured by the Gini coefficient.

Rapid urbanisation, a global phenomenon, is aided by increased migration due to certain pull and push factors. The last two decades saw a great increase in mobility, technology, transport and other infrastructure supporting the current international wave of migration. South Africa has seen a rapid increase in the rate of urbanisation, with more than 65 percent of its population being classified as urban.

Locally, service delivery and other protests have become the order of the day, whilst trust in Parliament decreased to 27 percent in 2021 (Afrobarometer 2021).

Figure 4: Trust in Parliament | South Africa | 2006-2021*Figure 5: Public trust in Parliament (Afrobarometer 2006-2021)*

On a political level, contestation has seen a marked increase since 1994, with both inter- and intra party competition playing itself out on the national stage. Political parties contesting the national elections in South Africa increased from 19 in 1994, to 48 in 2019. Globally, the political landscape for many states has seen dramatic changes in the last few years, sometimes with sudden and unexpected changes. The recent emergence of political populism, anti-establishment sentiments, heightened nationalism, and increased protectionism may intensify risks and work against economic co-operation and multi-lateralism.

Despite the increased contestation, there appears to be broad consensus on the main challenges facing South Africa – poverty, unemployment, and inequality. The National Development Plan (NDP, 2012) outlines these challenges in more detail. It also sets out measures and objectives to increase employment and income, ensure skills development and broaden ownership to include historically disadvantaged groups. It intends to increase the quality of education, provide access to affordable, quality health care, and provide safe and affordable public transport. It further seeks to give security of household food, nutrition and housing, and to provide social protection for the poor and other groups in need, such as children and persons with disabilities. The plan also outlines steps for the realisation of a developmental, capable, and ethical state that treats citizens with dignity. In terms of the principles of a developmental state, public administration must be governed by the democratic values and principles enshrined in the Constitution.

Nationally, several weaknesses remain in the accountability chain, with a general culture of blame-shifting. The accountability chain must be strengthened from top to bottom, with a strong focus on strengthening oversight and accountability. Parliament needs to provide a forum for rigorous debate and champion the concerns of citizens. It needs to scrutinise legislation, paying particular attention to how legislation will impact on society, and seek to increase the quality of life. It needs adequate support in the form of generation, collation and analysis of data sets, specialist policy and research staff that are able to conduct both issue- or action-orientated research, and in-depth research to support parliamentary committees and brief parliamentarians. (National Development Plan, NDP, 2012).

Recent information indicates that accountability in South Africa is slowly improving. This is a positive and important development, as the main purpose of Parliament and other organs of state are to ensure open, responsive, and accountable government. The imperative to strengthen oversight and accountability in the state, will require more openness, transparency, collaboration, and more rigorous scrutiny and investigation. Greater accountability will require more ethical leadership, openness and transparency, and a sense of responsibility beyond control. Recent governance failures, in both the private and public spheres in South Africa, demonstrated how accountability and governance can be eroded causing knock-on effects in service delivery, diminishing returns and a collapse in equity value.

Technologically speaking, we find ourselves in the midst of the greatest information and communications revolution in human history. This trend is driven by the exponential growth and development in digital technologies – also known as the 4th industrial revolution. Globally, more than 40 percent of the world’s population has access to the internet, with new users coming online every day. Among the poorest 20 percent of households, nearly 7 out of 10 have a mobile phone. The poorest households are more likely to have access to mobile phones than to toilets or clean water. (World Bank, 2016).

With growing access to technology, information and social media, society’s expectations of Parliament are changing fast. The public today expects ready access to Parliament, just as it has to commercial brands. It wants to receive information, have access to transact, and make real contributions that can influence the outcome of legislation. Although businesses and people are adopting digital technology swiftly, governments are not. This was also the case for parliaments. The 2018 World e-Parliament Report (IPU) indicated that parliaments did not tend to be early adopters of new technologies. In fact, by 2018 they were lagging behind in adopting digital tools, social tools and open data. However, the recent adoption of technology during the Covid-19 pandemic lock-downs, may have provided parliaments with greater insights into the advantages of technology. This sudden change may have a lasting impact in the way Parliament conducts its business.

1.3.2 The intermediate environment

Public pressure on parliaments is greater than ever before. In many parts of the world there are fundamental questions about the effectiveness of parliaments in holding governments to account. Globally, parliaments are facing three dominant pressures today (IPU, 2012). Each of these are playing out in different ways, at different speeds, and in specific countries and regions. The three common themes relate to the public’s desire for:

- more information and influence in parliamentary work,
- more accountability and responsiveness to public concerns, and
- faster service and delivery to meet citizens’ needs’.

The outcomes required around oversight and accountability can only be achieved through more meaningful co-operation by legislatures. In South Africa, the legislative sector brings together representation of legislatures on the national, provincial and local level. It seeks to better co-ordinate work around mutual goals, and to harness scarce resources in a more efficient way. Sector co-operation around oversight and public involvement can ensure more responsive and accountable government at all levels, including better co-operation in the delivery of services.

Several service providers form part of the value chain in Parliament – disruptions in these services may influence its operations. Although the parliamentary administration is a service-based organisation that delivers primarily through human resources, certain service providers are key to institutional performance and operations.

1.3.3 The internal environment

The Covid-19 pandemic brought about a new way of working in Parliament. As a consequence of the Covid-19 measures, Parliament was forced to adopt technology swiftly, with most Members and staff working remotely. Modern technology and systems allows the organisation to re-think its future business model, change business processes and ensure greater access to information. The opportunities offered by the 4th industrial revolution hold enormous potential to solve certain key issues, and to unleash greater effectiveness of Parliament. Parliament will need to continue adopting modern technology, ensuring that the institution take advantage of these opportunities.

Despite the impact of the Covid-19 pandemic and the fire incident, operational performance remained stable. Parliament introduced the concept of stakeholder management with regular client satisfaction surveys in order to improve service offerings and support to Members of Parliament. The quarterly surveys for 2022/23 indicated Members' satisfaction with services rendered by the Parliamentary Service. The average satisfaction level for these key services supporting Members of Parliament was 78 percent. This compares well to the average client satisfaction for overall services in South Africa.

1.3.4 Key constraints

Certain key constraints will impact on the 6th Parliament's ability to implement its selected strategy, including the following:

- *Lack of, and aging physical facilities:* The fire damage to large parts of the New Wing and Old Assembly buildings has compounded the challenges with regard to physical facilities. Alternative and temporary facilities will be needed for the National Assembly chamber, and offices for Members and support staff. The parliamentary precinct is now under serious strain, and facilities require renovation and modernisation.
- *Unsustainable cost of the wage bill:* The reductions in budget necessitated a freeze in respect of some positions in the organisational structure. However, this did not resolve the problem as the high cost of compensation continued to put pressure on the institutional budget.
- *Aging technological infrastructure:* The fourth industrial revolution requires institutions to rethink information technology strategies. However, due to the budget constraint, Parliament finds it difficult to invest in modern technology.
- *Ability to execute change initiatives:* Organisational climate surveys pointed out that the institution's ability to execute strategy is impaired. However, the sudden changes required to work differently during the pandemic lock-down periods has shown the resilience of Parliament.
- *Failure of 3rd party service providers:* The value chain in Parliament is supported by various service providers. A disruption in these services may adversely affect the work of Parliament.

- *Electricity crisis:* Parliamentary operations are exposed to the risk of large scale disruption of connectivity due to inconsistent power supply, impacting on the work of both Members and support services.

1.4 STRATEGIC PRIORITIES OF PARLIAMENT

Parliament has set the improvement of quality of life as its impact goal. In pursuing this societal impact, government developed the National Development Plan, setting out how quality of life will be improved by 2030. The plan reflects measures and objectives to increase employment, eradicate poverty and reduce inequality. The challenge for Parliament is to ensure that Government delivers on this plan. The Medium-Term Strategic Framework (MTSF) is Government's strategic plan for the 2019-2024 electoral term. It stipulates the outcomes to be achieved, which includes high-level development indicators for each outcome. These development indicators enable Parliament, Provincial Legislatures and the public to monitor the overall impact on society. Parliament's constitutional role of holding the Executive to account must be pronounced by the manner in which those development indicators are scrutinised and the Executive is required to account.

1.4.1 Measuring Impact: Quality of Life

At a national level, Parliament monitors development progress, assess the impact of policies on citizens' lives, and hold the government accountable for meeting development targets. By actively engaging in the pursuit of development goals, Parliament contribute to fostering sustainable, equitable, and prosperous outcomes for the people of South Africa. The pressing challenges of poverty, unemployment and inequality continue to hinder the nation's progress towards achieving the goals outlined in the National Development Plan (NDP). With its oversight and accountability mandate, the legislature serves as a crucial pillar in evaluating the effectiveness of government actions, ensuring transparency, and advocating for inclusive policies that can tangibly uplift the lives of all citizens.

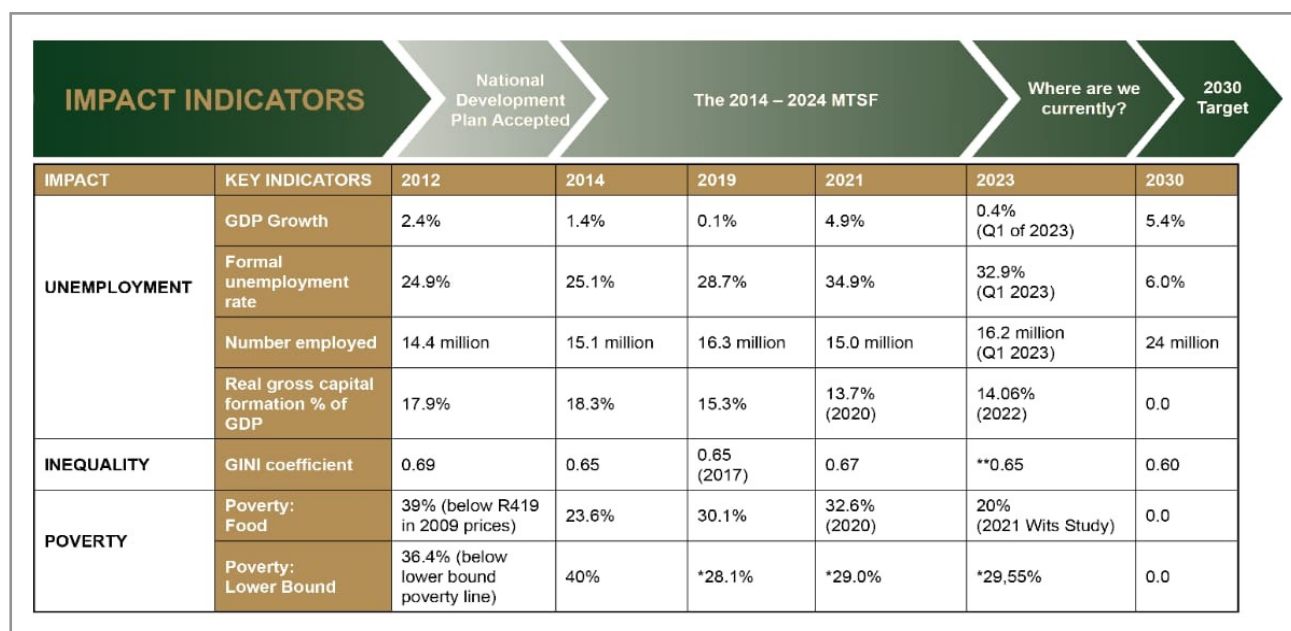


Figure 6: Performance Trends on Impact Indicators ¹

1 StatsSA; DPME Report
 **CIA World Fact Book (0,63)
 *<https://www.statista.com/statistics/1263290/number-of-people-living-in-extreme-poverty-in-south-africa/>

South Africa faces significant challenges in achieving its development targets by 2030. While improvements have been observed in some areas, sustained efforts and innovative policies are crucial to drive economic growth, reduce unemployment, address income inequality, and alleviate poverty. A coordinated and comprehensive approach involving government, businesses, civil society, and international partners will be essential to make progress towards these ambitious goals.

1.4.2 Poverty

Despite efforts to address poverty, South Africa continues to face high levels of poverty. The country has a significant proportion of the population living below the poverty line, with many individuals and households struggling to meet their basic needs. As seen in the figure below, South Africans are affected by food, fuel and general price increases, which only continue to climb.

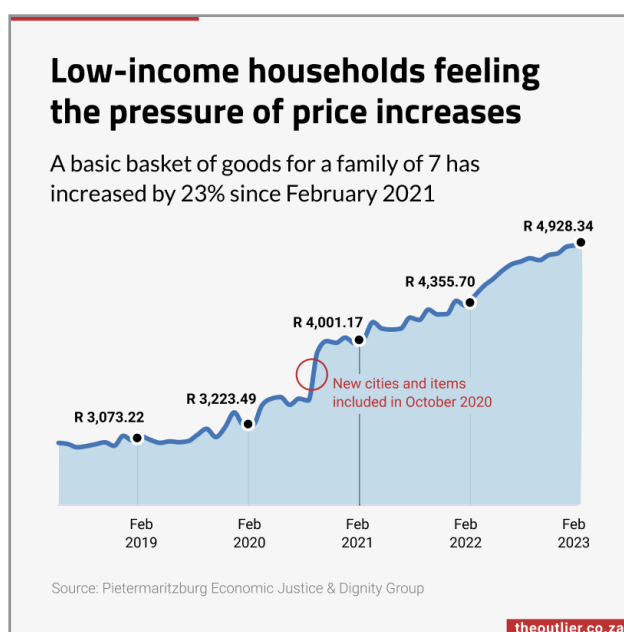


Figure 7: (Goods) Inflation 2019-23 ²

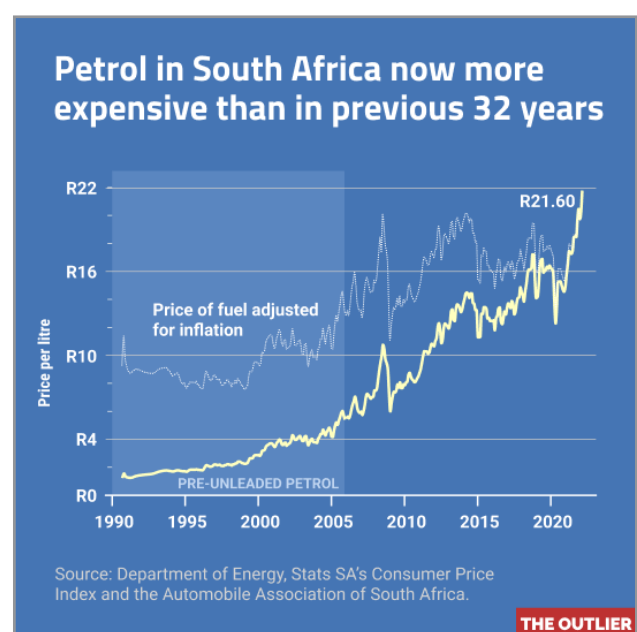


Figure 8: (Fuel) Inflation 1990 - 2020 ³

South Africa experiences one of the highest income inequality rates globally. The gap between the rich and the poor remains substantial, with a small proportion of the population holding a significant share of the country's wealth. This inequality hampers efforts to reduce poverty effectively. To this end, both Houses engaged on issues pertaining to the social and economic development of South Africans. The debates held in the National Council of Provinces related to decreasing poverty included debates on indigent support focused on the subsidisation of basic services to indigent households, the socio-economic impact and threat of the production and trade of counterfeit products, and land reform and the complete ownership of title deeds to land reform beneficiaries as well as ownership to those living on trust land within communal areas. The National Assembly on the other hand debated issues related to the cost and quality of livelihoods, with debates on fuel hikes and the upgrading of human settlements to create sustainable human settlements in cities. The Houses also passed the national budget which ensured that more than 18 million beneficiaries of social grants, amounting to R248 billion, receives crucial social support.

² www.theoutlier.co.za

³ www.theoutlier.co.za

Social protection is a critical part of the strategy to alleviate poverty, and provides the most vulnerable in society with a cushion, however limited, from dire straits. Additionally, the passing of *The Rates and Monetary Amounts and Amendment of Revenue Laws Act 19 of 2022*, focuses on fixing tax rates, amending monetary amounts, and making changes to various tax-related legislation in South Africa.

Committees of the Houses ensured oversight was conducted in line with the priorities of attaining the NDP goals, including oversight visits to the Masilonyana Local Municipality to deal with matters concerning pensioners in the region and to the Free State to visit selected military bases and assess housing sites. Relevant committee meeting agendas included the preparation for a land audit, the assessment of provinces that were not utilising their housing grants and concerns over the programme for issuing title deeds.

1.4.3 Unemployment

South Africa's unemployment rate is one of the highest in the world, at around 32,9% in the first quarter of 2023. The youth unemployment rate however, is much higher, at 62,1%.

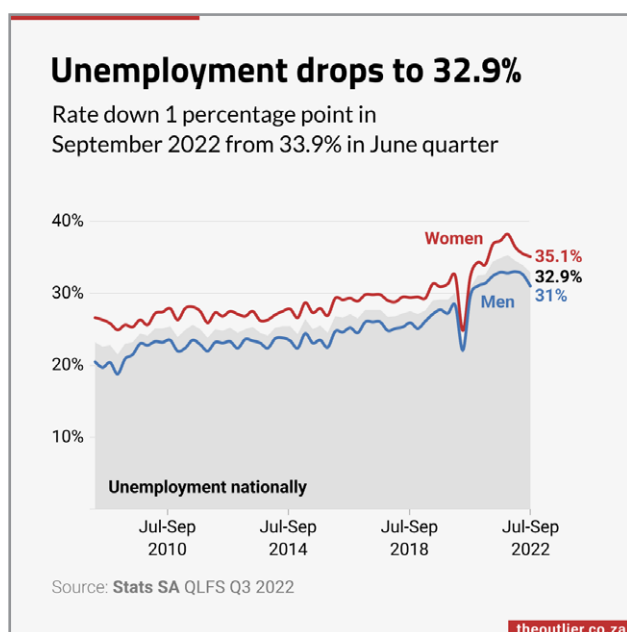


Figure 9: Unemployment Rate 2010-22 ⁴

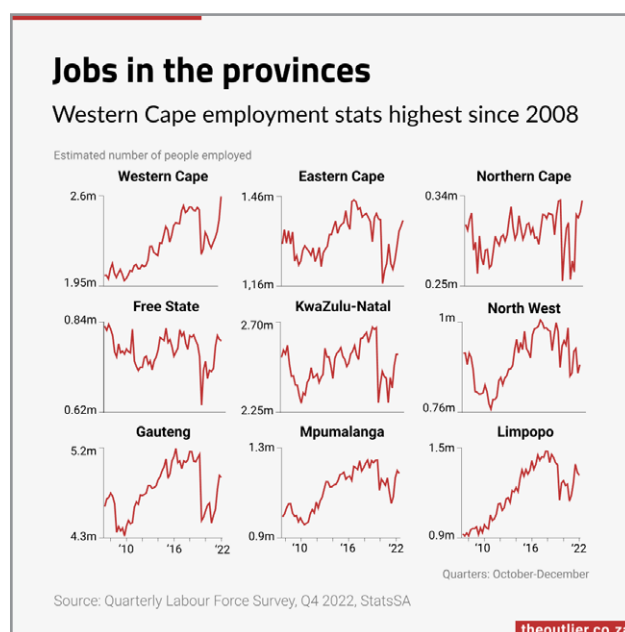


Figure 10: Employment (Provinces) 2018-22 ⁵

The complexity of unemployment in South Africa requires a combination of strategies to address the multifaceted nature of the problem. Investing in education and skills development, promoting entrepreneurship, fostering partnerships, implementing targeted job creation initiatives, attracting foreign direct investment, and addressing income inequality through social protection programs are all crucial strategies in tackling unemployment and fostering inclusive economic growth in South Africa. Parliament has remained focused on these interventions for the year under review.

4 www.theoutlier.co.za

5 www.theoutlier.co.za

As constitutionally mandated to provide a platform for the discussion of matters of national interest, both the National Assembly (NA) and the National Council of Provinces (NCOP) debated the promotion of sustainable livelihoods and resilience amongst young people in South Africa, as part of its recognition of youth day. An urgent matter was also brought to the National Assembly for a debate on the economic impact of theft and vandalism of public infrastructure. In addition, there was a debate on expanding domestic investment in infrastructure development to improve access to basic services for communities and the overall performance of the local economy as part of inclusive growth and development. The National Council of Provinces debated the inter-provincial reduction of red tape with the aim of transforming the service delivery value chain for faster growth and development.

The Portfolio Committee on Employment and Labour conducted an oversight visit to the Eastern Cape to the Labour Centres and supported employment enterprises. Labour centres and employment enterprises play a crucial role in addressing unemployment by connecting job seekers with employment opportunities and providing various support services including job placement, dispute resolution and the provision of labour market information.

In an effort to shine the spotlight on those activities on the periphery of the economy, a joint oversight on illegal mining by the Portfolio Committees on Minerals and Energy, Police and Home Affairs highlighted the need to expedite the implementation of the artisanal and small scale mining policy. Additionally, treatment of vulnerable workers was also dealt with during oversight visits made to various parts of the country including Gauteng, the Northern Cape, Free State, Limpopo and Mpumalanga, in order to inspect the living and working conditions of farm workers, farm dwellers and labour tenants in these provinces. Continued loadshedding has put an enormous strain on an already weakened economy, thus dealing with energy provision has been priority for Parliament. Several Committees including the Portfolio Committees on Public Enterprise, Mineral Resources and Energy as well as Public Accounts, have conducted oversight of ESKOM in order to hold the energy provider accountable for unreliable energy provision.

Infrastructure can play a pivotal role in addressing unemployment in South Africa. A well-developed infrastructure not only provides direct job opportunities but also creates an enabling environment for economic growth and investment. To this end, the Portfolio Committee (PC) on Public Works conducted oversight jointly with the Portfolio Committee on Defence to explore the effective use of state infrastructure, recommending that an audit be conducted to ensure efficiency. Additionally, the Ad hoc Committee on the Flood Disaster recommended as a result of their oversight visits, the probing of the SANRAL contract management by the Auditor General, as well as recommending an approach to dealing with post-disaster reconstruction and rehabilitation of key infrastructure damaged by the floods. The PC on Tourism also highlighted the state of roads in the Limpopo Province, and urged the Department of Public Works together with local authorities to prioritise maintenance to ensure tourism activities are not disrupted. In addition, the Department of Transport conducted oversight in the North West, Mpumalanga and Kwazulu-Natal and advised the Department of Transport to roll out quality bus services using existing infrastructure, and recommended that National Treasury reinstate a grant that had previously been available but had since been stopped.

Robust infrastructure enhances the competitiveness of industries and attracts investment, leading to long-term job creation. In addition, a reliable transport system is vital for businesses to operate effectively and access domestic and international markets. Improved infrastructure also facilitates the establishment of manufacturing hubs and industrial zones, and stimulates other sectors of the economy. Therefore, Parliament must continue to press the Executive to prioritise infrastructure development, in order for the immediate challenge of unemployment to be alleviated, but to also to lay the foundation for sustainable economic growth and job creation in the future.

1.4.4 Inequality

By addressing inequality, South Africa can create a more inclusive economy that provides equal access to employment and reduces the unemployment rate, leading to improved living standards and social cohesion. It is therefore imperative that Parliament focus its efforts on reducing social and economic inequality.

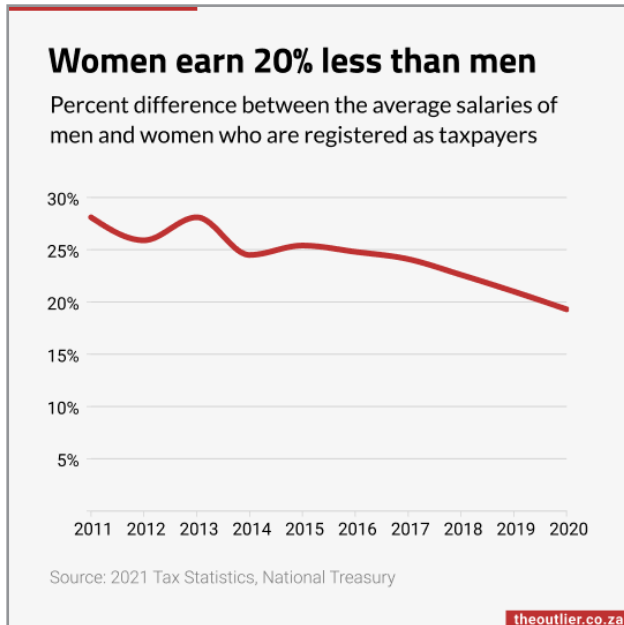


Figure 11: Income by Gender 2011-20 ⁶



Figure 12: Comparative Global Minimum Wage ⁷

The Employment Equity Amendment Act 4 of 2022 was passed which intends, amongst others, to provide for the Minister to identify sectoral numerical targets in order to ensure the equitable representation of suitably qualified people from designated groups. This is crucial as South Africa continues to struggle to improve access to job opportunities, as well as access to quality education and skills development for the majority of the population.

1.4.5 New macro framework

During this financial year, a 4-day strategy review session was conducted from 08 to 11 November 2022. The session reviewed the strategy of Parliament and established a new macro framework for the 7th Parliament, with five specific strategic themes. This macro framework will lead the development of a new strategy framework for the 7th Parliament. The strategic themes include the following:

- Transformative Parliament,
- Responsive Parliament,
- Collaborative engagement,
- Effective stakeholder management, and
- Operational excellence.

6 www.theoutlier.co.za

7 www.theoutlier.co.za



Figure 13: The draft macro framework for the 7th Parliament

The session considered the approach to strategy that is now required. It was acknowledged that a business-as-usual approach is not feasible at this point, and that a transformative strategy will be required to drive the change necessary to ensure effectiveness and efficiency of the institution. In order to move from the current 'business-as-usual' strategy to a 'transformational strategy', the institution will need to implement certain change management actions to ensure course correction, including:

- A re-invigorated implementation strategy with credible delivery mechanisms and priorities;
- A focused and committed leadership across Parliament;
- Improvement in the quality and efficiency of our planning processes;
- Restore governance and service delivery;
- Sound procurement systems, as well as greater competition and productivity in the economy;
- Being decisive in professionalising the Parliamentary Service, organisational re-alignment; and
- Pursuing fiscal sustainability, sound financial governance and eliminating corruption.

This new strategic direction will form the basis of future plans.





2

**PERFORMANCE OF
PARLIAMENT**
FOR THE 2022/23 FINANCIAL YEAR



2. PERFORMANCE OF PARLIAMENT FOR THE 2022/23 FINANCIAL YEAR

2.1 LEGISLATION

Parliament's constitutional mandate of law-making was successfully executed during the reporting period. It passed 28 of the Bills that were introduced. Key pieces of legislation passed during the year under review included the following:

1. Criminal Law (Forensic Procedures) Amendment Bill [B25-2021]
2. Financial Sector and Deposit Insurance Levies Bill [B3-2022]
3. Second Adjustments Appropriation (2021/22 Financial Year) Bill [B8-2022]
4. Appropriation Bill [B4-2021]
5. Children's Amendment Bill [B18-2020]
6. Economic Regulation of Transport Bill [B1-2020]
7. National Road Traffic Amendment Bill [B7B-2020]
8. Fund-raising Amendment Bill [B29-2020]



9. Electoral Amendment Bill [B1B – 2022]
10. Division of Revenue Amendment Bill [B22-2022]
11. General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill [B18-2022]
12. Rates and Monetary Amounts and Amendment of Revenue Laws Bill [B25 – 2022]
13. Taxation Laws Amendment Bill [B26– 2022]
14. Tax Administration Laws Amendment Bill [B27—2022]
15. Protection of Constitutional Democracy against Terrorist and Related Activities Amendment Bill [B15-2022]
16. Special Appropriation Bill [B5-2021]
17. Adjustments Appropriation Bill
18. Agricultural Product Standards Amendment Bill
19. National Veld and Forest Fire Amendment Bill
20. South African Postbank Limited Amendment Bill [B12B - 2022]
21. Repeal of the Transkeian Penal Code Bill [B 34 - 2022]
22. Marine Pollution (Prevention of Pollution from Ships) Amendment Bill [B10 – 2022]
23. Transport Appeal Tribunal Amendment Bill [B 8B – 2020]
24. Housing Consumer Protection Bill [B 10B – 2021]
25. Prevention and Combating of Hate Crimes and Hate Speech Bill [B 9B – 2018]
26. Division of Revenue Bill [B2 – 2023]
27. Second Adjustments Appropriation (2022/23 Financial Year) Bill [B4 – 2023]



NATIONAL ASSEMBLY

ORAL QUESTIONS

629

.....

Written Questions

4224

.....

Replies to Oral Questions

604

.....

Replies to Written Questions

2299

.....

Number of debates

15

.....

Number of Statements

12



NATIONAL COUNCIL OF PROVINCES

ORAL QUESTIONS

132

.....

Written Questions

1311

.....

Replies to Oral Questions

132

.....

Replies to Written Questions

1179

.....

Number of debates

49

.....

Number of Statements

48

LIST OF INTERNATIONAL ENGAGEMENT FOR THE PERIOD 1 APRIL 2022 – 31 MARCH 2023

ENGAGEMENT	DATE
CPA Executive Committee	9 - 10 April 2022
41st Session of the ACP-EU Joint Parliamentary Assembly	1 - 4 April 2022
SADC-PF: Committee Meetings	22 April – 3 May 2022
Inaugural Conference of Speakers and Heads of African Parliaments (CoSAP)	09 to 11 May 2022
IPU: First International Migration Review Forum	16 – 20 May 2022
PAP: Southern Regional African Caucus meeting	31 May – 03 June 2022
SADC-PF EXCO & Sub-Committee Meetings	6 -11 June 2022
CPA: 52nd Commonwealth Parliamentary Association Africa Regional Conference	3 - 9 June 2022
Global Conference of Young Parliamentarians under theme “Young MPs for Climate Change	15 -16 June 2022
African Parliamentary Forum on Population and Development (APF) General Assembly	21-23 June 2022
PAP Ordinary Session	27 June to 8 July
Non-aligned Movement Network Conference	30 June until 1 July 2022
OACPS Preparatory Virtual Zoom Meeting for Parliamentary Dialogue EU Anti-Money Laundering and Counter Terrorist Financing	08 July 2022
51st Plenary Assembly Session of the SADC Parliamentary Forum, taking place in Lilongwe, Malawi	10-16 July 2022
PAP Southern African Regional Caucus Meeting	24-26 July 2022
65th Commonwealth Parliamentary Conference	20-26 August 2022
PAP Committee Sitings	22 August-8 September 2022
11th Conference of Speakers of National and Regional Parliaments	1- 2 September 2022
8th BRICS Parliamentary Forum	6 September 2022
IPU 14 th Summit of Women Speakers	8 September 2022
73rd International Astronautical Congress	15-21 September 2022
WTO Public Forum + Steering Committee of PCWTO	27-30 September 2022
P20 Speaker’s Conference	6-7 October 2022
145th IPU Assembly and Related meetings	10 – 15 October 2022 2022

Committee on Audit and Public Accounts (CAPA)	17-22 October 2022
PAP Committee meeting -Rules, Discipline & Privileges	17 to 20 October 2022
PAP Ordinary Session	23 October – 12 November 2022
Climate Change Parliamentary Forum	4-6 November 2022
SADC-PF Regional Policy Dialog on Strengthening Separation of Powers & Parliamentary Oversight in the SADC Region	4-5 November 2022
SADC-PF Regional Policy Conference on Women Political Participation and Gender Equality	6-7 November 2022
UN Climate Change Conference (UNFCCC COP27)	7 to 18 November 2022
SADC-PF Training on Bodily Autonomy and Integrity for Parliamentarians	8-9 November 2022
Participation of PAP in the COP 27	13-20 November 2022,
SADC-PF Statutory Meeting of the Finance Sub-Committee	01 November 2022
SADC-PF Meeting of the Parliamentary Business Sub-Committee (PBSC	11 November 2022
SADC-PF Statutory Meeting of the Executive Committee	18-19 November 2022
52nd SADC-PF Standing Committee Meetings	25– 28 November 2022
SADC-PF 52nd SADC-PF Plenary Assembly Session	01- 11 December 2022
PAP European Parliament – Pan African Parliament Inter Parliamentary Meeting	8-9 December 2022
PAP Southern Africa Region Caucus (SARC)	02 December 2022
PAP Lobbying mission to Addis Ababa, Ethiopia	23 - 26 January 2023
The Orientation and Inaugural Meetings of the Executive Committee of SADC-PF	27-28 January 2023
7 th Session of Parliamentary Union of the OIC Member States (PUIC) Conference and Official visit to Algeria	29 January – 05 February 2023
SADC-PF Regional Meeting for RWPC, GEWAYD & CSOS on promoting political inclusion & gender equality	18-19 February 2023
Orientation and Inaugural Meeting for SADC-PF EXCO	27 and 28 January 2023
PAP Committed Sitzings of Pan African Parliament	04-17 March 2023
UN Women Parliamentary Meeting on 67th Session of the Commission on the Status of Women (CSW67)	7 March 2023
Invitation to 3rd of the Speakers from Africa Geo Political Group of the IPU	9 March 2023
146th Assembly of the Inter-Parliamentary Union and related meetings	11-15 March 2023
Second International Parliamentary Conference “Russia-Africa	19-20 March 2023

LAW-MAKING

2022 / 2023

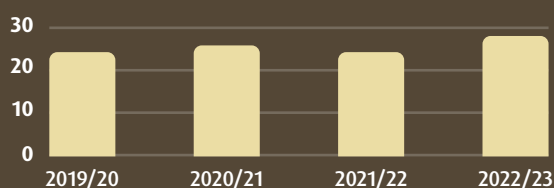
28

BILLS PASSED FOR THE 2022/23
REPORTING PERIOD



EIGHT (8) OUT OF 28 BILLS WERE MONEY BILLS

BILLS ADOPTED



SCOPE OF BILLS

- 8 MONEY BILLS
- 5 FINANCE BILLS
- 4 CRIMINAL JUSTICE BILLS
- 2 ENVIRONMENTAL BILLS

ONE BILL EACH:

- ELECTORAL LAW
- OFFICIAL LANGUAGES
- LOCAL GOVERNMENT
- EMPLOYMENT EQUITY
- JUDICIARY
- HEALTH
- HUMAN SETTLEMENTS
- CHILDREN'S RIGHTS

Parliament plays a crucial role in enacting legislation that shapes the nation's legal framework and contributes to its socio-economic development. Addressing key socio-economic challenges throughout the year, we passed 28 bills, each serving a specific purpose in tackling pressing social and economic issues. Money Bills focused on the allocation of financial resources to support poverty alleviation programs, employment initiatives, and inclusive economic growth. These bills aim to ensure efficient and equitable distribution of funds for the betterment of all citizens.

In addition, criminal justice bills were passed to reinforce the rule of law, enhancing safety, and promoting a just society. They target the reduction of crime, the protection of vulnerable populations, and the improvement of law enforcement mechanisms, ultimately contributing to a secure environment that fosters economic stability and social well-being.

The finance bills enacted are designed to strengthen fiscal management, enhance economic stability, and create an enabling environment for investment and growth. These bills lay the foundation for sustainable economic development, job creation, and the reduction of inequality.

The tax bills passed were aimed at promoting fairness in the tax system, ensuring a sufficient revenue base for public services, and supporting social welfare programs. By ensuring that tax burdens are distributed equitably and resources are allocated efficiently, these bills contribute to the reduction of inequality and the provision of essential services to those in need.

The environmental bills passed signal our commitment to sustainable development and the

preservation of natural resources. By promoting environmental conservation and combating climate change, these bills aim to create a sustainable future, protect livelihoods, and foster inclusive growth.

While each bill addresses specific issues, collectively, they contribute to the broader goals of alleviating poverty, decreasing unemployment, and eliminating inequality in South African society.



2.2 OVERSIGHT

Committees of both Houses conducted oversight visits as part of Parliament's mandate to scrutinise Executive action. Some key highlights for the year under review are detailed below.

- The Portfolio Committees (PC) on Basic Education, Health, Water and Sanitation and on Higher Education, Science and Innovation conducted joint oversight on NSFAS focusing on critical areas facing the entity and engagement on water provision challenges facing communities around the Nandoni dam in Limpopo.
- The Standing Committee on Appropriations, Standing Committee on Public Accounts, Standing Committee on Finance and PC on Trade, Industry and Competition conducted oversight visits to ESKOM and its infrastructure projects Medupi and Kusile in Lephalale and Witbank, respectively to assess progress. The Committee recommended that management must establish, document and implement a fraud prevent.
- The PC on Agriculture Land Reform and Rural Development visited all nine provinces with a focus on the eviction of farm workers. The joint oversight visit by the PC Mineral Resources and Energy with PC on Police and PC on Home affairs on illegal mining also put a spotlight on complex employment contexts in South Africa.
- The Committee on Women, Youth, and People with Disabilities directed its efforts towards addressing the needs of victims of Gender-Based Violence. The committee's primary focus was to ensure support and assistance for individuals affected by such violence.
- The Committee on Forestry, Fisheries, and Environment centered its oversight visits on two main areas. The committee actively monitored the implementation of government programs and evaluated the capability of state entities to effectively execute key initiatives.

Additionally, collaborative oversight visits were conducted to address cross-sectoral concerns and respond to emergencies such as floods, as demonstrated in the case of the Jagersfontein mining town. Throughout the reporting period, several oversight visits were conducted by pertinent committees. The Joint Standing Committee on Defence (JSCD) undertook a visit to the Africa Aerospace and Defence Exhibition, hosted by Armscor in Pretoria. The Portfolio Committee on Defence and Military Veterans (PCDMV) executed three oversight visits. The first visit entailed inspections of DOD, Denel, Armscor, Special Forces, and DMV Headquarters. A second visit took place in the Free State, focusing on DOD Military Bases and DMV Facilities. Lastly, the third visit involved examinations of Denel Aeronautics Facility, Military Bases, Military Support Facilities, and Military Veterans Service Delivery Sites in the Eastern Cape.

OVERSIGHT

2022 / 2023

75

OVERSIGHT VISITS FOR THE FOR THE 2022/23
REPORTING PERIOD

4751 written questions from the NA 1311 written questions from the NCOP



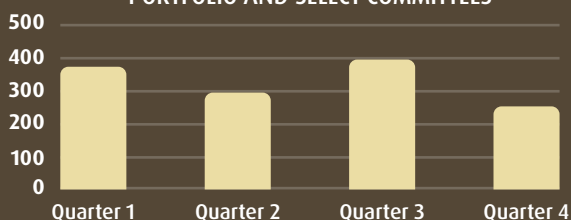
54,43% of written questions replied to in the National Assembly

.....

89,93% of written questions replied to in the National Council of Provinces

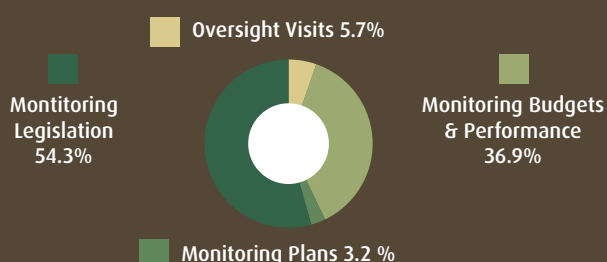
VIRTUAL COMMITTEE MEETINGS

PORTFOLIO AND SELECT COMMITTEES



TRENDS IN

OVERSIGHT IN COMMITTEE MEETINGS



In fulfilling its critical oversight mandate and upholding democratic governance, both Houses held sittings dedicated to debates and sessions for making statements and asking critical questions on the performance of the Executive. Written questions serve as a cornerstone of parliamentary oversight, enabling members of the NA and the NCOP to hold the Executive accountable and seek vital information. Over the reporting period, Members of the National Assembly asked an impressive 4,224 written questions, while the National Council of Provinces posed 1,311 written questions. These figures underline the dedication of our Parliament to robust oversight and ensuring transparency in governance.

The response rate to written questions is an essential measure of accountability and reflects the government's commitment to transparency. The Institution must remain committed to achieving higher response rates in the future, as this is crucial to strengthening our democratic processes.

In response to the challenges posed by the global pandemic, the South African Parliament swiftly adapted its operations and embraced virtual committee meetings. Throughout the reporting period, we successfully conducted 1,300 virtual committee meetings. The majority of these meetings focused on monitoring legislation, ensuring its efficacy, and scrutinizing budgets and non-financial performance. These meetings played a pivotal role in upholding our oversight mandate, even in the face of unprecedented circumstances.

While the South African Parliament made significant strides in fulfilling its oversight mandate, we acknowledge the challenges encountered and strive for continuous improvement. To address these challenges, we propose the following measures:

- Strengthening timely responses to written responses;
- Build on the success of virtual meetings and invest in technology infrastructure and capacity building;
- Deepen commitment to enhancing public awareness and participation in the parliamentary oversight process

2.3 INTERNATIONAL ENGAGEMENT

South Africa's parliamentary diplomacy continued to gain ground in regional, continental and global multilateral parliamentary structures.

Multilateralism remains a focal point of engagements in organisations such as the Pan-African Parliament (PAP); the SADC-Parliamentary Forum (SADC-PF); the Inter-Parliamentary Union (IPU); the Commonwealth Parliamentary Association (CPA) Africa Region and CPA International; BRICS parliamentary engagements, the African, Caribbean, and Pacific-European Union Joint Parliamentary Assembly (ACP-EU JPA) and the Parliamentary Conference on the WTO. Parliament's engagements in these organisations is premised on the need to advance the country's national interests and those of the African continent as reflected in the National Development Plan and the African Union Agenda 2063.

Parliament's international engagement activities for this period included:

ENGAGEMENT	DATE
51st SADC-PF Plenary Assembly - Malawi, Lilongwe	07 to 16 July 2022
52nd PLENARY Assembly - Democratic Republic of Congo (DRC)	6th to 11 November 2022
Fourth Ordinary Session of the PAP	27 June to 02 July 2022
First Ordinary Session of the PAP	24 October -11 November 2022
UN Global Compact on International Migration - USA	17-21 May 2022
145th IPU Assembly - Kigali, Rwanda	October 2022
52nd CPA Africa Region Conference - Ghana	6th June 2022
65th Commonwealth Parliamentary Conference - Canada	20 to 26 AUGUST 2022
41st Session of the ACP-EU JPA - France	1-3 April 2022
Launch of the Non-Aligned Movement Parliamentary Network - Azerbaijan	29-June -2nd July 2022

Table 2: International engagement activities

The following international agreements were adopted by Parliament:

- Accession to the Protocol to the African Charter on Human and People's Rights on the Rights of Persons with Disabilities in Africa;
- Accession to the Amended Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Western Indian Ocean (Nairobi Convention);
- Amendment to the Convention on Physical Protection of Nuclear Material;
- African Charter on Statistics;
- Multilateral Convention to implement tax treaty related measures to prevent base erosion and profit shifting;
- Revised African Regional Co-operative Agreement for Research, Development and Training Related to Nuclear Science and Technology (AFRA) Agreement;
- International Convention on the Civil Liability for Bunkers Oil Pollution Damage, 2001;
- Protocols relating to the Amendments to Articles 50(a) and 56 of the Convention on International Civil Aviation;
- International Convention for the Protection of All Persons from Enforced Disappearance (ICPPED);
- The International Convention on the Suppression and Punishment of the Crime of Apartheid: Adopted by the General Assembly of the United.

INTERNATIONAL RELATIONS

2022 / 2023

22

SOUTH AFRICA'S PARTICIPATION IN THE REGION & CONTINENT, & MULTILATERAL AND BILATERAL RELATIONS FOR THE 2022/23 REPORTING PERIOD

PRIORITISING THE AFRICAN AGENDA

2 SADC-Parliamentary Forum Plenary Assemblies 51st Plenary Assembly Malawi, Lilongwe 52nd PLENARY Assembly Democratic Republic of Congo (DRC)	2 Pan African Parliament Plenaries Fourth Ordinary Session of the PAP First Ordinary Session of the PAP
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STRENGTHENING MULTILATERALISM

UNITED NATIONS (UN)
UN GLOBAL COMPACT ON INTERNATIONAL MIGRATION - USA
INTER-PARLIAMENTARY UNION (IPU)
144TH IPU ASSEMBLY - NUSA DUA, INDONESIA
145TH IPU ASSEMBLY - KIGALI, RWANDA
COMMONWEALTH PARLIAMENTARY ASSOCIATION (CPA)
52ND CPA AFRICA REGION CONFERENCE - GHANA
65TH COMMONWEALTH PARLIAMENTARY CONFERENCE - CANADA
AFRICAN CARIBBEAN PACIFIC & EUROPEAN UNION JOINT PARLIAMENTARY ASSEMBLY
41ST SESSION OF THE ACP-EU JPA - FRANCE

STRATEGIC BILATERALS

NON-ALLIED MOVEMENT PARLIAMENTARY NETWORK
LAUNCH OF THE NON-ALLIED MOVEMENT PARLIAMENTARY NETWORK - AZERBAIJAN

HIGHLIGHTS ON BILATERAL RELATIONS

- Meeting - SA Parliament to the Parliament of Algeria
- Meeting - Mozambique Parliament delegation
- Courtesy call - Visit by French Senators to Parliament
- Study Visit - Whippers of the National Council of Provinces of Namibia
- Meeting - EU International Trade Committee (INTA) and PC & SC on Trade and Industry
- National Assembly (NA) Speaker visit to Cote d'Ivoire for the Opening of its Parliament
- National Council of Provinces (NCOP) Chairperson and Speaker NA participated at the 2nd Russia - Africa Parliamentary Conference
- Visit - UK-CPA Branch to strengthen relations
- Visit - Foreign Affairs Committee of Vietnam Parliament
- Meeting - President of the Sahrawi Democratic Republic (SADR) the Chairperson of the PC on International Relations and Cooperation
- Visit - Deputy Speaker of Vietnam Parliament

South Africa's International Relational Policy is conducted against the background of a dynamic domestic, regional and global political and economic environment. In this light, the South African Parliament's international engagement on policy content must support and reflect the values enshrined in the South African Constitution. These values also find expression in the aspirations of the African Union (AU) Agenda 2063 strategy, the Southern African Development Community Regional Indicative Strategic Development Plan (SADC RISDP), National Development Plan (NDP) 2030 and United Nations 2030 Sustainable Development Goals.

Parliament's participation in international relations is conducted by the Presiding Officers and the Members of Parliament, through the strategic support of the Parliamentary Group on International Relations (PGIR).

The PGIR is a strategic body established by the Joint Rules Committee (Joint Rule 76 to 79) to manage Parliament's involvement in international relations. The PGIR's main aim is to provide strategic direction on the implementation of policy positions emanating from Parliament's international relations policy guidelines, as pronounced by the Joint Rules Committee in 2006. The PGIR is informed by the view that Parliament plays a critical role of holding the government accountable including in the arena of foreign policy. To this end, Parliament has actively participated and engaged in bilateral and multilateral platforms with an aim to complement the advancement of South Africa's foreign policy objectives.

In line with norms and values of the South African Constitution and the obligations of inter-parliamentary organisations, the South African Parliament has consistently provided leadership on matters that seek to entrench democratic values, social justice, rule of law, fundamental

human rights, and gender equality and women development, trade, economic, and political developments, at home and abroad.

2.4 PUBLIC OFFICE APPOINTMENT RECOMMENDATIONS (STATUTORY APPOINTMENTS)

Parliament plays an important role in the appointment of officials for public office. In the 2022/23 financial year the following recommendations were made for statutory appointments:

- Recommendation of a person to fill a vacancy on Electoral Commission;
- Candidate nominated for appointment as Inspector-General of Intelligence Services;
- Recommendation of candidates to fill two vacancies on Media Development and Diversity Agency (MDDA) Board;
- Recommendation of candidates to fill four vacancies on Independent Communications Authority of South Africa (ICASA) Council;
- Recommendation of candidates for filling of vacancies in the Commission for Gender Equality;
- Recommendation of candidates to fill twelve vacancies on South African Broadcasting Corporation (SABC) Board;
- Recommended candidates to serve on the Independent Tribunal for Social Assistance Appeals.

2.5 APPROVAL OF GOVERNMENT INTERVENTIONS

Section 139 of the South African Constitution empowers provincial governments to intervene in the affairs of municipalities under specific circumstances. The purpose of interventions, as outlined in Section 139, is to ensure that municipalities are able to fulfil their constitutional mandate of delivering essential services to their communities effectively, efficiently, and in a sustainable manner. Interventions are designed to address situations where a municipality is unable to fulfil its constitutional obligations, which can include issues such as financial mismanagement, service delivery failures, governance challenges, or any other situation that threatens the municipality's ability to serve its residents.

The primary purpose of interventions is to restore the functioning of a municipality that is experiencing serious challenges. This can involve addressing financial distress, improving governance structures, and enhancing service delivery mechanisms. Interventions under Section 139 are a tool to be used cautiously and as a last resort when all other measures to address the municipality's challenges have been exhausted. The Constitution emphasizes the importance of maintaining the autonomy of municipalities while ensuring they are able to effectively fulfil their constitutional responsibilities. The following interventions in terms of section 139 in the municipalities listed below were considered and approved by the House:

- Notice of section 139(7) intervention in Enoch Mgijima Local Municipality;
- Notice of extension of section 139(1)(b) in Abaqulusi, Inkosi Langalibalele, Msunduzi, Mtubatuba, Mpofana Local Municipalities, Umzinyathi, Uthukela, and Umkhanyakude District Municipalities;
- Notice of section 139(5)(a) intervention by Eastern Cape Treasury in Chris Hani, Walter Sisulu, Makana Local Municipalities and Amathole and OR Tambo District Municipalities;
- Notice of section 139(5)(a) and (c) intervention in Mafube and Tokologo Municipalities;
- Notice of section 139(4) intervention in Umkhanyakude District Municipality;
- Notice of section 139(1)(c) Ditsobotla Local Municipality;

- Notice of termination of section 139(1) (b) intervention in Emfuleni Local Municipality.

The role and purpose of Notices of Written Statements under Section 106 of the Municipal Systems Act is to ensure effective communication, transparency, and accountability in municipal governance. By providing clear and accessible information to the public, municipalities can foster a culture of trust and engagement, ultimately contributing to better service delivery and local development. The NCOP received 4 Notices of Written Statements in terms of s106 of the Municipal System Act:

- Notice of section 106 investigation in Mohokare Local Municipality;
- Notice of section 106 investigation in Emalahleni, Mkhondo and Dr Pixley ka Isaka Seme Local Municipalities;
- Progress on investigation issued in terms of section 106 investigation in Dihlabeng and Mohokare Local Municipality;
- Notice on investigation issued in terms of section 106 investigation Mkhondo Local Municipality.

2.6 DEBATES

The Constitution requires Parliament to be a national forum for public consideration of issues. In this way parliamentary debates remain a fundamental part of our democratic law-making, and the public consideration of issues. The following hybrid joint sittings were conducted:

- Address by the President on the devastation caused by catastrophic flooding along parts of the eastern coast;
- Tributes to Dr F N Ginwala, former Speaker of the National Assembly;
- State-of-the-nation Address by President of the Republic of South Africa;
- Debate on President's State-of-the-nation Address;
- Resumption of debate on President's State-of-the-nation Address;
- President's reply to the debate on the State-of-the-nation Address.

2.6.1 National Assembly

The following notable debates took place in the National Assembly during the period under review.

- Inter-provincial red tape reduction - Transforming the service delivery value chain for faster growth and development;
- Report on Taking Parliament to the People - Ugu District Municipality, KZN;
- Water infrastructure investment: building viable water infrastructure for sustainable and reliable water to communities;
- Debate on 16 Days of Activism on no violence against women and children: Empowering women to build resilience against Gender-Based Violence and Femicide;
- Debate on 2022 Medium Term Budget Policy Statement;
- Debate on World AIDS Day: Global solidarity, shared responsibility;

- Just energy transition in South Africa;
- Reflecting on the state of coalitions in local government and the need for principles of: deepening a healthy political-administrative interface; good governance; quality service delivery; and good financial management practices;
- Building a culture of accountability and responsibility to balance with the proper exercise of constitutional rights and freedoms;
- The prevalence of corruption, poor management and incompetence in public healthcare, which has led to the violation of the constitutional rights of patients, backlogs in medical procedures and a multitude of medico-legal claims;
- Debate on National Women's Day: Women's socio-economic rights, empowerment and resilience;
- Debate as Urgent Matter of National Public Importance: The economic impact of theft and vandalism of public infrastructure;
- Debate as Urgent Matter of National Public Importance: Persistent illegal mining activities and concomitant crimes;
- Debate on Heritage Day: Celebrating the legacy of Solomon Linda and South Africa's indigenous music;
- Debate as Urgent Matter of National Public Importance: The negative impact of heavy duty trucks on the safety of commuters on the roads and the recent loss of lives;
- Debate on Youth Day: Promoting sustainable livelihoods and resilience of young people in South Africa for a better tomorrow (88);
- Debate as Urgent Matter of National Public Importance: Fuel price hikes (95);
- Debate on Vote 2: Parliament;
- NA Debate on Vote 1: Presidency.

2.6.2 National Council of Provinces

The National Council of Provinces conducted the following notable debates:

- Debate on Africa Day: From pandemics to endemics: Building an integrated, prosperous and peaceful Africa beyond the Covid-19 pandemic;
- Debate on Youth Day: Promoting sustainable livelihoods and resilience of young people in South Africa for a better tomorrow;
- Consideration of Consolidated Report of the Provincial Week, 29 March – 1 April 2022: Assessing state capacity to respond to the needs of communities;
- Debate on the Socio-economic Impact and Threat of the Production and Trade in Counterfeit Products: Waging a concerted battle against the production and distribution of counterfeit products;
- National Women's Day;
- Debate on the Restoration and Modernisation of Rail Infrastructure in South Africa: Revolutionising our rail services for efficient transportation;
- Debate on Local Government Week: Advancing Our Collective Effort to Enhance Oversight and Accountability in the Local Sphere of Government;

- Debate on Indigent Support: Subsidisation of basic services to indigent households;
- Water infrastructure network for sustainable water supply to communities: Building a viable water infrastructure for sustainable and reliable water supply to communities;
- Cross-border and transnational crime: Waging a concerted battle against cross border and transnational crime;
- Land reform: Complete ownership/title deeds to land reform beneficiaries as well as ownership to those living on trust land within communal areas;
- Annual Address of the President of the Republic of South Africa to the National Council of Provinces: Building agile state capabilities to improve service delivery outcomes;
- Killing of councillors: Waging a concerted battle against the killing of councillors.

2.7 PUBLIC INFORMATION AND PARTICIPATION

In pursuit of our commitment to enhance public involvement and foster closer collaboration, significant strides have been taken to build and strengthen relations. The primary objective of these efforts has been to provide improved support services to Members across various arenas, namely the Chamber (National Assembly and National Council of Provinces), Committees in both Houses, and Parliamentary Constituency Offices that serve constituents' needs.

One notable advancement has been the introduction of a provincialisation strategy, aimed at the effective implementation of the Memorandum of Understanding (MOU) between Provincial Legislatures and the National Legislature. This strategy serves as a cornerstone for closer cooperation and seamless interaction between these legislative bodies, ultimately enhancing the parliamentary experience for all stakeholders involved.

In line with our commitment to inclusivity and robust public engagement, a series of regular quarterly stakeholder engagement sessions has been instituted. These sessions are designed to provide a platform for public involvement structures at all levels of the state to actively participate. The spectrum of participants encompasses government departments, organs of the state, civil society public involvement structures, provincial legislatures, as well as district and local municipalities. The primary goal of these engagements is to facilitate informed discussions, foster collaboration, and harness collective input. By doing so, we seek to create a comprehensive feedback loop that informs and refines shared plans, paving the way for effective collaboration in implementing countrywide public involvement processes and activities.

As part of our proactive approach, pilot sites have been identified to put these concepts into practice. Notably, the Western Cape, Eastern Cape, and Gauteng have been chosen as initial focal points for the implementation of these strategies. These pilot sites are instrumental in assessing the feasibility, effectiveness, and adaptability of our initiatives in diverse contexts, allowing us to refine our approach and ensure its relevance on a national scale. Another notable highlight was the support provided for a total of 133 public hearings during the year under review. Moreover, efforts extended to enhancing accessibility, as evidenced by the establishment of two new parliamentary corners. These corners served as hubs for meaningful exchanges, fostering increased awareness and participation. In addition, the distribution of 230,662 materials further demonstrated our commitment to information dissemination and community empowerment. This performance embodies our dedication to facilitating effective public involvement and reinforcing our democratic values.

Media advisories and statements are an important part of Parliament’s commitment to fostering robust public participation and transparent communication. These instruments serve as timely and informative channels through which we share crucial updates, announcements, and insights with the public and media outlets. By disseminating accurate and concise information, we empower citizens and stakeholders to stay informed and engaged in parliamentary proceedings. Furthermore, our website serves as a dynamic hub where citizens can access comprehensive resources, follow live broadcasts, access documents, and engage in interactive discussions.

Social media platforms have emerged as indispensable tools in revolutionizing public participation and democratizing the exchange of information. These platforms enable unprecedented levels of engagement, allowing citizens to interact directly with government institutions, representatives, and fellow constituents. The immediacy and accessibility of social media break down traditional barriers, bridging geographical distances and diverse demographics. By providing an inclusive and user-friendly space for discussions, feedback, and information sharing, social media empowers individuals to actively contribute to policy debates, voice concerns, and influence decision-making processes. Moreover, the interactive nature of these platforms fosters a sense of community and collaboration, nurturing a deeper connection between citizens and their government. Through real-time updates, multimedia content, and personalized engagement, social media opens up new avenues for transparency, accountability, and meaningful public participation, propelling our democracy into a more dynamic and inclusive era.

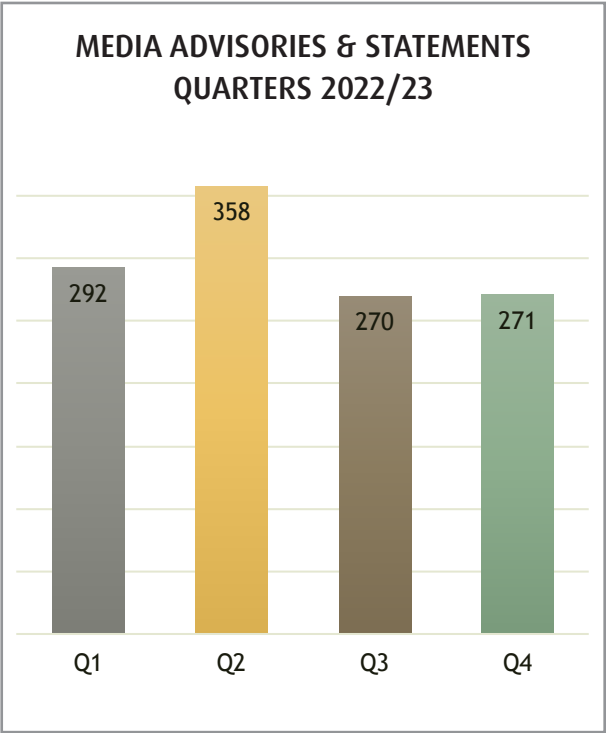


Figure 14: Media advisories

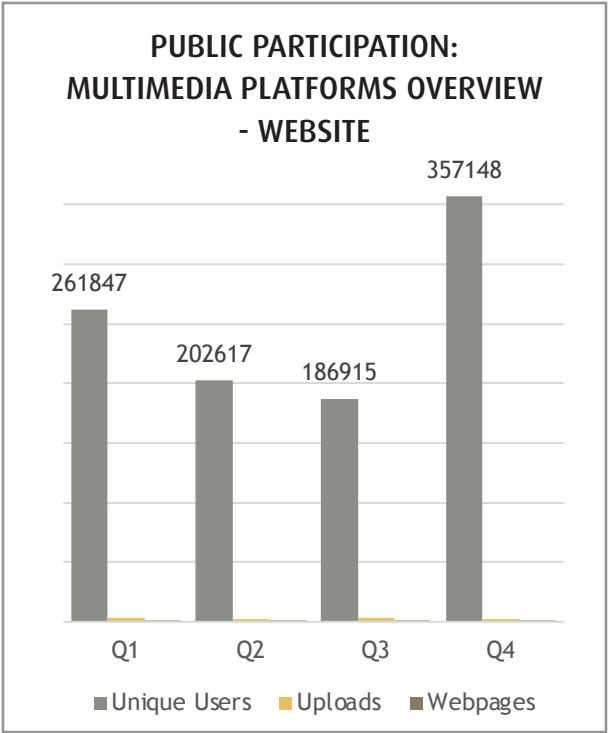


Figure 15: Website users

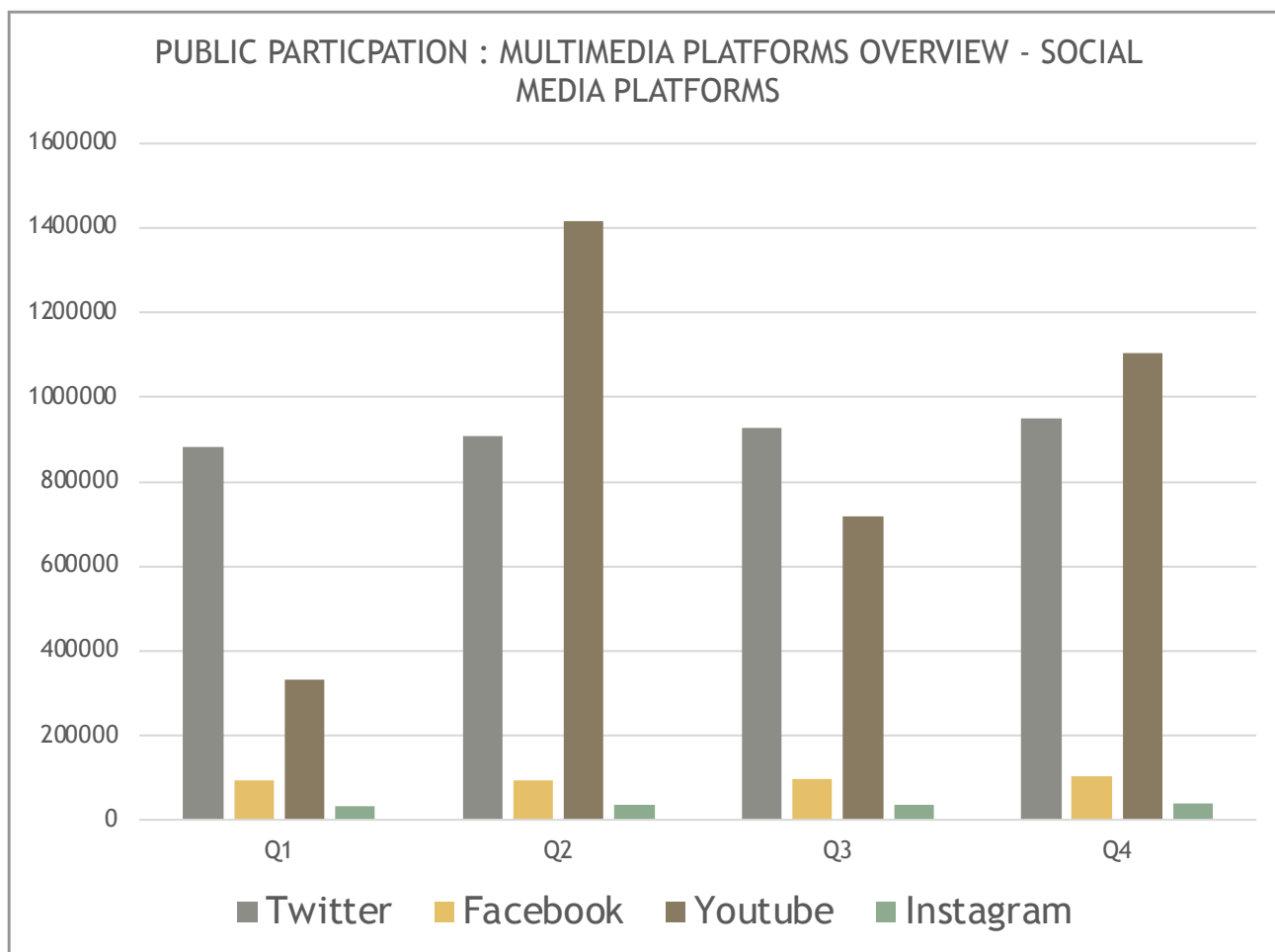
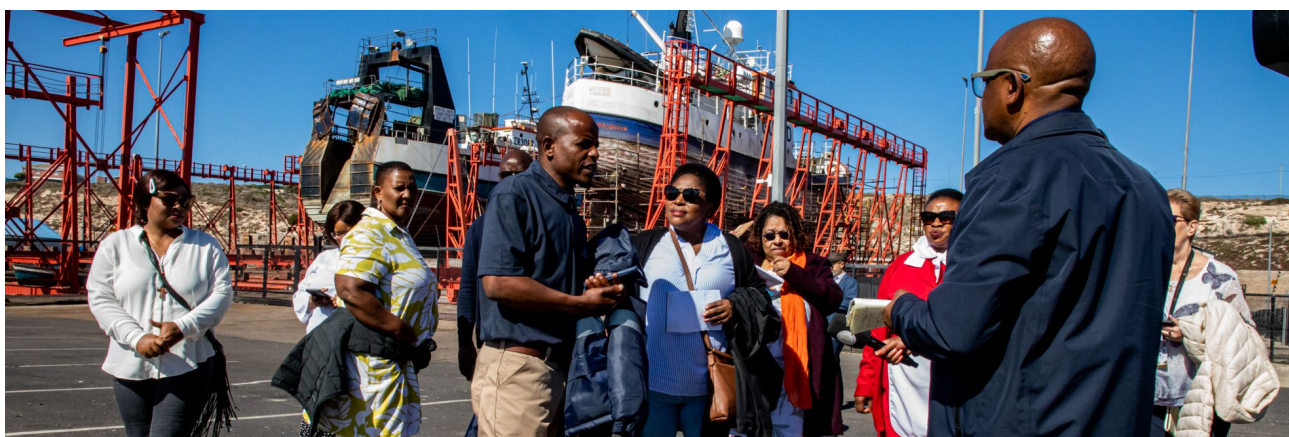


Figure 16: Social media

The Programme of Taking Parliament to the People was initiated by the NCOP in order to conduct oversight and to facilitate public participation in Parliament's processes. During the Programme, delegations consisting of members of the NCOP, Provincial Legislatures, and local Municipalities visit sites related to the theme. The visit culminates in a public meeting, where members of the public are given the opportunity to draw the executive's attention to challenges they experience with regards to service delivery.

The Council visited the Province of Kwazulu-Natal in Ugu District during this period under the theme: Building agile state capabilities to improve service delivery outcomes.

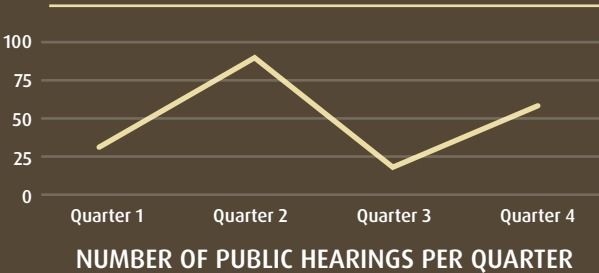


PUBLIC PARTICIPATION

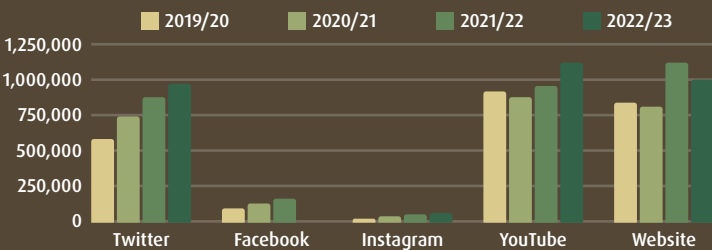
2022 / 2023

198

NUMBER OF PUBLIC HEARINGS FOR THE
2022/23 REPORTING PERIOD



ACCESS VIA SOCIAL MEDIA



7 PETITIONS PROCESSED

Petition from residents in Okhahlambo in KZN, calling on Assembly to investigate the state of the roads in the communities

Petition on the Seekoegat Primary School Flag Boshielo

Petition The provision of proper and safe offices for the South African Social Security Agency in Tembisa

Critical Infrastructure Regulations

Petition from Independent Technicians regarding contractual disagreement with Telkom

Petition to investigate the commissioning of the Mzansi National Philharmonic Orchestra by the Department

Fostering public participation and ensuring that the voices of the citizens are heard in the democratic process is a central obligation of the institution. In facilitating meaningful dialogue, public hearings serve as an essential platform for citizens to express their views, concerns, and recommendations on matters of public interest. In the past year, the South African Parliament successfully organized and conducted 198 public hearings across various issues of national significance. These hearings provided opportunities for diverse stakeholders to engage directly with legislators and contribute to the policy-making process.

Amplifying citizen voices in today’s digital age, social media has become a powerful tool for connecting with citizens and fostering public participation. Parliament recognized this and made significant strides in increasing engagement on social media platforms. Our presence on platforms such as Twitter, Facebook, Instagram has expanded, resulting in a notable increase in followers, interactions, and reach. This online engagement has allowed us to reach a wider audience, facilitating discussions, disseminating information, and encouraging active citizenship. Expanding access to information Parliament’s website and YouTube channel have been vital in providing access to information and promoting transparency. Over the reporting period, we witnessed a substantial increase in website hits, indicating a growing interest in parliamentary affairs. Additionally, our YouTube channel garnered more views, making legislative proceedings and public engagements more accessible to the public. These digital platforms have served as valuable resources, empowering citizens to stay informed and participate in the democratic process.

In addressing citizen concerns, petitions offer citizens a direct avenue to raise their concerns and seek redress from the parliament. In the past year, Parliament processed petitions, taking appropriate action where required.



2.8 AUDIT OUTCOME FOR 2022/23

Parliament achieved a clean audit for the 2022/23 financial year. The 2022/23 result is the 9th consecutive clean audit for Parliament. This audit outcome is the result of actions taken, over several years, to strengthen financial management capacity and the control environment. Parliament received unqualified opinions from 2006/7, with clean audits since the start of the 5th Parliament.



PERFORMANCE OF THE PARLIAMENTARY SERVICE

3. PERFORMANCE OF THE PARLIAMENTARY SERVICE

3.1 PERFORMANCE OF THE PARLIAMENTARY SERVICE

The Parliamentary Service provides the support services required by Parliament and its Members to effectively fulfil their constitutional functions. The Parliamentary Service must provide these key inputs in order for Parliament to become effective and efficient, and to achieve its stated outcome. Inputs relate to Members' capacity building, advisory and information services, and related facilities and support used in the activities of Parliament. The Secretary to Parliament, as Accounting Officer, must also specify performance targets for assessing performance.

The audited performance for the 2022/23 financial year is as follows:



Figure 17: Overall Institutional Performance

PERFORMANC BY INDICATOR		STATUS
Prog. 1	% Member Satisfaction (Digital Service)	
	% Member Satisfaction (Facilities Management)	
Prog. 2	Number of annual parliamentary frameworks adopted	
	Number of NA programmes adopted	
	Number of NCOP programmes adopted	
	% Member Satisfaction (Capacity Building)	
	% Member Satisfaction (Research Service)	
	% Member Satisfaction (Content Advice)	
	% Member Satisfaction (Procedural Advice)	
	% Member Satisfaction (Legal Advice)	
	% Member Satisfaction (Committee Support)	
	% Member Satisfaction (Public Participation)	
Prog. 3	n/a	
Target Met		Target Not Met/ Not Reported

Table 3: Programme Performance Summary

The 2022/23 reporting period continues to measure client satisfaction of Members of Parliament with the services provided by the Parliamentary Administration. This survey methodology provides an opportunity for direct feedback on where services can be improved. Members' Satisfaction with services is measured quarterly through a survey that is sent to all Members of Parliament, where services are rated along 5 dimensions correlated to client satisfaction. Support services indicators are measured along the dimensions of usefulness, reliability, timeliness, and ease of access, with an additional dimension of fairness for core business indicators. Overall Member satisfaction is a weighted average of these dimensions. The final results are an average of the responses received from all Members of Parliament.

Indicator	Overall Member Satisfaction (%)	Ease of Access	Timeliness	Reliability	Fairness	Usefulness
Digital Service	85,15%	84,355	83,75%	85,24%	N/A	86,01%
Facilities Management Services	78,57%	77,71%	78,80%	78,43%	N/A	78,97%
Capacity Building Services	74,31%	73,96%	73,90%	73,83%	N/A	75,13%
Research Service	80,32%	79,98%	79,63%	79,91%	80,38%	81,23%
Content Advice	79,99%	80,09%	79,92%	80,36%	79,92%	79,65%
Procedural Advice	77,05%	76,41%	76,19%	77,48%	77,70%	77,14%
Legal Advice	76,08%	76,62%	76,33%	75,77%	75,42%	76,20%
Committee Support Services	82,77%	82,95%	82,96%	82,67%	82,68%	82,71%
Public Participation Support	75,28%	75,47%	74,86%	75,78%	75,20%	74,91%

Table 4: Annual Client Satisfaction Results Summary

3.2 AIM OF THE VOTE

The aim of Vote 2 is to provide the support services required by Parliament to fulfil its constitutional functions, assist political parties represented in Parliament to secure administrative support and service constituents, and provide Members of Parliament with the necessary facilities.

3.3 PARLIAMENT'S REVENUE, EXPENDITURE AND TRANSFER PAYMENT

Revenue: Parliament's main revenue includes appropriated funds and direct charges. Parliament is not required to return to the National Revenue Fund (NRF), any money appropriated for a particular financial year but not spent in that year, in terms of section 23(1) of the FMPPLA. Section 23(4) of the FMPPLA provides that Parliament must



surrender to the National Treasury, for depositing into the NRF, funds that are a direct charge against the NRF for any requirements related to Parliament in terms of any legislation for a particular financial year, but not spent in that year.

Expenditure trends: Parliament's planned expenditure in terms of the Annual Performance Plan (APP) for this financial year was more than the amount appropriated, which resulted in adjustments to the planned programme of activities.

Transfer payments: Parliament makes transfer payments to political parties represented in Parliament in proportion to their representation, to enable the parties to effectively perform their functions, in terms of section 57 of the Constitution of the Republic of South Africa, Act 108 of 1996 and section 35 of the FMPPLA. Political parties must annually prepare and submit to Parliament, annual financial statements which must detail how the allowances received in the previous financial year were expended, and be audited by a registered accountant and auditor who is subject to the Public Accountants' and Auditors' Board.



4

PROGRAMME PERFORMANCE



4. PROGRAMME PERFORMANCE

4.1 PROGRAMME 1: ADMINISTRATION

4.1.1 Purpose

The purpose of programme 1 is to provide strategic leadership, management and corporate services to Parliament.

4.1.2 Sub-programmes

- Executive Authority
- Office of the Secretary
- Corporate and support services

Programme 1: Administration is a consolidation of three previous programmes including Leadership and Governance, Administration and Support Services. The aim of the programme is to provide leadership, management and support services for the operations of Parliament. As this programme mostly reflects inputs for operations, the related performance information will be accommodated in operational plans.

4.1.3 Performance of Programme 1:

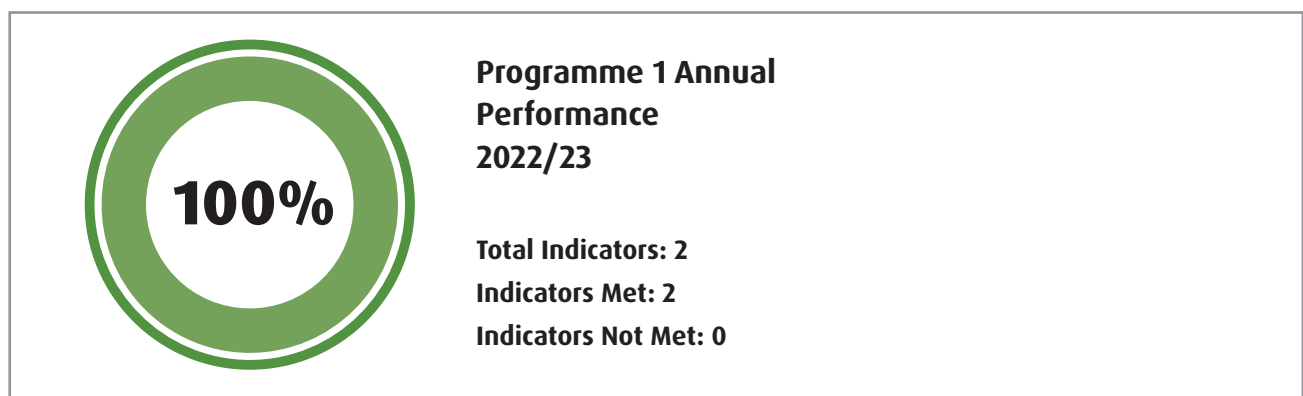


Figure 18: Programme 1 Overall Performance 2022/23

Both indicators that were measured met their target.

Support Services

Parliamentary Service	Indicator	Annual target	Annual Performance	Variance	Reasons for Variance/ Mitigation
Digital service	% Member satisfaction	80%	85,15%	+5,15%	Useful and reliable service was provided
Facilities management service	% Member satisfaction	75%	78,57%	+3,57%	Useful and timeous service was provided

Table 5: Support Services Performance

Digital Support Services

Digital support services aim to improve the provision, usage, and management of information to meet the information and communication needs of Members, staff, and the public.

The provision of ICT, broadcasting, and audio-visual services enables (virtual and hybrid) plenary sittings and committee meetings via television and digital streaming, as well as for oversight activities such as: questions for Executive reply; Members' statements; Notices of motion; mini-plenaries, and debates; Constituency work; Oversight visits. Broadcasting, and audio-visual services are also provided for public hearings for Committees. During this reporting period, the public, citizen interest groups, Members of Parliament, and the Administration were able to access the parliamentary website, which is one of the institution's primary digital communication platforms. During the reporting period, the website availability (uptime) was 99.86%.

Due to the fire disaster, the back-end broadcasting infrastructure was damaged. To mitigate, applicable equipment was hired to enable the broadcasting and/or hybrid enablement of committee meetings. Members of the public were able to follow proceedings of the National Assembly, National Council of Provinces and virtual committee meetings live on Parliament TV (DSTV Channel 408), via live stream on Parliament's YouTube channel, Facebook, and Twitter pages.

The Webex Legislate site for Parliament was launched, while MP's continue to be provided with technical support, with the following devices delivered to Members:

- 260 mobile devices
- 323 Laptops
- 329 Tablets

In this reporting year Parliament made much progress in its drive to digitalise and transform core processes. The Oversight monitoring and tracking system was rolled out, the House Resolution Tracking System and the Committee Decisions Tracking System were initiated, as well as the Legislative Drafting System.



The project on the Modernisation of Committee Rooms and NCOP Chamber has been initiated, with a revision to the business case considering the impact of the fire disaster and the NCOP Chamber requirements. The average availability of the network and key systems (e.g., ERP, email, intranet website, uVimba, Bungeni, etc.) during the reporting period was 99,91%. The process for finalising offsite Disaster Recovery is in progress, and life cycle management of institutional end-user tools (for staff) is continuing.

Facilities Management Support Services

Services continued to be provided with limited staff on the precinct to assist Members of Parliament where required, with onsite rotation.

Space utilisation remains a significant challenge for the institution, which necessitated the revision of the space utilization plan and the finalisation of the Remote Work Policy. The post-fire relocation of Members to 6th floor 90 Plein street was completed, a further 70 offices were allocated to various Parties that were impacted by the NA and Old Assembly building fire, and the NCOP has been declared safe for occupation and the process of relocating stakeholders back to the NCOP was initiated.

Transport between the Parliamentary Villages and the Parliamentary Precinct was provided for Members as per the Parliamentary Programme. Transport services were provided for employees for various activities such as the movement of tools of trade, shuttle service provision (internal and external) and movement of furniture and/ or goods.

The Security Enhancement Project has been initiated to improve security on the precinct and extend the boundary fence. Building security was provided through patrols, inspections and utilizing monitoring facilities. The facilitation for screening and vetting and the processing of pre-screening of all short listed candidates took place on a needs basis.

Various upgrades were implemented during the reporting period, including improvements to catering facilities and the refurbishment of Members' consultation rooms.



4.2 PROGRAMME 2: LEGISLATION AND OVERSIGHT

4.2.1 Purpose

The programme provides support services for the effective functioning of the National Assembly and the National Council of Provinces including procedural, legal and content advice; information services and record keeping; and secretarial and support services for the Houses and its committees.

4.2.2 Sub-programmes

- National Assembly
- National Council of Provinces
- Public participation and external relations
- Shared services
- Sectoral Parliaments and joint business

4.2.3 Performance of Programme 2:

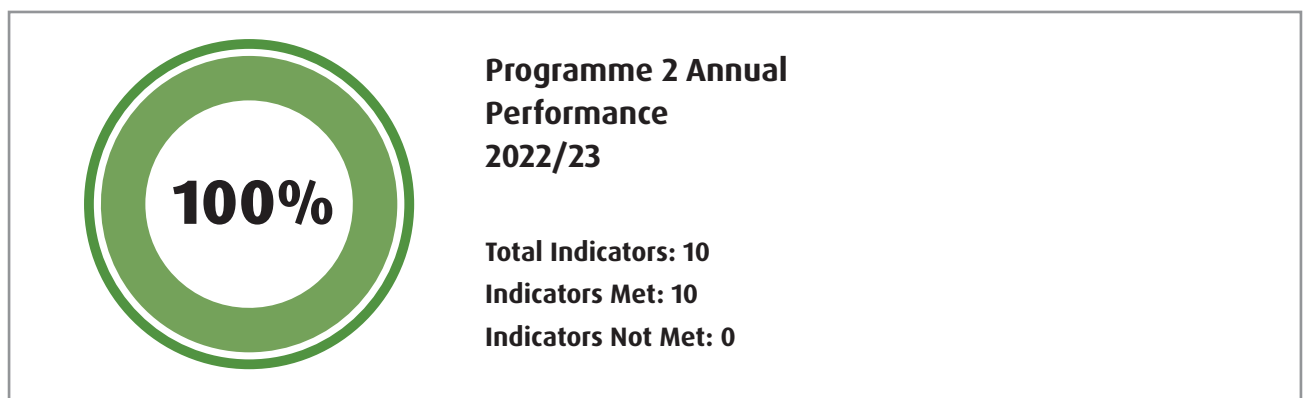


Figure 19: Programme 2 Overall Performance 2022/23

All ten indicators measured met their target.

Plenary Programming

Parliamentary Service	Indicator	Annual target	Annual Performance	Variance	Reasons for Variance/ Mitigation
Programming service	Number of annual parliamentary frameworks adopted	1	1	0	N/A
	Number of NA programmes adopted	4	4	0	N/A
	Number of NCOP programmes adopted	4	4	0	N/A

Table 6: Plenary Programming Performance

Performance Trends

Programmes are an essential tool in facilitating the smooth coordination of activities of the National Council of Provinces, National Assembly, Provincial Legislatures and SALGA. The NCOP and NA adopted their programmes during all four quarters, including the annual framework which was adopted in the third quarter. The programmes outlines activities of Portfolio and Select Committees, House and other fora in which the Assembly and the Council participate, in particular taking into account the legislation before committees.

Capacity Building

Parliamentary Service	Indicator	Annual target	Annual Performance	Variance	Reasons for Variance/ Mitigation
Capacity building service	% Member satisfaction	70%	74,31%	+4,31%	Useful and easy to access service was provided

Table 7: Capacity building Performance

Capacity Building Services

New controls and administrative processes were introduced and successfully implemented to ensure effective administration of bursaries and training for Members. This included progress on the capacity-building framework, preparation and consultation on the revised Capacity-building Policy, and the implementation of a client engagement and ticketing model. Additionally, after the successful launch of the South African Parliamentary Institute (SAPI), a curriculum framework and operational plan was completed.

Legislation and Oversight

Parliamentary Service	Indicator	Annual target	Annual Performance	Variance	Reasons for Variance/ Mitigation
Research service	% Member satisfaction	75%	80,32%	+5,32%	Useful and fair service was provided
Content advice service	% Member satisfaction	75%	79,99%	+4,99%	Reliable and easy to access service was provided
Procedural advice service	% Member satisfaction	75%	77,05%	+2,05%	Fair and reliable service was provided
Legal advice service	% Member satisfaction	75%	76,08%	+1,08%	Easy to access and timeous service was provided
Committee support service	% Member satisfaction	75%	82,77%	+7,77%	Timeous and easy to access service was provided

Table 8: Legislation and Oversight Performance

Research Service

Research services are 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. This support is provided for individual Members of Parliament, programmes of the Houses and its committees, sectoral parliaments (Youth and Women Parliaments) and programmes of the National Council of Provinces (NCOP) including Taking Parliament to the People, Provincial Week, Local Government Week, and parliamentary projects.

For the reporting period, 1 185 research papers were provided in support of Parliament's oversight and accountability, legislative, public participation, cooperative governance and international responsibility mandates. The great majority of this support was for oversight and accountability.

Content Advice & Committee Support Services

Committee support takes many forms, including with outputs relating to the approval of annual budgets and performance plans of the departments and their entities, assessment of the performance of these entities using the Budget Review and Recommendations Report (BRRR) processes. Support is provided for oversight visits, committee meetings, statutory appointments, scrutiny of quarterly and annual reports, processing of legislation, parliamentary enquiries, interventions, public hearings, processing of petitions and submissions, as well as international relations related activities.

Procedural Advice Support Services

Procedural advice support service is provided in relation to correspondence, rulings and requests, as well as for House resolutions and research.

Legal Services Support

Legal support to Members is in the form of advice given to Committees in the legislative process as well as for programming support. For the period under review there were 33 legal opinions completed and provided to Committees, as well as 31 Bills introduced, 22 Act forms sent to the President for assent, and 3 Acts sent to the Constitutional Court for safekeeping.

Public Participation

Parliamentary Service	Indicator	Annual target	Annual Performance	Variance	Reasons for Variance/Mitigation
Public participation service	% Member satisfaction	75%	75,28%	+0,28%	Reliable and easy to access service was provided

Table 9: Public participation Performance

Public Participation Service

Public participation interventions are implemented that focus on the delivery of public education and information programmes, empowering people to participate in parliamentary processes, mobilising public stakeholders, and capitalising on the use of digital and preferred platforms. For the period under review there were 198 public hearings, as shown below:

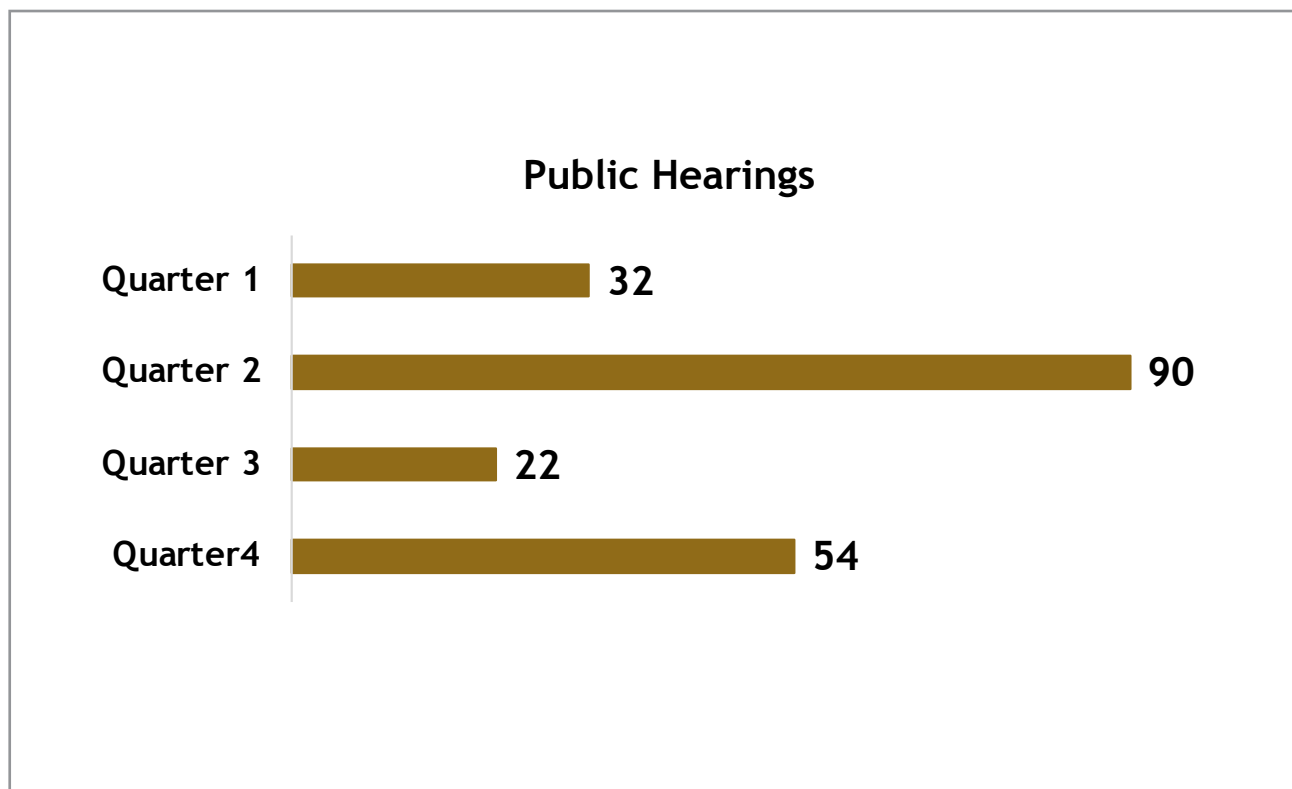


Figure 20: Number of Public Hearing per Quarter 2022/23

4.3 PROGRAMME 3: ASSOCIATED SERVICES AND TRANSFERS

4.3.1 Purpose

The purpose of this programme is to provide facilities and financial support for political parties including leadership, administrative and constituency support. The programme also provide transfer payments to entities in Parliament. The programme contains no performance information.

4.3.2 Sub-programmes

- Member's Facilities;
- Leaderships, Administrative and Constituency support to political parties;
- Transfer to the Parliamentary Budget Office.

4.3.3 Members' Facilities

Members of Parliament are provided with travel and communication facilities, in a manner that is accessible, effortless, accurate and friendly.

While the Covid pandemic has fundamentally changed the mechanism of service delivery, services have nevertheless been provided in an uninterrupted manner since March 2020. Internal processes were adjusted to support the changed working conditions. Services are now managed through a mix of onsite and offsite capabilities. Remote working conditions created the opportunity to explore modern digital solutions, offering greater ease of use and seamless service offerings, irrespective of location.

In the financial year under review, Members Support Services facilitated the following:

- **Payment of reimbursed claims:** Turnaround for claim processing and reimbursement averaged 1.98 days, with R19.8 million paid out on more than 26 000 claims in the financial year 2022/23. Claim volume increased by 44% over 2021/22, and the turnaround time improved from 2.15 to 1.98 average working days to pay.
- **Air travel booked:** Ticket volume increased by 3%. The total for the financial year 2022/23 was 21 542 tickets booked. The cost of air tickets, which has increased by an estimated 40% in the year in review, significantly impacting expenditure.
- **Bursaries for Members:** The bursary ceilings have been changed from an annual limit to a limit per qualification. Bursaries of over R2 million were funded by Parliament in the 2022/23 financial year, with 51 Members of Parliament funded to date.

4.3.4 Financial and administrative support for political parties

Section 57(2)(c) of the Constitution allows political parties to receive financial and administrative assistance. The following assistance is provided through transfer payments to political parties:

- Party leadership support,
- Administration allowance, and
- Constituency allowance.

Funds are transferred to political parties represented in Parliament in proportion to its representation, in terms of section 34 of the FMPPLA and the Policy on Political Parties Allowances.

Political parties are required to submit the audited financial statements for the previous financial year, which confirms that the funds were spent for the purposes they were allocated for. The amounts not spent for the purpose intended, are withheld from the current year allocations.

4.3.5 Parliamentary Budget Office

The Parliamentary Budget Office (PBO) is a juristic entity of Parliament headed by the Director as its Accounting Officer. The PBO is established by section 15 of the *Money Bills Amendment Procedure and Related Matters Act*, Act no 09 of 2009.

During the reporting period, the PBO provided quantitative and qualitative technical work that empowered Members of Parliament to discharge their constitutional and public finance oversight work over the Executive. The services included macroeconomic and fiscal policy and related budget research, analysis, and advice. The performance outputs that serve as information inputs in the decision-making process of parliamentary Committees were produced to strengthen the scrutiny and oversight capacity of Parliament over the Executive, on complex public finance oversight matters.

For the period under review the PBO produced the following analytical reports:

- MTBPS Analysis;
- Adjusted Appropriations and DORB;
- 2022 Appropriations Bill Assessment;
- 2022 Appropriations Bill Assessment;
- 2022 Appropriations Bill Briefing Additional Notes on Vote 26: Military Veterans;
- Policy Brief Performance on Agriculture Conditional Grants, 2020-21;
- Policy Brief 2020-21 Performance on Basic Education Conditional Grants;
- Quarterly Economic Brief 15 June 2022;
- Taxation Brief - 2022 Taxation and Revenue Proposals;
- Briefing on the 2022 draft Preferential Procurement;
- Submission on the draft SADC Model law on Public Finance Management;
- Orientation of the Secretary to Parliament;
- PBO Fiscal Brief 2021/22 Financial Year Analysis;
- Quarterly Economic Brief;

- Brief on 2022 Government Support Interventions;
- Eastern Cape Provincial Legislature Budget Committee Workshop;
- Members Training and Capacity Building Program;
- Increasing Public Participation in the Budget Process, AN-PBO Presentation;
- MTBPS Analysis;
- Adjusted Appropriations and DORB;
- Pre-MTBPS Presentation;
- Pre-MTBPS Brief;
- DOR, Adjusted Appropriations & Special Appropriations for SCOA;
- DOR Presentation to SCOA;
- MTBPS Discussion;
- PBO briefing -2022 MTBPS;
- Brief on 2023 Division of Revenue Bill for Standing Committee on Appropriation - PBO Presentation;
- DORA and Second Adjustments Appropriations - PBO Presentation;
- Government underspending analysis 2011 - 2021 the case studies of the Departments of Health and Social Development;
- PBO Fiscal Framework Summary;
- Quarterly Economic Brief;
- Written answer to the question raised by the Select and Standing Committees on Finance on austerity;
- Thinking about Fiscal Consolidation - theory, ideology and consequences;
- PBO Joint Chair of Chairs Workshop;
- Eastern Cape Provincial Legislature Budget Training;
- NCOP: The Committees Review and Planning Session;
- Report on the Bilateral Engagement between South African PBO Director and South Korean NABO Chief;
- Fiscal Brief;
- Pre-Budget Brief - SONA Policy Priorities;
- Pre-Budget Brief - Unfunded Budgets in Local Government;
- Pre-Budget Brief - Macroeconomic Analysis of the Global and South African Economy;
- Budget Presentation.

Additionally, there were nine (9) products related to economic, policy and fiscal briefs produced and presented for keeping Members abreast of current affairs were produced as follows:

- Fiscal Brief;
- 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;



- Policy Brief- Performance on the 2019-2024 MTSF, Priority 5- Spatial Integration, Human Settlements and Local Government;
- Policy Brief- Performance on the 2019-2024 MTSF, Priority 6- Social Cohesion and Safer Communities (Part 1);
- Policy Brief- Performance on the 2019-2024 MTSF, Priority 2 Economic Transformation and Job Creation;
- Policy Brief- Performance on the 2019-2024 MTSF, Priority 3- Education, Skills and Health;
- Policy Brief- Performance on the 2019-2024 MTSF, Priority 6- Social Cohesion and Safer Communities (Part 2);
- Quarterly Economic Brief.

The following papers were delivered to domestic and international forums:

- PBO Briefing on Vote 1 Presidency Oversight - November 2022;
- FFC 23 Nov 2022;
- Uganda Study Visit;
- Tanzania Study Visit;
- NCOP Legislative Review 25 November 2022.

4.3.6 Office of Institutions Supporting Democracy

Substantive reports are tabled and then referred to the relevant parliamentary committee(s) by the Speaker or Chairperson of the respective House for consideration and or report. Referrals of such reports are not usually accompanied by instructions to report back or to take specific action unless there is a legal requirement to do so or where there is a special request in that regard. The Rules of both the NA and the NCOP stipulate that committees are authorised to determine their working arrangements [NA Rule 167 (f)] and procedures [NCOP Rule 103 (e)]. During the period of April 2022 and March 2023, there were a total number of 26 substantive reports tabled. The Commission for Gender Equality (CGE) tabled 8 reports for the period, the Auditor General (AG) tabled 8 reports. The Public Service Commission (PSC) tabled 6 reports whereas the Independent Electoral Commission (IEC) tabled 1 report and the Public Protector (PP) tabled 3 reports as depicted below:

REPORTS TABLED DURING THE PERIOD

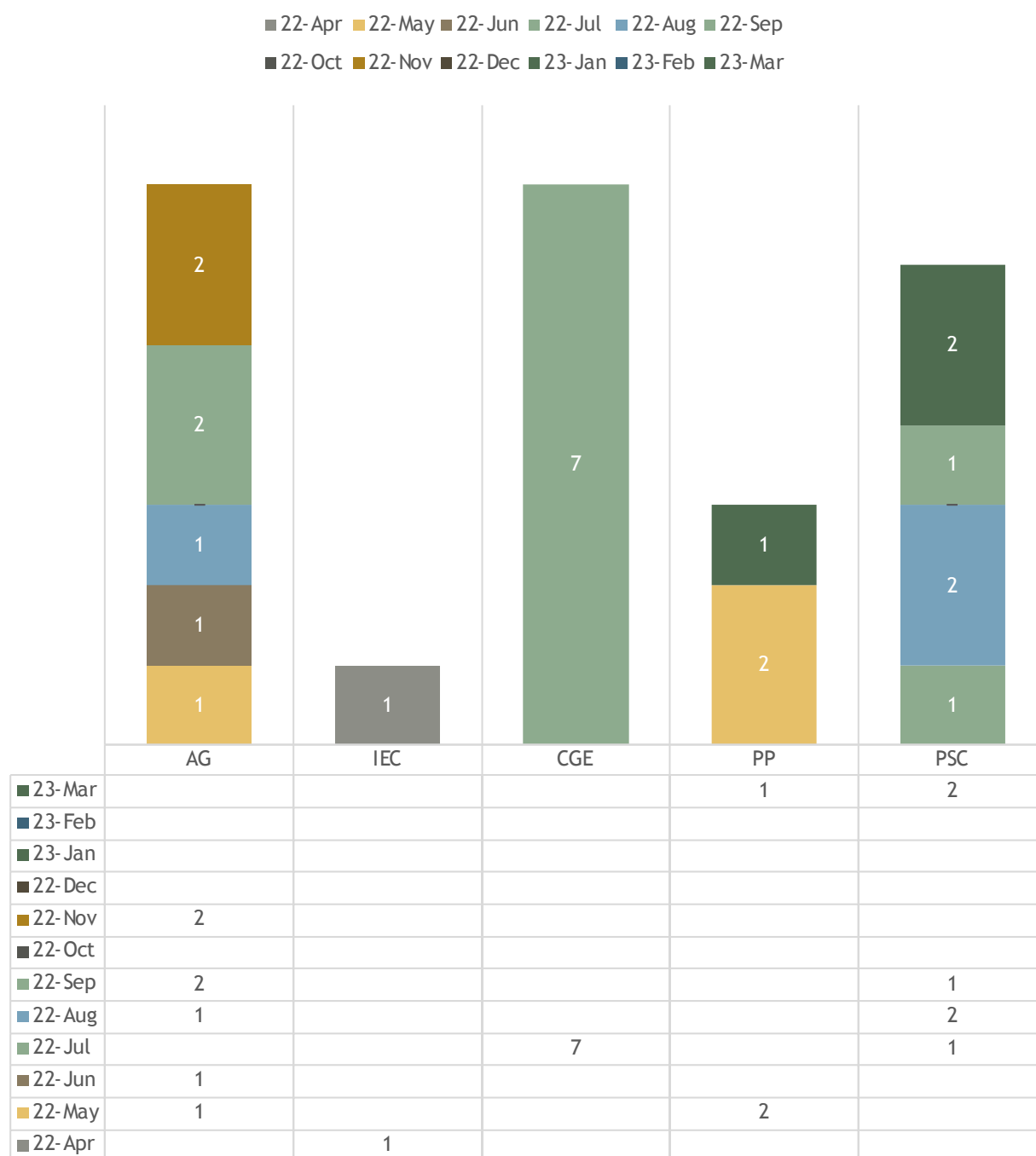


Figure 21: Total number of Substantive Reports tabled for the period of 01 April 2022 to 31 March 2023



5

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 2: PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Parliament of the Republic of South Africa (Parliament) set out on pages 83-133, which comprise the statement of financial position as at 31 March 2023 statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Parliament as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act 10 of 2009 (FMPPLA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of Parliament in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter

Related parties

7. We draw attention to note 34 in the financial statements, which deals with the refurbishment of Parliament over the next two years. Management have also described the agreement entered into with Development Bank of Southern Africa (DBSA) to manage the restoration of the burnt buildings, redesign, and total facilities management of the Parliament Precinct.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the FMPPLA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting officer is responsible for assessing Parliament's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate Parliament or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected the programme that measures Parliament's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Legislation and oversight	60-63	To provide procedural, information, content and administrative support to the Houses and its committees.

14. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides the users with useful and reliable information and insights on Parliament's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- the indicators and targets reported on in the annual performance report are the same as were committed to in the approved initial or revised planning documents, and
 - there are adequate supporting evidence for the achievements reported.
16. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance opinion.

17. I did not raise any material findings on the reported performance information for the following programme:

- Programme 2: Legislation and oversight

REPORT ON COMPLIANCE WITH LEGISLATION

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for Parliament's compliance with legislation.
19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of Parliament, clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

22. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported on in this auditor's report.
23. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive all the other information prior to the date of this report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matters to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.



INTERNAL CONTROL DEFICIENCIES

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General



Cape Town
31 July 2023

ANNEXURE TO THE AUDITOR'S REPORT

1. The annexure includes:
 - the auditor-general's responsibility for the audit
 - the selected legislative requirements for compliance testing.

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected programme and on Parliament's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parliament's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
 - conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of Parliament to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a Parliament to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation



Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Finance Management of Parliament and Provincial Legislature Act 10 of 2009	<p>Section 7 (a); 7(b); 7(e')</p> <p>Section 20(5); 21(2) 22(2)</p> <p>Section 33(2)(a); 33(2)(b); 33(2)(e)</p> <p>Section 35(1)(a); 35(1)(b)</p> <p>Section 36(a)</p> <p>Section 41 (b)</p> <p>Section 44</p> <p>Section 46</p> <p>Section 56(1)</p> <p>Section 57(a)</p> <p>Section 67(2)(a); 67(2)(b)</p> <p>Section 68(2)(a); 68(2)(b)</p>
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Financial Management of Parliament Act – SCM Regulations	<p>Regulations 4(2)(b); 4(3)(a); 4(3)(b); 4(3)(c)</p> <p>Regulation 5(2)</p> <p>Regulations 6(1)(c); 6(2); 6(3)e; 6(6)(a)(i) &(ii); 6(6)(a)(v); 6(7)(a)(i) &(ii)&(iii); FMPA SCM Reg. 6(7)(b)(iii), 6(7)(c)(v); 6(8)(a)(i-ii); 6(8)(b)(ii) & (iii); 6(8)(a)(ix); 6(8)(f)(iv); 6(9)(a)(i) to (iv); 6(11)(b); 6(11)(i),(ii)&(iii); 6(11)(d) (i) to (vii)</p> <p>Regulations 7(3) & 7(4)</p> <p>Regulations 7(7)(a)(i); 7(7)(a)(ii); 7(7)(a)(ix); 7(7) (d) and (e); 7(8)(a); 7(9)(a)(vi); 7(9)(c)(i)</p> <p>Regulations 8; 8(1); 8(2)</p> <p>Regulation 9</p> <p>Regulations 11(1)(b); 11(2); 11(3)</p>
PPPFA	Section 1(i); 2.1(a); 2.1(f)



Legislation	Sections or regulations
PPR 2017	<p>Paragraphs 4.1; 4.2</p> <p>Paragraphs 5.1; 5.3; 5.6; 5.7</p> <p>Paragraphs 6.2; 6.3; 6.5; 6.6; 6.8</p> <p>Paragraphs 7.1; 7.2; 7.3; 7.5; 7.6; 7.8</p> <p>Paragraphs 8.2; 8.5</p> <p>Paragraphs 9.1; 9.2</p> <p>Paragraphs 10.1; 10.2</p> <p>Paragraphs 11.1; 11.2</p>
PPR 2022	<p>Paragraph 3.1</p> <p>Paragraphs 4.1; 4.2; 4.3; 4.4</p> <p>Paragraphs 5.1; 5.2; 5.3; 5.4</p>



6

ANNUAL FINANCIAL STATEMENTS 2022/23



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Auditors	Auditor General of South Africa Registered Auditors

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

The reports and statements set out below comprise the financial statements presented to the :

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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Officer's Report

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against misstatement.

The financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgment and estimates.

The Accounting Officer acknowledges that he is responsible for the system of internal financial control established by Parliament and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, management sets standards for internal controls aimed at reducing the risk of error. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the year and all employees are required to maintain the highest ethical standards in ensuring the Parliament's business is conducted in a manner that in all reasonable circumstances, is above reproach. The focus of risk management in Parliament is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While risk cannot be fully eliminated, Parliament endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. During the previous financial year, Parliament experienced a devastating fire on the 02 January 2022 that gutted the National Assembly Chamber, Old Assembly and New Wing Building. The fire caused extensive damage to several meeting rooms, offices of the Members of Parliament and building contents. Parliament put controls in place to ensure that its Constitutional obligations and its programs will not be derailed and will not be distracted by the fire. Parliament, as an institution, remained intact, competent and functional to fulfil its obligations to the people of South Africa.

Parliament appointed the Development Bank of Southern Africa in March 2023 to facilitate the commencement of following:

- Remodeling of 90 Plein Street Offices
- Refurbishment of burnt buildings
- Redesign of the precinct and
- Total facilities management

The Accounting Officer has reviewed Parliament's cash flow forecast for the year ending 31 March 2024. In the light of this review, is satisfied that Parliament has access to adequate resources to continue its operations for the foreseeable future. Although the statement of financial position indicates a net deficit which is mostly due to the provision made for the post retirement medical benefits for current and former members of Parliament and Provincial Legislatures. Parliament has sufficient budgeted amount to make the contributions for the qualifying former members. Parliament is wholly dependent on National Treasury for the continued funding of its operations. The financial statements are prepared on the basis that the entity is a going concern and that Parliament has neither the intention nor the need to liquidate or curtail materially the scale of the Institution.

The Accounting Officer is primarily responsible for the financial affairs of Parliament. Auditor General of South Africa is engaged to expression an independent opinion on these annual financial statements.

Mr X George
Secretary to Parliament

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

		2023	2022
	Note(s)	'000	Restated* '000
Assets			
Current Assets			
Inventories	2	2 732	1 670
Receivables from exchange transactions	3	7 328	8 094
Receivables from non-exchange transactions	4	1 320	3 455
Other statutory receivables	5	66 538	30 170
Prepayments	6	12 304	11 750
VAT Receivables		1 229	845
Assets held for sale		104	104
Cash and cash equivalents	7	605 088	483 286
		696 643	539 374
Non-Current Assets			
Property, plant and equipment	8	67 548	63 024
Intangible assets	9	4 411	4 821
Heritage assets	10	50 186	50 283
		122 145	118 128
Total Assets		818 788	657 502
Liabilities			
Current Liabilities			
Finance lease obligation	11	10 741	5 199
Payables from exchange transactions	12	79 838	53 234
Payables from non-exchange transactions	13	7 461	2 894
Employees and Members benefit obligations	14	216 924	241 167
Provisions	15	6 126	2 222
		321 090	304 716
Non-Current Liabilities			
Finance lease obligation	11	3 243	2 163
Employees and Members benefit obligations	16	1 619 529	1 637 495
		1 622 772	1 639 658
Total Liabilities		1 943 862	1 944 374
Net Liabilities		(1 125 074)	(1 286 872)
Accumulated deficit		(1 125 074)	(1 286 872)
Total Net Liabilities		(1 125 074)	(1 286 872)

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023 '000	2022 Restated* '000
Revenue			
Revenue from exchange transactions			
Sale of goods	17	4 807	2 532
Other revenue		1 503	444
Commissions received		578	574
Bad debts recovered		-	1
Interest earned	18	37 577	21 379
Total revenue from exchange transactions		44 465	24 930
Revenue from non-exchange transactions			
Annual appropriation	19	2 367 311	2 144 148
Statutory appropriation	20	538 247	501 880
Service in kind revenue	21	107 278	141 297
Other revenue		524	2 665
Total revenue from non-exchange transactions		3 013 360	2 789 990
Total revenue		3 057 825	2 814 920
Expenditure			
Compensation of employees and Members	22	(1 880 786)	(1 822 871)
Depreciation and amortisation	23	(25 835)	(25 470)
Finance costs	24	(1 427)	(495)
Debt Impairment	25	(213)	(16)
Transfers to non-profit institutions	26	(518 349)	(511 927)
Repairs and maintenance	27	(6 919)	(5 310)
Cost of sales	28	(6 134)	(2 563)
General Expenses	29	(630 579)	(443 337)
Total expenditure		(3 070 242)	(2 811 989)
Operating (deficit) surplus		(12 417)	2 931
Profit/(Loss) on disposal of assets		54	(11 644)
Impairment loss of assets	8&9&10	(157)	(5 539)
Past service costs	16	-	70 189
Actuarial gains	16	174 343	168 880
Other comprehensive incomes		174 240	221 886
Surplus for the year		161 823	224 817

* See Note 39

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

	Accumulated surplus / deficit '000	Total net assets '000
Opening balance as previously reported	(1 515 687)	(1 515 687)
Adjustments		
Prior year adjustments	3 998	3 998
Restated balance at 01 April 2021	(1 511 689)	(1 511 689)
Changes in net assets		
Surplus for the year	224 817	224 817
Total changes	224 817	224 817
Opening balance as previously reported	(1 293 987)	(1 293 987)
Adjustments		
Prior year adjustments 39	7 115	7 115
Restated balance at 01 April 2022	(1 286 872)	(1 286 872)
Changes in net assets		
Surplus for the year	161 823	161 823
Adjustment in opening balance	(25)	(25)
Total changes	161 798	161 798
Balance at 31 March 2023	(1 125 074)	(1 125 074)

* See Note 39

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Cash Flow Statement

		2023	2022
	Note(s)	'000	Restated* '000
Cash flows from operating activities			
Receipts			
Annual appropriation		2 367 311	2 144 148
Statutory appropriation		471 709	471 710
Departmental revenue		9 469	2 610
Interest received		38 037	15 250
Statutory receivable		30 170	34 139
		2 916 696	2 667 857
Payments			
Employee costs		(1 751 968)	(1 653 493)
Suppliers		(503 686)	(310 157)
Finance costs		(1 427)	(556)
Transfer to non-profit institutions	40	(513 782)	(516 819)
		(2 770 863)	(2 481 025)
Net cash flows from operating activities	32	145 833	186 832
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(13 712)	(22 300)
Proceeds from sale of property, plant and equipment	8	153	296
Purchase of other intangible assets	9	(153)	(12)
Purchase of heritage assets	10	-	(1)
Net cash flows from investing activities		(13 712)	(22 017)
Cash flows from financing activities			
Finance lease payments		(10 319)	(7 669)
Net increase/(decrease) in cash and cash equivalents		121 802	157 146
Cash and cash equivalents at the beginning of the year		483 286	326 140
Cash and cash equivalents at the end of the year	7	605 088	483 286

* See Note 39

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	'000	'000	'000	'000	'000	

Cash Flow Statement

Cash flows from operating activities

Revenue

Annual appropriation	2 212 243	155 068	2 367 311	2 367 311	-	
Statutory appropriation	471 709	-	471 709	471 709	-	
Sales of goods/departmental revenue	2 500	-	2 500	9 469	6 969	37.1.1
Interest received	17 500	-	17 500	38 037	20 537	37.1.2
	2 703 952	155 068	2 859 020	2 886 526	27 506	

Expenses

Compensation of employees	(1 242 943)	(43 899)	(1 286 842)	(1 213 721)	73 121	37.1.3
Compensation of Members	(471 709)	-	(471 709)	(538 247)	(66 538)	37.1.4
Goods and services	(524 159)	(226 978)	(751 137)	(503 686)	247 451	37.1.5
Transfer to non- profit institutions	(518 572)	-	(518 572)	(513 782)	4 790	37.1.6
	(2 757 383)	(270 877)	(3 028 260)	(2 769 436)	258 824	

Net cash flows from operating activities	(53 431)	(115 809)	(169 240)	117 090	286 330	
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Cash flows from investing activities

Acquisition of property, plant and equipment	(15 712)	(20 700)	(36 412)	(13 712)	22 700	37.1.7
Purchase of intangible assets	(160)	-	(160)	(153)	7	
Net cash flows from investing activities	(15 872)	(20 700)	(36 572)	(13 865)	22 707	

Net increase/(decrease) in cash and cash equivalents	(69 303)	(136 509)	(205 812)	103 225	309 037	
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Cash and cash equivalents at the end of the year	(69 303)	(136 509)	(205 812)	103 225	309 037	
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Reconciliation

Net cash from (used) operating

Basis difference

Interest paid	(1 427)
Statutory receivable received	30 170

Net cash from (used) investing

Basis difference

Proceeds from sale of property, plant and equipment	153
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Net cash from (used) financing

Basis difference

Finance lease payments	(10 319)
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Actual Amount in the Cash flow statement	121 802					
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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

	Note(s)	2023 '000	2022 '000
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1. Basis of presentation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 56 of the Finance Management of Parliament and Provincial Legislatures Act, 2009 (FMPPLA)..

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. The accounting policies applied are consistent with those that were applied in the previous year, except where indicated otherwise. Management has used assessment and estimates in preparing the annual financial statements. The estimates used were the best information available at the time of preparing the financial statements.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

1.1 Significant judgements

In the process of applying accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis and are recognised prospectively.

Impairment of trade receivables

The calculation in respect of the impairment of trade receivables is based on an assessment of the extent to which debtors have defaulted on payments already due and an assessment of their ability to make payments.

Going concern assumption

The financial statements have been prepared on the assumption that Parliament will continue to operate as a going concern for at least the next 12 months as indicated in the Accounting Officer's report.

Provisions and contingent liabilities

Management's judgment is required when recognising and measuring provision and contingent liabilities. Management uses best estimates based on experience and history of similar events.

Post- retirement benefits

The cost of post - employment medical benefits for former members of Parliament is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, medical inflation, mortality rates and average retirement age. Due to the long-term nature of the plans, such estimates are subject to significant uncertainty.

The cost of travel benefits of former Members, Executives (Ministers and Deputy Ministers) is determined using actuarial valuations. The actuarial valuation involves making assumptions about the weighted average discount rate, the benefit inflation rate, net discounts and re-election probabilities.

The Members exit gratuity benefit is calculated by the pension fund. It is calculated as the difference between the value payable based on new rules and the value payable in terms of old fund rules. This amount is increased by CPI each year until is paid to the Member when they exit the Fund.

Long service awards, for Parliament employees is determined using actuarial valuations. The actuarial valuations involve making assumptions about the discount rate, mortality rate, retirement age and withdrawal rates.

Accounting Policies

1.1 Significant judgements (continued)

Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements, and required return on assets to determine the optimum useful life expectation, where appropriate. The estimated residual values of assets is based on management's judgment on whether the assets will be sold or used at the end of their useful lives and what will be the condition of the assets at that time.

The impairment of property, plant and equipment is based on an assessment of the extent to which the recoverable amount of the asset has decreased below the carrying value of the asset. This is performed across all classes of property, plant and equipment during the physical verification process.

1.2 Hierarchy of standards used

The standards used in compiling the annual financial statements are those stipulated in Directive 5 of the Accounting Standards Board.

Adoption of new and revised standards

In the current financial year Parliament has adopted the revised standards and interpretations issued by the Accounting Standards Board (AB) as set out in Directive 5 that are relevant to its operations, and effective. The adoption of these revised standards and interpretations did not result in the changes to the accounting policies.

Parliament has not adopted any GSA Standards of GRAPE that are not yet effective.

In terms of Directive 5, the below listed Standards of GRAPE were approved and not yet effective:

Guideline: Accounting for Landfill Sites

Guideline: The Application of Materiality to Financial Statements

The above standard where applicable will be complied with in preparation of the financial statements, once the effective date has been set.

1.3 Comparative amounts

Where the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated. The nature and reason for the amendment is disclosed. Where the accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year's comparative figures are restated accordingly.

1.4 Revenue from exchange transactions

Recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.4 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- Parliament has transferred to the buyer the significant risks and rewards of ownership of the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to Parliament and the cost incurred or to be incurred in respect of the transaction can be measured reliably.
- Parliament retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of services

Revenue from services rendered is recognised as and when the services are completed. If Parliament cannot reliably estimate the outcome of the transaction, revenue is recognised to the extent that expenses recognised are recoverable.

Interest

Revenue arising from the use by others of Parliament assets yielding interest and is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.5 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions that are not exchange transactions. In non-exchange transaction, Parliament receives value from another entity without directly giving approximately equal value in exchange. The following broad categories of revenue from non-exchange transactions are received by Parliament:

- Statutory appropriation
- Annual appropriation
- Service in kind rental.

Recognition

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount in the event of non-performance. Grants, sponsorships and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, sponsorship or donation is conditional. The liability is transferred to revenue as and when the condition attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised. Revenue from the recovery of unauthorised, irregular and fruitless and wasteful expenditure is based on legislated procedures, including those set out in the FMPPLA and is recognised when the amount is recoverable and can be reliably measured.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by Parliament.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.6 Property, plant and equipment (continued)

Property, plant and equipment are recognised at cost or at fair value at acquisition date where assets have been acquired through non-exchange transaction, less accumulated depreciation and impairment. Where item of property plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period the impairment is identified.

Subsequent expenditure incurred relating to property, plant and equipment is capitalised if it is probable that the future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the original assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

Parliament maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for an economic gain, and thus no residual values are determined on assets. The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the Statement of Financial Performance.

Depreciation commences when the asset is ready and available for its intended use. Depreciation is calculated on the cost price, using the straight-line method over the estimated useful lives of the assets. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The annual depreciation rates are based on the following estimated average lives of assets of property, plant and equipment :

Item	Depreciation method	Average useful life
Furniture	Straight-line	5 to 20 years
Motor vehicles	Straight-line	5 to 12 years
Office equipment	Straight-line	5 to 20 years
Computer equipment	Straight-line	3 to 15 years
Library books	Straight-line	5 to 10 years
Finance lease - cell phones, modems, laptops	Straight-line	2 to 3 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life and the depreciation charge for each period is recognised in surplus or deficit.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Parliament assess at each reporting date whether there is any indication that the expectations about the useful life of an asset have changed since the preceding reporting date. If any such indication exists, Parliament revises the expected useful life accordingly. The changes are accounted for as a change in an accounting estimate in accordance with the Standard of GRAP3.

Parliament separately discloses expenditure for repair and maintenance of property, plant and equipment in the notes to the financial statements.

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.7 Heritage assets (continued)

Recognition

Parliament recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to Parliament, and the cost or fair value of the asset can be measured reliably.

Initial measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Heritage assets are carried at cost less any accumulated impairment losses.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Depreciation

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation will be immaterial. However, they are assessed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, Parliament estimates the recoverable amount or the recoverable service amount of the heritage asset.

The entity separately discloses expenditure to repair and maintenance of heritage assets in the notes to the financial statements.

1.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Parliament recognises intangible assets in its Statement of Financial Position when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to Parliament for more than one reporting period, and the cost or fair value of the asset can be measured reliably. Intangible assets are initially recognised at cost. Where an intangible asset is acquired through non exchange transaction, the cost shall be its fair value as at the date of acquisition.

Measurement

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

Amortisation

Amortisation commences when the asset is readily available for its intended use. Intangible assets are amortised on straight line bases over the estimated useful live of assets. The annual amortisation rates are based on the following estimated average asset lives.

Item	Useful life
Computer software, other	3 to 12 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

Parliament discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Intangible assets are derecognised on disposal; or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.9 Impairment of assets

Parliament assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, Parliament estimates the recoverable service amount of each individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Irrespective of whether there is any indication of impairment, Parliament also test intangible assets not yet available for use for impairment at reporting date, by comparing its carrying amount with its recoverable service amount.

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall, be increased to its recoverable service amount, but should not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit.

1.10 Inventories

Inventories consist of raw material, consumables and finished goods purchased and held for resale.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs is the fair value as at the date of acquisition.

Subsequently, inventories are measured at the lower of cost determined on the weighted average basis and net realisable value.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Financial instruments

Parliament recognises financial instruments when Parliament becomes a party to the contractual provisions of the instrument and are initially measured at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Parliament subsequently measures all financial assets and financial liabilities after initial recognition at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and Parliament has transferred substantially all risks and rewards of ownership, or when Parliament loses control of contractual rights that comprise the assets.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. Parliament has the following types of financial assets (and liabilities) as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Trade and other receivables

Trade and other receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year end.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.11 Financial instruments (continued)

Bad debts are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that Parliament will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

- Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, which are held with registered banking institution with maturities of three months or less and are subject to an insignificant risk of change in value as well as notice deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with a bank. Parliament categorises cash and cash equivalents as financial assets, loans and receivables which are accounted for at amortised cost.

- Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.12 Provisions

A provision is recognised when Parliament has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

1.13 Leases

Leases are classified as finance leases at the inception of the lease if substantially all the risks and rewards associated with ownership of an asset are transferred to Parliament. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest.

In discounting the lease payments, Parliament uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. The lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the finance lease definition. Operating lease rentals are accrued on a straight-line basis over the term of the lease.

Accounting Policies

1.13 Leases (continued)

The difference between the amounts recognised as an expense and the contractual payments are recognised as either a pre-paid expense (asset) or liability depending on whether the payment exceeds the expense or vice versa.

1.14 Employee and Members benefits

Short-term employee and Members benefits

Short-term employee benefits are employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service.

The costs of all the short-term employee benefits is recognised during the period in which the employee rendered the related service. The employee-related costs are recognised as an expense in the Statement of Financial Performance. Any undiscounted amount not paid to an employee for the services that were rendered at reporting period is recognised as a current liability.

Parliament recognises the expected cost of the performance bonus, the staff salary saving, leave entitlements, overtime, salaries, members accrual gratuities at undiscounted amounts in exchange for services that were rendered. A liability is recognised (accrued expense) after deducting any amount already paid.

Defined contribution plans

It is a post-employment benefit plan under which Parliament pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all Members benefits relating to Members service in the current and prior periods.

The defined benefit funds are administered on a national basis and for which specific actuarial information in respect of individual participating employers is unavailable due to centralised administration. These funds are accounted for as if they were defined contribution funds as Parliament is only obligated to make contributions. When an employee has rendered service to Parliament during a reporting period, Parliament recognises the contribution payable to a defined contribution plan in exchange for that service.

Defined benefit plans

Parliament has an obligation to provide the agreed retirement benefits to its employees and former Members of Parliament. There is no fund to cover any shortfalls.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, Parliament recognises the actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

The liability in respect of these subsidies is discounted and recognised at fair value together with adjustments for actuarial gains and losses, current service costs and past service costs. The current service costs, past service costs and actuarial gains and losses are recognised in the Statement of Financial Performance as expenses incurred for the year.

The amount recognised as a defined benefit liability is the present value of the defined benefit obligation at the reporting date. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

The related current service costs and where applicable, past service costs are determined by using the projected unit credit method. The amount recognised in the statement of financial position represents the present value of defined benefit obligations as adjusted for unrecognised actuarial gains or losses and unrecognised past service costs, and reduced by the fair value of plan assets. To the extent that there is uncertainty as to the entitlement to the surplus, no asset is recognised. Current service costs are recognised as an expense in the current year.

Past service costs, experience adjustments, the effects of changes in actuarial assumptions and the effects of plan amendments in respect of existing employees are recognised as an expense or as income systematically over the expected average remaining working lives of those employees. The effects of plan amendments in respect of retired employees are measured at the present value of the effect of the amended benefits and are recognised as an expense or as income in the year in which the plan amendment is made.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.15 Assets held for sale

Non current assets are classified as held for sale if their carrying amount is to be recovered principally from a sale transaction, rather than through continuing use. These are non-current assets that have been identified to be sold at their approximate fair value in their present condition and the sale highly probable.

A sale is highly probable if the appropriate level of management is committed to a plan to sell. This happens when the entity has performed the following steps:

- have begun an active programme to locate a buyer and complete the sale;
- be actively marketing the asset or disposal group at a price that is reasonable compared to its current fair value;
- have made a sale to be completed within one year from the date of classification, unless a delay is caused by events beyond the entity's control; and
- carry out actions required to complete the plan, which should indicate that it is not likely that there will be significant changes made to the plan or that the plan will be withdrawn.

Initial recognition

Before applying the measurement requirements of this Standard, the non-current assets held for sale are measured in accordance with the relevant SA Standards of GRAP under which they are currently accounted for. Non-current assets or disposal groups that meet the classification conditions to be held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Non-current assets that have been classified as held for sale are not depreciated or amortised. The assets are presented separately as non-current assets held for sale in the statement of financial position.

Subsequent measurement

The assets are assessed for impairment and recognises impairment losses on measurement and remeasurement to fair value less costs to sell in the same way as the entity would under the SA Standards of GRAP on impairment of assets.

1.16 Capital Commitments

Commitments are recognised when Parliament has committed itself to future non routine transactions that will normally result in the outflow of cash. These commitments are a result of contracting which is non-cancelable or cancellation would be at a significant cost to Parliament.

The amounts of contractual commitments for acquisition of property, plant and equipment at reporting date are disclosed in the notes to the financial statements.

1.17 Contingent liabilities

Contingent liabilities are not recognised as liabilities because they are possible obligations and yet to be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Parliament, that could lead to an outflow of resources embodying economic benefits or service potential, which cannot be measured with sufficient reliability.

The following is disclosed for each class of contingent liability at the reporting date:

- A brief description of the nature of the contingent liability and, where practicable an estimate of its financial effect is measured.
- An indication of the uncertainties relating to the amount or timing of any outflow and any the possibility of any reimbursement.

Contingent assets

Contingent assets are not recognised in the statement of financial position as they are possible assets whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Parliament.

When an inflow of economic benefits or service potential is probable, a brief description of the nature of the contingent assets at the reporting date and where practicable, an estimate of their financial effect is disclosed.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.18 Related parties

Parliament operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national spheres of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of Parliament, including those charged with the governance of Parliament in accordance with legislation, in instances where they are required to perform such functions.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed and remuneration of management as defined.

1.19 Prepayments

Prepayments includes payments made in advance before the services rendered or goods received. The prepayments are not discounted as the goods and services are expected to be provided within the next financial year.

1.20 Irregular expenditure

The FMPPLA defines irregular expenditure as expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of this Act or any other applicable legislation.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance in the year incurred and where recovery is highly probable is subsequently recognised as an asset in the Statement of Financial Position and revenue in the Statement of Financial Performance.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the current financial year, the disclosure note to the financial statements is updated with the amount condoned. Irregular expenditure that is incurred and identified during the current financial year is disclosed and reduced by any amounts condoned.

1.21 Fruitless and wasteful expenditure

The FMPPLA defines fruitless and wasteful expenditure as expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and when recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Where fruitless and wasteful expenditure was incurred in the previous financial year and is only condoned in the current financial year, the disclosure note to the financial statements is updated with the amount condoned. Fruitless and wasteful expenditure that is incurred and identified during the current financial year is disclosed and reduced by any amounts condoned.

1.22 Budget information

Parliament Budget comprises of the allocations by National Treasury, donor funds and retained earning of previous years as Parliament is not required to return to National Revenue Fund any money appropriated but not spent.

The approved budget covers the fiscal period from 01 April 2022 to 31 March 2023. The statement of financial performance is prepared on accrual basis, while the budget is prepared on cash basis by economic classification. Therefore the actual amounts as per the financial statements are adjusted to be compared to the budget on a cash basis on the Statement of comparison of budget and actual amounts. The variance between budget and the actual amounts of five per cent and above are regarded as material and are explained.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.23 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus (deficit) of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

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Financial Statements for the year ended 31 March 2023

Accounting Policies

1.24 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Parliament adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

Parliament discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.25 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the entity. Unless stated otherwise, all figures are rounded to the nearest R1,000 (thousand Rand).

1.26 Offsetting

Assets, liabilities, revenue and expenses have not been off-set except where offsetting is required or permitted by the SA Standards of GRAP.

Notes to the Financial Statements

	2023 '000	2022 '000
2. Inventories		
Food, beverage and gift-shop stock	2 732	1 670
Opening balance	1 670	1 331
Additions	7 196	2 902
Cost of sales	(6 134)	(2 120)
Written-off	-	(443)
	2 732	1 670
3. Receivables from exchange transactions		
Government organisations	197	146
Accrued income	6 813	7 273
Provisions for doubtful debts	(427)	(268)
Other receivables	745	943
	7 328	8 094
Reconciliation of the doubtful debt provision		
Opening balance	268	161
Contribution to provision	159	107
	427	268

The receivables from exchange transactions over 90 days, where all possible means to recover were exhausted and there was no arrangement for payment, were impaired.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

3. Receivables from exchange transactions (continued)

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4. Receivables from non-exchange transactions

Staff and Members debt	1 871	4 015
Doubtful debt provision	(551)	(560)
	1 320	3 455

Reconciliation of doubtful debt provision

Opening balance	560	650
Contribution to provision	47	-
Reversal of provision	(56)	(90)
	551	560

The receivables from non- exchange transactions over 90 days, where all possible means to recover were exhausted and there was no arrangement for payment, were impaired.

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5. Statutory receivables

Amount received	(471 709)	(471 710)
Amount utilised	538 247	501 880
	66 538	30 170

Total Statutory receivables	66 538	30 170
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Section 23(4) of the FMPPLA provides that unspent statutory appropriation must be surrendered to the National Revenue Fund (NRF), and in the same context overspending on statutory appropriation must be claimed from the NRF. Statutory receivables are measured as the difference between the amount received and the amount spent.

6. Prepayments

*Prepayments to DIRCO	3 548	4 639
** Prepaid expenses	7 599	6 561
Advance- short term	804	242
S&T Advances	258	212
Control: Petty Cash	95	96
	12 304	11 750

*Prepayments to the Department of International Relations and Cooperation (DIRCO) for service to be delivered during international travel of Members of Parliament and staff.

**Prepaid expenses relates to portion of the payments made relating to periods in the next financial year, such as annual subscriptions and membership fees.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	9	9
Bank balances	591 298	179 621
Short-term deposits	13 781	303 656
	605 088	483 286

The exposure to credit risk is the carrying amount of each class of cash and cash equivalents. Cash and cash equivalents and short term deposits are placed with high credit quality rated financial institution, therefore the carrying values were not impaired.

The entity had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Nedbank Limited: Primary Bank Account	533 273	143 879	533 273	143 879
Nedbank Limited: Petty Cash Account	17	32	17	32
Nedbank Limited: EU Account Main	789	17 886	789	17 886
Nedbank Limited: EU Account Salary Account	57 081	14 951	57 081	14 951
Nedbank Limited: Salary Account	137	2 873	137	2 873
Total	591 297	179 621	591 297	179 621

Short term deposits

	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Nedbank Limited: Call Deposit (30 Days)	2 371	2 246	2 371	2 246
Nedbank Limited: Notice Deposit (183 Days)	11 410	11 410	11 410	11 410
Nedbank Limited: EU fixed deposit (365 days)	-	40 000	-	40 000
Nedbank Limited: fixed deposit (365 days)	-	150 000	-	150 000
Nedbank Limited: Fixed deposit (183 days)	-	100 000	-	100 000
	13 781	303 656	13 781	303 656

The 30 days notice deposit account bears interest at 7.55% per annum and the interest is compounded monthly.
The 183 days notice deposit account bears interest at 7.75% per annum and the interest is compounded monthly.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Rand thousand

8. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture	36 621	(33 086)	3 535	36 825	(32 328)	4 497
Motor vehicles	14 819	(10 209)	4 610	14 819	(8 029)	6 790
Office equipment	93 634	(67 258)	26 376	89 908	(60 762)	29 146
Computer equipment	132 706	(101 013)	31 693	112 643	(91 221)	21 422
Library	32 889	(31 555)	1 334	32 496	(31 327)	1 169
Total	310 669	(243 121)	67 548	286 691	(223 667)	63 024

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Rand thousand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture	4 497	145	(26)	(1 081)	3 535
Motor vehicles	6 790	-	-	(2 180)	4 610
Office equipment	29 146	3 862	(6)	(6 626)	26 376
Computer equipment	21 422	25 487	(58)	(15 158)	31 693
Library	1 169	393	-	(228)	1 334
	63 024	29 887	(90)	(25 273)	67 548

Included in property, plant and equipment are leased assets with carrying value of R15 211.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Rand thousand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture	5 692	943	(639)	(1 457)	(42)	4 497
Motor vehicles	5 306	3 460	(103)	(1 873)	-	6 790
Office equipment	24 052	17 996	(7 976)	(4 885)	(41)	29 146
Computer equipment	26 736	13 071	(3 385)	(14 987)	(13)	21 422
Library	1 127	289	-	(247)	-	1 169
	62 913	35 759	(12 103)	(23 449)	(96)	63 024

Included in property, plant and equipment are leased assets with carrying value of R7 823.

The National Assembly and some offices in the Old Assembly were caught by fire, access was restricted to these offices and therefore all the assets in these locations were impaired to zero. The impairment loss relates to the net book values of the assets that were destroyed by the fire in these offices.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Rand thousand

9. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	28 498	(24 087)	4 411	28 346	(23 525)	4 821

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	4 821	152	(562)	4 411

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software	6 965	12	(11)	(2 021)	(124)	4 821

The impairment loss relates to the net book values of the intangible assets that were destroyed by the fire.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

Figures in Rand thousand

10. Heritage assets

	2023			2022		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	55 577	(5 391)	50 186	55 517	(5 234)	50 283

Reconciliation of heritage assets 2023

	Opening balance	Additions	Impairment losses recognised	Impairment losses reversed	Total
Art Collections, antiquities and exhibits	50 283	60	(157)	-	50 186

Reconciliation of heritage assets 2022

	Opening balance	Additions	Disposals	Transfers received	Impairment losses recognised	Total
Art Collections, antiquities and exhibits	55 520	1	(7)	3	(5 234)	50 283

The impairment loss relates to the net book values of the heritage assets that were destroyed by the fire.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
11. Finance lease obligation		
Minimum lease payments due		
- within one year	11 695	5 587
- in second to fifth year inclusive	3 351	2 206
	15 046	7 793
less: future finance charges	(1 062)	(431)
Present value of minimum lease payments	13 984	7 362
 Non-current liabilities	 3 243	 2 163
Current liabilities	10 741	5 199
	13 984	7 362
<p>The average lease term is 2 years for computer equipments (cell phones, modems and tablets and laptops). The laptops are only leased for Members of Parliament. The average effective borrowing rate is prime interest rate and the present value is used. Leases have fixed monthly payments, however, lease payments vary due to contingent rentals (airtime, data-packages, etc). Transfer of ownership and risk takes place at the end of the lease term.</p>		
12. Payables from exchange transactions		
Payables from exchange transactions	79 838	53 234
13. Payables from non-exchange transactions		
Transfers to non profit Institutions	7 461	2 894

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
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14. Employees and Members benefit obligations

14.1 Reconciliation of employees benefits - 31 March 2023

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave liability	88 530	7 409	(5 162)	-	90 777
Staff salary savings	2 422	2 403	(2 422)	-	2 403
Accrued long service awards	120	-	(120)	-	-
Overtime	1 440	2 484	(1 440)	-	2 484
Performance bonus	3 316	-	-	(3 316)	-
Long service awards provision	1 894	1 864	(1 985)	-	1 773
Shift and Acting/Stand-in Allowances	58	77	(58)	-	77
Other	4 272	346	(4 272)	-	346
	102 052	14 583	(15 459)	(3 316)	97 860

Performance Bonus

The provision was made for 33,3% of Staff that contracted in the 2021/22 financial year and the majority was coming from the Management category and only a few coming from the bargaining unit and given the impasse, the performance assessments did not take place.

After consultations with organised labour, management has decided that in the interest of labour peace in the organisation and to ensure full participation in the newly reviewed Performance Management system in the 2023/2024 financial year, the 2021/2022 performance bonus will not be paid. Therefore, the 2021/22 performance bonus provision was reversed and no provision is made for the 2022/23 financial year.

Other employee benefits

This balance consist of the salary related amounts owed to staff.

Reconciliation of employees benefits -31 March 2022

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave liability	89 557	5 330	(6 357)	-	88 530
Staff salary savings	2 545	2 422	(2 545)	-	2 422
Accrued long service awards	295	120	(295)	-	120
Overtime	229	1 440	(229)	-	1 440
Performance bonus	-	3 316	-	-	3 316
Long service awards provision	1 453	1 894	(1 453)	-	1 894
Shift and Acting/Stand-in Allowances	152	58	(152)	-	58
Other	2 916	4 272	(2 549)	(367)	4 272
	97 147	18 852	(13 580)	(367)	102 052

Performance bonus

Management estimated that only 33,3% of Parliament employees contracted for in the 2021/22 financial year and therefore performance bonuses were calculated as 1% of the 33,3% of salary bill of employees as at 31 March 2022.

Other employee benefits

This balance consist of the salary related amounts owed to staff, UIF and insurance claims not yet paid to employees as at year end.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
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14. Employees and Members benefit obligations (continued)

14.2 Reconciliation of Members benefit obligations 31 March 2023

	Opening Balance	Additions	Utilised during the year	Total
Member's accrual gratuities and other benefits	35 767	15 217	(26 743)	24 241
Post-retirement medical aid benefits	88 158	66 721	(77 661)	77 218
Post employment travel benefits	9 085	3 264	(4 803)	7 546
Loss of office gratuity provision	6 105	8 780	(4 826)	10 059
	139 115	93 982	(114 033)	119 064

Reconciliation of Members benefit obligations 31 March 2022

	Opening Balance	Additions	Utilised during the year	Total
Member's accrual gratuities and other	21 575	19 849	(5 657)	35 767
Post-retirement medical aid benefits	66 928	102 166	(80 936)	88 158
Post employment travel benefits	3 807	8 630	(3 352)	9 085
Loss of office gratuity provision	5 710	6 105	(5 710)	6 105
Other Members benefits	827	-	(827)	-
	98 847	136 750	(96 482)	139 115

15. Provisions

Opening balance	2 222	11 900
Contribution	3 904	112
Payment and reversal of provision	-	(9 790)
	6 126	2 222

The provision relates to the legal cases where Parliament is liable to pay costs, however the bill of costs have not yet been granted. The amount is estimated based on Parliament experience regarding the costs of similar matters.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
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16. Non-current Employee and Member benefit obligations

16.1 Members benefit obligations

The Political Office Bearers Pension Fund (POBF)

Retirement benefits are provided by membership to POBF. Parliament's responsibility is limited to the current contributions made on behalf of its Members of Parliament. The obligation of the fund is guaranteed by the NRF. This responsibility is governed by the Pension Scheme Act, 1984 (Act No. 112 of 1984).

Contribution to POBF for the reporting period	69 517	67 218
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Post- retirement medical aid benefits

In terms of existing practice, Parliament provides to contribute a maximum of 66.67% to the Parmed scheme for the retired Members of Parliament (for before and post 1994) and Provincial Legislatures Members (post 1994). This defined benefit liability for potential post-retirement medical aid costs in respect of existing Members and retired Members has been actuarially valued as at 31 March 2023.

Reconciliation of movement in liability

Opening balance	1 262 843	1 334 858
Current service costs	30 144	39 193
Interest	145 992	144 360
Actuarial (gain)/loss	(157 501)	(153 402)
Transferred to current employee benefits	(66 721)	(102 166)
Total	1 214 757	1 262 843

The interest cost was calculated using a liability-weighted average of the yields from the zero coupon SA Government bond curve for the components of the liability. The source is the Johannesburg Stock Exchange through IRESS data service.

The annual average contribution for the post retirement medical aid amounts to R77,661 million and is funded by National Treasury. The provision of R1.291 billion for current and non-current liabilities is in terms of actuarial valuations for contributions to be made until the former Members of Parliament and Provincial Legislatures and/or their spouses passes away, children until they are 21 years or 27 years if they are still studying and children with disabilities until they pass away.

Principal actuarial assumptions:

Key Financial Assumptions

Assumptions	31 March 2023 Value p.a	31 March 2022 Value p.a
Weighted discount rate	11,23%	11.04%
General inflation		6.66%
Health care cost inflation rate	7,28%	8.16%
Medical-Inflation risk premium		1.50%
Net discount rate	3,68%	2.66%

Summary of key demographic assumptions

	31 March 2023	31 March 2022
Average benefit commencement age	55	55
Continuation of membership at cessation of service	75%	75%
Proportion with a spouse dependant at cessation of service	50%	50%
Mortality during employment	SA 85-90 light (-1 year)	SA 85-90
Mortality post-retirement	PA(90) -1 with a 1% mortality improvement p.a. from 2010	PA(90)-2

Current-Service and Interest Cost assumptions

	Change %	Current service cost	Interest cost	Total
Central assumptions	-	30 144	145 992	176 136
Discount rate	1	25 375	143 699	169 075

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

		2023 '000	2022 '000
16. Non-current Employee and Member benefit obligations (continued)			
	(1)	36 230	148 297
Health-care inflation	1	36 349	163 403
	(1)	25 222	131 283
Post-service mortality 1yr	-	29 233	140 993
-1yr	-	31 056	151 018
Average starting age (1 year decrease)	-	26 733	148 124
	-	-	-

Accrued liability assumptions	Change %	In-Service Members	Continuation Members	Total
Central assumptions	-	427 172	864 803	1 291 975
Health care inflation rate	1	486 385	948 812	1 435 198
	(1)	378 126	792 768	1 170 893
Discount rate	1	379 254	793 947	1 173 202
	(1)	485 743	948 524	1 434 266
Post-service mortality +1yr	-	416 864	837 783	1 254 647
-1yr	-	437 357	891 909	1 329 266
Average starting age -1yr	-	445 958	864 803	1 310 761
Membership continuation	(10)	370 381	864 803	1 235 184
	-	-	-	-

Liability history summary	2023	2022	2021	2020	2019
Accrued liability	1 291 975	1 351 001	1 401 786	1 392 264	1 251 030
Plan asset	-	-	-	-	-
	(1 291 975)	(1 351 001)	(1 401 786)	(1 392 264)	(1 251 030)

History of experience adjustment	2023	2022	2021	2020	2019
Liabilities (Gain)/Loss	(84 044)	(77 974)	(295 264)	109 190	24 690
Assets: Gain / (loss)	-	-	-	-	-
	-	-	-	-	-

Member's loss of office gratuity

Eligible Members of Parliament who have served 5 or more years and whose term of office has ended are entitled to a once-off gratuity benefit equal to 4 months' pensionable salary for every 5 years of service or a pro-rata part thereof. Pensionable salary is 60% of their total gazetted remuneration package.

Reconciliation of movement in liability

Opening balance	155 415	133 466
Current costs	19 744	18 324
Interest cost	19 155	20 022
Actuarial (gain)/loss	2 177	(10 292)
Transferred to current employee benefits	(8 780)	(6 105)
	187 711	155 415

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16. Non-current Employee and Member benefit obligations (continued)

The interest cost was calculated using a liability-weighted index-linked yield and the source is the Johannesburg Stock Exchange after the market close on 31 March 2023.

Principal actuarial assumptions: Key Financial Assumptions

Assumptions	31 March 2023 Value p.a	31 March 2022 Value p.a
Discount rate	9.19%	11.39%
General earnings inflation	4.58%	6.93%%
Net discount rate	4.41%	4.17%

Summary of key demographic assumptions	31 March 2023	31 March 2022
Re-election probability	50%	50%
Mortality rates	SA 85-90 light (-1 year)	SA85-90 light
Probability of exit at a time other than at an election	5% per annum	Age Band Withdrawal rate
		20 - 29 15%
		30 - 39 12%
		40 - 49 6%
		50 - 54 3%
		55+ 20%

Liability history summary	2023	2022	2021	2020
Accrued liability	197 770	161 520	139 176	117 350

History of experience adjustments: Gains and Losses	2023	2022	2021
Liabilities: (Gains)/Loss	7 227	(11 951)	(12 347)
Assets: Gain / (Loss)	-	-	-
	-	-	-

Accrued Liability assumptions	Change %	Liability	
Current Assumption	-	197 770	-
General earnings inflation rate	1	205 852	-
	(1)	190 175	-
Discount rate	1	191 924	-
	(1)	204 091	-
Re-election probability	20	171 536	-
	(20)	215 479	-
Annual probability of exit at any other time	5	208 981	-
	(2)	191 870	-
	-	-	-

Current-Service and Interest Costs assumptions	Change	Current service cost	Interest cost	Total
Central assumptions	-	19 744	19 155	38 899
General earnings inflation rate	1	20 432	19 764	40 196
	(1)	19 100	18 583	37 683
Discount rate	1	19 269	20 596	39 865
	(1)	20 291	17 654	37 945
Re-election probability	20	17 556	16 549	34 105
	20	20 943	20 861	41 804
Annual probability of exit at any other time	5	20 164	19 780	39 944
	(2)	19 426	18 764	38 190

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16. Non-current Employee and Member benefit obligations (continued)

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Exit gratuity

The exit gratuity is payable to relevant eligible Members of Parliament who are Members of Political Office Bearers Pension Fund when they exit the Fund. It is payable due to amendments made in rules in terms of the Proclamation 48 of 21 July 2016. These Members were Members of Fund on or before 2016 and did not exit the Fund as consequence of 2019 general elections.

The Members exit gratuity fund value is the amount that is determined by the Fund to be payable to Members as a result of general elections in May 2019. It is calculated as the difference between the value payable based on new rules and the value payable in terms of old fund rules. The Fund calculated the values payables to Members in the current year and in the prior year and the amount payable is increased by CPI each year until is paid to the Member when they exit the Fund.

Reconciliation of movement in liability

Opening balance	159 702	160 293
Benefit paid	(6 128)	(7 053)
Increase	14 791	6 462
	168 365	159 702

Post employment travel benefits

The post employment travel benefits are provided in terms of the policy that was approved by Executive Authority and effective from 01 April 2022.

Policy requirements

Any Member who has served in Parliament for a continuous period of five (5) years or longer, or one (1) complete term in the event that a complete term is less than five (5) years, shall upon exiting Parliament be entitled to twelve (12) single air tickets per annum for a period of five (5) years after exit, provided that:

- the tickets are for the personal use of the former Member and his registered spouse/partner;
- the tickets are allocated annually per financial year;
- any tickets not used in the financial year applicable are forfeited;
- tickets are issued for economy class and domestic travel only; and
- the surviving spouse or life partner of a former Member who dies within the benefit period, shall be entitled only to six single air tickets per annum to the end date of the original benefit.

The benefit end dates for former Members and widow(er)s who were already in receipt of the benefit prior to 1 April 2022, shall be the earlier of the current benefit end date, and 31 March 2027.

Reconciliation of movement in liability

Opening balance	49 178	112 763
Current service costs	6 799	7 654
Interest	4 531	11 988
Actuarial (gain)/loss	(20 545)	(4 408)
(Transferred to)/Transfer from current employee benefits	(3 264)	(8 630)
Past service cost	-	(70 189)
	36 699	49 178

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	2023 '000	2022 '000
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16. Non-current Employee and Member benefit obligations (continued)

Key Financial Assumptions

The interest cost were calculated using a liability-weighted average of the yields for the three components of the liability. The source is the Johannesburg Stock Exchange.

Assumptions	31 March 2023 Value p.a	31 March 2022 Value p.a
Weighted average discount rate	9,76%	8,42%
Benefit inflation rate (cost per allocation used)	5,96%	5,96%
Net discount rate	3,59%	2,32%
Summary of key demographic assumptions		
Re-election probability	Executive 50% Members 60%	Executive 50% Members 60%
Proportion exiting at any time other than at an election	5%	5%
Mortality during and after service	PA(90) -1 with a 1% mortality improvement p.a. from 2010	
Proportion with a spouse at benefit commencement		
Executives	70%	70%
Members of Parliament	Actual spouses	
Average Allocation Utilisation Per Annum Category		
Member	6.0	8.4
Widow(er)s	2.0	4.2
Average Cost Per Allocation (current value)	R 3,569	R3,058

Impact of COVID- 19

It is difficult to estimate what impact the pandemic is likely to have on Parliament's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

Accrued liability assumptions	Change %	In-Service Members	Former Members	Total
Central assumptions	-	25 889	18 356	44 245
Cost per allocation Inflation rate	1	27 477	18 658	46 135
	(1)	24 428	18 056	42 484
Discount rate	1	24 488	18 070	42 558
	(1)	27 437	18 653	46 090
Mortality rates +1yr	-	25 659	18 274	43 933
-1yr	-	26 105	18 431	44 536
Proportion re-elected	(20)	31 030	18 356	49 386
Proportion that reaches a higher designation	5	30 581	18 356	48 937
	-	-	-	-

Current-Service and Interest Costs assumptions	Change percentage	Current- Service Cost	Interest Cost	Total
Central assumptions	-	6 799	4 531	11 330
Cost per allocation inflation rate	1	7 309	4 753	12 062
	(1)	6 334	4 325	10 659
Discount rate	1	6 407	4 845	11 252
	(1)	7 235	4 187	11 422
Mortality rates -1 yr	-	6 855	4 566	11 421
Proportion re-elected	(20)	8 125	4 987	13 112
Proportion that reaches a higher designation	5	7 841	4 957	12 798

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	2023 '000	2022 '000
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16. Non-current Employee and Member benefit obligations (continued)

	-	-	-	-	-
Liability history summary	2023	2022	2021	2020	2019
Accrued liability	44 245	58 263	116 570	145 236	169 091
Fair value of plan asset	-	-	-	-	-
Surplus/ (Deficit)	(44 245)	(58 263)	(116 570)	(145 236)	(169 091)
History of experience adjustments: Gains and Losses	2023	2022	2021	2020	
Liabilities: (Gains)/Loss	(416)	(6 975)	(29 077)	(9 007)	
Assets: gain / (loss)	-	-	-	-	

16. 2 Employee benefit obligations

The Government Employee Pension Fund (GEPF)

Retirement benefits are provided by membership to GEPF which is a defined benefit fund. Parliament's responsibility is limited to the current contributions made on behalf of its employees. The obligation of the fund is guaranteed by the NRF and not by the individual government departments and entities. This responsibility is governed by the Government Employees Pension Law, Proclamation 21 of 1996.

	2023	2022
Contribution to the GEPF for the reporting period	75 397	72 149

Pension Scheme for Officers of Parliament (PSOP)

The PSOP is a defined benefit plan. The obligation of the fund is guaranteed by the National Revenue Fund and Parliament does not make any contributions. This responsibility is governed by the General Pensions, Act 29 of 1979.

Long service awards

Parliament rewards employees for the long service provided to Parliament, once they reach the agreed mile stones indicated below. Estimate of employee who will reach the milestones based on the employee turnover was made as indicated below:

Key Financial Assumptions

The interest cost were calculated using fixed-interest and index-linked bond yield curves on the JSE after the market close on 31 March 2023

Assumptions	31 March 2023 Value p.a	31 March 2022 Value p.a
Discount rate	9.66%	9.01%
Mortality during employment	SA 85-90 light (-1 year).	
Retirement Age	65 years	65 years
Withdrawal rates		
Age	Female	Male
20	13%	13%
30	11%	11%
40	6%	6%
50	3%	3%
55	0%	0%
	Age Band	Withdrawal rate
	20	13.3%
	30	10.9%
	40	5.8%
	50	2.9%
	51+	Nil

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000		
16. Non-current Employee and Member benefit obligations (continued)				
Accrued Liability assumptions	Change %	Liability		
Central assumptions	-	13 770		
Discount rate	1	13 227		
	(1)	14 362		
Average retirement age 2yrs	-	14 391		
-2yrs	-	12 807		
Withdrawal rates x2	-	12 184		
x0.5	-	14 770		
	-	-		
Current-Service and Interest Costs assumptions				
	Change	Current service cost	Interest cost	Total
Central assumptions	-	912	1 066	1 978
Discount rate	1	873	1 127	2 000
	(1)	956	999	1 955
Average retirement age 2yrs	-	959	1 117	2 076
-2yrs	-	848	988	1 836
Withdrawal rates x2	-	757	935	1 692
x0.5	-	1 016	1 148	2 164
	-	-	-	-
Liability history summary				
	2023	2022	2021	2020
Accrued liability	13 770	12 371	12 654	10 462
Plan asset	-	-	-	-
Surplus/ (Deficit)	(13 770)	(12 371)	(12 654)	(10 462)
History of experience adjustments:Gains and Losses				
	2023	2022	2021	
Liabilities: (Gains)/Loss	1 904	(808)	1 430	
Assets: gain / (loss)	-	-	-	
	-	-	-	
Reconciliation of movement in liability				
Opening balance		10 357	10 907	
Current service costs		912	982	
Interest costs		1 066	965	
Actuarial (gain)/loss		1 526	(778)	
Transfer to current employee benefits		(1 864)	(1 719)	
		11 997	10 357	
16.3 The amounts recognised in the statement of financial position are as follows:				
Members benefit obligations				
Post- retirement medical aid benefits		1 214 757	1 262 843	
Loss of office gratuity		187 711	155 415	
Exit gratuity		168 365	159 702	
Post-employment travel benefits		36 699	49 178	
Employee benefits obligations				
Long Service Awards		11 997	10 357	
		1 619 529	1 637 495	

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
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17. Sale of goods

Sale of goods	4 807	2 532
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Sale of goods refers mainly to catering sales made at Parliamentary restaurants.

18. Interest earned

Interest earned	37 577	21 379
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Interest was earned on monies at the bank including short-term deposits of not more than a year.

19. Annual appropriation

Programmes

Appropriated funds	2 367 311	2 144 148
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Appropriated funds are the amounts appropriated to Parliament in accordance with the final budget known as Adjusted Estimates. Unexpended appropriated funds are not surrendered to the NRF and are available to Parliament for future utilisation in terms of section 23 (1) of the FMPPLA. These funds are appropriated to fund the following Parliament programmes:

1. Administration
2. Legislation and oversight
3. Associated Services

20. Statutory Appropriation

Direct charge NRF - utilised

Statutory funds	538 247	501 880
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Amount forming a direct charge on the NRF in respect of salaries, allowances and other benefits of Members of the National Assembly and the National Council of Provinces in terms of remuneration of Public Office Bearers Act (Act No.20 of 1998). Unexpended Statutory Appropriation is surrendered to the NRF in terms of section 23 (4) of the FMPPLA and overspending is refunded by NRF.

21. Service in kind revenue

Rental income	107 278	140 854
Internet access benefit	-	443
	107 278	141 297

Parliament occupies buildings which are owned by Department of Public Works (DPW). Parliament occupies these buildings which are significant to its operations for free and does not pay any rental costs to DPW. These buildings were occupied for the entire financial year ended 31 March 2023, except the following:
The National Council of Provinces (NCOP) which was occupied for nine months.
The National Assembly (NA) and Old Assembly which were not used for the entire financial year.

Parliament of the Republic of South Africa

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	2023 '000	2022 '000
22. Compensation of employees		
Basic remuneration	955 527	921 006
Performance awards	(3 316)	3 316
Annual leave	6 972	5 018
Contributions to Pension Funds	75 397	72 149
Phone allowance	490	532
Compensative /circumstantial	12 826	6 117
Contribution to UIF	2 704	2 660
Acting Allowance	9 145	9 048
Group life fringe benefit	29 932	23 337
Non-pensionable allowance	32 525	28 577
Current service cost	912	982
Interest cost	1 066	965
	1 124 180	1 073 707

Compensation of Members

Pensionable remuneration	322 991	310 092
Contributions to Pension Fund	69 517	67 218
Loss of office gratuity	118	1 972
Other non pensionable allowances	123 140	120 606
Exit Gratuity	14 791	7 807
Current service cost	56 371	65 099
Interest cost	169 678	176 370
	756 606	749 164

Average number of employees and Members

Average number of employees	1 269	1 284
Average number of Members	398	393
	1 667	1 677

23. Depreciation and amortisation

Depreciation

Motor vehicles	2 180	1 873
Computer equipment	15 158	14 987
Office equipment	6 626	4 885
Library books	228	247
Furniture	1 081	1 457

Amortisation

Intangible assets	562	2 021
	25 835	25 470

24. Finance costs

Finance costs	1 427	495
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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
25. Debt impairment contribution		
Debt impairment	62	-
Contributions to provision for bad debts	151	16
	213	16

26. Transfers to non-profit Institutions

*Party Leadership Support	12 976	12 354
*Party Support Allowance	131 949	126 967
*Constituency Allowance	371 975	371 412
**Disability Support	1 449	1 194
	518 349	511 927

* Party Leadership Support, Party Support Allowance and Constituency Allowance are transferred to political parties represented in Parliament in terms of section 34 of the FMPPLA.

** The Disability Support is transferred to political parties represented in Parliament which have Members with special needs in terms of the policy on facilities for Members with special needs.

27. Repairs and maintenance

Furniture	1	24
Computer equipment	360	745
Heritage assets	873	78
Office equipment	1 741	2 348
Buildings	3 944	2 115
	6 919	5 310

28. Cost of sales

Cost of goods sold	6 134	2 120
Write down of inventories to net realisable value	-	443
	6 134	2 563

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	2023 '000	2022 '000
29. General expenses		
Advertising	10 602	10 685
Auditors fees	5 045	5 174
Bank charges	141	139
Consultants, contractors, and special services	29 457	21 732
Subscriptions- softwares	16 160	17 103
Consulting and professional fees	23 976	7 031
Consumables	1 834	2 116
Communications	24 336	24 008
Bursaries	4 228	3 684
Entertainment	89	13
Flowers and other decorations	291	668
Insurance	5 955	5 089
Translations and transcriptions	6 019	5 263
Motor vehicle expenses	2 798	1 845
Re-settlement costs	2 376	2 370
Printing and stationery	14 864	14 708
Postage and courier	1 799	505
Personnel agency fees	2 162	2 084
Personnel protective clothing and equipment	758	847
Operating lease rentals	26 072	14 389
Registration and membership fees	216	183
Training and development	10 860	3 142
Travel - local	258 446	139 816
Travel - international	53 634	14 451
Bereavement support	122	346
Transport costs	5 263	2 362
Service in kind expenses	107 278	141 297
Venue expenses	3 523	61
Catering	12 275	2 226
	630 579	443 337

30. Irregular expenditure

	-	-
Opening balance	2 132	-
Add: Irregular Expenditure - current	124	2 132
Less: Amount recovered - current	(2 132)	-
	-	-
Closing balance	124	2 132

Details of irregular expenditure

Transfers that were made to political parties in excess to what is provided for in the policy	-	2 132
Prior approval not granted to incur expenditure	124	-
	124	2 132

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
31. Fruitless and wasteful expenditure		
Opening balance as previously reported	53	103
Add: Fruitless and wasteful expenditure identified - current	28	-
Add: Fruitless and wasteful expenditure identified - prior period	-	1
Less: Amount recovered - current	(52)	-
Less: Amount recovered - prior period	-	(51)
Closing balance	29	53

The case of R1 even though relating to prior year was only discovered and disclosed in the current year and relates to the interest on late payment.

Details of fruitless and wasteful expenditure

Interest and penalties	1	53
Vehicle hire damages	28	-
	29	53

32. Cash generated from operations

Surplus	161 823	224 817
Adjustments for:		
Depreciation and amortisation	25 835	25 470
Loss/(Profit) on sale of assets	(54)	11 644
Impairment loss of assets	157	5 539
Interest earned	(37 577)	(21 379)
Interest received	38 037	15 250
Debt impairment contribution	213	16
Movements in non current employee benefits	(17 966)	(114 792)
Movements in current employee benefit	(24 243)	45 173
Changes in working capital:		
Inventories	(1 062)	(339)
Receivables from exchange transactions	766	(6 505)
Receivables from non-exchange transactions	2 135	(2 825)
Statutory receivables	(36 368)	3 969
Prepayments	(554)	(1 256)
Payables from exchange transactions	26 604	9 191
VAT receivable	(384)	(477)
Payable from non-exchange transactions	4 567	(2 760)
Provisions	3 904	(3 904)
	145 833	186 832

33. Contingent liabilities

The following amounts are mainly in respect of pending labour related claims against Parliament which are at the Labour Court and the ongoing litigation in which Parliament could be liable either ex parte or as a respondent in civil action. The certainty and timing of the outflow of these liabilities are uncertain and the disclosed amounts are possible outflows.

Staff and other litigations	32 381	14 005
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	2023 '000	2022 '000
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34. Related parties

Related party relationship exists with all national government departments, trading entities, major state owned entities (Schedule 2), national government business enterprises (Schedule 3B) and national public entities (Schedule 3A) within the National Sphere of Government, due to Parliament's oversight of these Institutions. Parliament has significant influence over these Institutions, that is exercised through oversight and scrutinising of the Executive performance.

Related party transactions are consistent with normal supplier and client relationship are on terms and conditions no more or less favourable than those which it is reasonable to expect Parliament to have adopted if dealing with an individual entity or person in the same circumstances. Transactions with these entities occur within terms and conditions that are within the normal operating parameters established by Parliament and are disclosed as part of revenue and expenses. The outstanding balance are disclosed below. Where there were abnormal transactions with related parties those transactions are disclosed in detail below:

Related party balances

Amounts included in the trade payables regarding related parties

Justice	15 784	2 229
Public Works	2 751	1 923
South African Police Service	402	284
International Relations and Cooperation	2 849	3 938
Total	21 786	8 374

Trade payables - Other Government Entities

Telkom SA Limited	73	481
Government Printing Works	39	6
State Information Technology Agency	17	13
South African Broadcasting Corporation Limited	-	359
Airports Company South Africa	1 128	869
Development Bank of Southern Africa	1 916	-
Total	3 173	1 728

Amounts included in trade receivables regarding related parties

Cooperative Governance and Traditional Affairs	65	21
Planning, Monitoring and Evaluation	-	6
National Treasury	-	28
The Presidency Republic of South Africa	97	84
South African Police Service	2	2
State Security	15	7
Home Affairs	13	-
National Intelligence Agency	3	-
Department of International Relations and Cooperation	2	-
Total	197	148

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Notes to the Financial Statements

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34. Related parties (continued)

Parliament occupies buildings which are owned by Department of Public Works (DPW). Parliament occupies these buildings which are significant to its operations for free and does not pay any rental costs to DPW. These buildings were occupied for the entire financial year, except the following:

The National Council of Provinces (NCOP) which was occupied for nine months.

The National Assembly (NA) and Old Assembly which were not used for the entire financial year.

	2023	2022
Service in kind rental benefit.	107 278	140 368

Parliament is provided with protection services by the South African Police Services for free, which are not significant to Parliament operations and were made available for the entire financial year.

There is a co-operation between DIRCO and Parliament regarding the payment of expenses for accommodation, transport, conference services, etc. by missions on behalf of Parliament when Parliamentary officials are required to travel abroad on official business. Prepayments made to DIRCO are disclosed in note 6 above.

Parliament receives the statutory appropriation from National Revenue Fund for remuneration and benefits of Member. Section 23(4) of the FMPPLA provides that unspent statutory appropriation must be surrendered to the National Revenue Fund (NRF), and in the same context overspending on statutory appropriation must be claimed from the NRF. Statutory receivable owed by National Treasury (NRF) is disclosed in note 5 above.

National Treasury allocated R118 million for the refurbishment of Parliament, to use for acquiring alternative office space and for any urgent unforeseen expenditure necessitated by the fire and R7,396 million was utilised by year-end. National Treasury further committed to the allocation of R2 billion for the rebuild of the Parliament over the next two years.

Parliament entered into a binding agreement with Development Bank of Southern Africa (DBSA) on the 01 March 2023, for DBSA to manage the restoration of the burnt buildings, redesign, and total facilities management of the Parliament Precinct. In terms of the agreement, DBSA will carry out all the procurement, programme management and implementation functions and assets constructed will be for Parliament. Parliament will make the prepayments to DBSA in order to fund the construction and rebuild of Parliament.

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Figures in Rand thousand

34. Related parties (continued)

Remuneration of management

Parliament is governed by the Executive Authority, comprising the Speaker (and Deputy) of the National Assembly and Chairperson (and Deputy) of the National Council of Provinces. The Executive Authority, together with the Secretary to Parliament, two Deputy Secretaries to Parliament, Secretary to the National Council of Provinces, Secretary to the National Assembly, Chief Financial Officer and Division Managers are responsible for the planning, directing and controlling of the activities of the institution. During the period under review, the following remuneration was paid/payable to these members of management for the services rendered to Parliament.

Executive Authority

2023

	Basic salary	Post employment benefits	Other short-term employee benefits	Total
Name				
*Hon NN Mapisa-Nqakula - Speaker of the National Assembly	1 746	393	771	2 910
Hon. NA Masondo-Chairperson of the National Council of Provinces	1 746	393	771	2 910
Hon. L. Tsenoli - Deputy Speaker of the National Assembly	1 222	275	540	2 037
Hon. SE Lucas - Deputy Chairperson on the National Council of Provinces	1 222	275	540	2 037
	5 936	1 336	2 622	9 894

2022

	Basic salary	Post employment benefits	Other short-term employee benefits	Total
Name				
*Hon NN Mapisa-Nqakula - Speaker of the National Assembly	1 072	241	474	1 787
Hon. T R Modise - Speaker of the National Assembly	606	136	268	1 010

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Figures in Rand thousand

34. Related parties (continued)

Hon. NA Masondo-Chairperson of the National Council of Provinces	1 695	381	749	2 825
Hon. L. Tsenoli - Deputy Speaker of the National Assembly	1 187	267	524	1 978
Hon. SE Lucas - Deputy Chairperson on the National Council of Provinces	1 187	267	524	1 978
	5 747	1 292	2 539	9 578

*Honourable TR Modise services were terminated on the 9 August 2021 and was replaced by Honourable MM Mapisa-Nqakula as Speaker National Assembly on the 19 August 2021

Senior Management

2023

Name	Basic salary	Post employment benefits	Long service awards paid	Total
*M X George - Secretary to Parliament	3 093	84	-	3 177
*Ms P N Tyawa - Deputy Secretary to Parliament Support Services	2 120	267	-	2 387
Adv M Phindela - Secretary to National Council of Provinces	2 275	295	10	2 580
Mr M Xaso - Acting Deputy Secretary to Parliament: Core Business	2 201	252	-	2 453
**Ms RP November - Acting Chief Financial Officer	1 928	202	-	2 130
	11 617	1 100	10	12 727

* Ms PN Tyawa -Deputy Secretary to Parliament: Support Services acted as Secretary to Parliament, until Mr X George was appointed as Secretary to Parliament in June 2022 .

2022

Name	Basic salary	Post employment benefits	Performance bonus provision	Total
Ms P N Tyawa - Acting Secretary to Parliament	2 262	246	21	2 529

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Figures in Rand thousand

34. Related parties (continued)

Adv M Phindela - Secretary to National Council of Provinces	2 181	272	24	2 477
Mr M Xaso - Acting Deputy Secretary to Parliament: Core Business	2 106	232	23	2 361
Ms RP November - Acting Chief Financial Officer	1 848	185	19	2 052
	8 397	935	87	9 419

Divisional Managers/Heads of Departments

2023

Name	Basic salary	Post employment benefits	Long service awards paid	Leave paid	Total
Ms AJ Gordon Acting Registrar of Member's interest	1 557	162	-	-	1 719
Adv Z Adhikarie - Chief Legal Advisor	2 118	275	-	-	2 393
Ms S Schalk - Legislative Support Programme	2 218	63	-	-	2 281
Dr DJ Jantjies- Director Parliamentary Budget Office	2 066	268	-	-	2 334
Ms E Nezar - Chief Audit Executive	1 726	224	-	-	1 950
Ms M Zungu - Institutional Support Services	2 066	268	-	-	2 334
Mr K Zweni - Office of Institutional Supporting Democracy	1 924	250	10	-	2 184
Dr Gabriel LK - Knowledge and Information Systems	2 066	268	-	-	2 334
Mr G Mokate - Head of the Chairperson's Office	2 227	13	-	-	2 240
Mr MK Mothapo- Parliamentary Communication Services	2 066	268	-	-	2 334
Mr DJ Sithole - International Relations and Protocol	2 066	268	-	199	2 533
M L Harper Acting Members Support Services	2 227	56	-	-	2 283
RK Begg - Core Business Support	2 066	268	-	-	2 334
Mr DR Moodley - Strategy and Governance	2 270	64	-	283	2 617

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Notes to the Financial Statements

Figures in Rand thousand

34. Related parties (continued)

Ms F Boltman - Chief Information Officer	2 227	63	10	-	2 300
Mr MM Monkonyana - Human Resources Executive	2 249	63	-	-	2 312
Ms CM Hendricks- Head of Speaker's Office	2 227	63	-	-	2 290
Mr HR McGregor - Head: Treasury Advice Office	1 726	224	-	-	1 950
JM Sefako - Senior Manager: Risk & Compliance	1 726	224	-	-	1 950
	38 818	3 352	20	482	42 672

2022

Name	Basic salary	Post employment benefits	Performance bonus provision	Total
Ms M Zungu - Institutional Support Services	1 980	247	22	2 249
Adv Z Adhikarie - Chief Legal Advisor	2 031	254	22	2 307
Ms S Schalk - Legislative Support Programme	2 137	50	21	2 208
Dr DJ Jantjies- Director Parliamentary Budget Office	1 981	247	-	2 228
*Ms E Nezar - Chief Audit Executive	272	36	-	308
*Mr RD Gilfillan Acting Chief Audit Executive	1 411	136	-	1 547
Mr K Zweni - Office of Institutional Supporting Democracy	1 844	230	20	2 094
Dr Gabriel LK - Knowledge and Information Systems	1 980	247	22	2 249
Mr G Mokate - Head of the Chairperson's Office	2 135	50	-	2 185
Mr MK Mothapo- Parliamentary Communication Services	1 977	247	22	2 246
Mr DJ Sithole - International Relations and Protocol	1 980	247	-	2 227
Mr VGM Mavuso - Members Support Services	1 122	117	-	1 239
**M L Harper Acting Members Support Services	1 092	27	19	1 138
RK Begg - Core Business Support	1 980	247	22	2 249

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Figures in Rand thousand

34. Related parties (continued)

Mr DR Moodley - Strategy and Governance	2 176	51	22	2 249
Ms F Boltman - Chief Information Officer	2 135	50	21	2 206
Mr MM Monkonyana - Human Resources Executive	2 156	51	21	2 228
*Ms NF Nojozi - Head of Speaker's Office	711	19	-	730
*Mr BR Elisha- Head of Speaker's Office	1 082	20	-	1 102
***Ms CM Hendricks- Head of Speaker's Office	641	21	-	662
Mr HR McGregor - Head: Treasury Advice Office	1 103	140	-	1 243
JM Sefako - Senior Manager: Risk & Compliance	1 655	207	18	1 880
Ms AJ Gordon Acting Registrar of Member's interest	1 492	149	15	1 656
	37 073	3 090	267	40 430

*Mr RD Gilfillan acted as Chief Audit Executive until Ms E Nezar was appointed in February 2022.

**Mr VGM Mavuso - Members Support Services resigned in September 2021 and Ms Harper started to act in the position from October 2021.

***Mr BR Elisha- Head of Speaker's Office services were terminated in September 2021, Ms NF Nojozi acted in the position from August 2021 until it was filled by Ms CM Hendricks in December 2021.

35. Financial instruments

Liquidity risk

Liquidity risk is the risk that Parliament will not be able to pay current liabilities as they fall due.

Parliament manages its liquidity risk to ensure that, it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents and ongoing review of future commitments.

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Financial Statements for the year ended 31 March 2023

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	2023 '000	2022 '000
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35. Financial instruments (continued)

The maturity dates of Parliaments's liabilities are set out below

Financial liabilities at amortised cost - payable within 1 year, undiscounted

Payables from exchange transactions	79 838	53 234
Payables from non exchange transactions	7 461	2 894
	87 299	56 128

Finance leases - discounted

Payable within 1 year	10 741	5 199
Payable within 2 - 5 years	3 243	2 163
	13 984	7 362

Credit risk and interest rate risks

Credit risk arises from the risk that a counter-party may default or not meet its obligation timeously. Credit risk consists mainly of cash deposits, cash equivalents and receivables. Parliament only deposits cash with major bank with high quality credit standing.

Receivables mainly comprises of related parties which lowers the counter-party risk. Interest rate risk results from the cash inflows due to uncertainty arising from the interest rate fluctuations.

Financial assets exposed to credit and interest risk as at 31 March 2023 are as follows:

Financial assets at amortised cost

Bank balances	591 298	179 621
Short-term deposits	13 781	303 656
Receivables from exchange transactions - within 1 year	7 328	8 094
Receivables from non-exchange transactions - within 1 year	1 320	3 455
	613 727	494 826

:

Financial instruments not exposed to risk

Financial assets

The statutory receivable is not exposed to risk as it will be refunded by National Revenue Fund in terms of section 23 (4) of the FMPPLA.

Financial assets at amortised cost - receivable within 1 year

Statutory receivables	66 538	30 170
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Notes to the Financial Statements

	2023 '000	2022 '000
36. Commitments		
Commitments in respect of capital expenditure		
This committed expenditure relates to property, plant and equipment and will be financed by existing cash resources.		
Already contracted for but not provided for		
Property, plant and equipment	7 406	3 997
Intangible assets	35	20
	7 441	4 017

Operating leases - as lessee (expense):

Minimum lease payments due		
- within one year	2 428	36
in second to fifth year inclusive	4 787	-
	7 215	36

Operating lease payments represent rentals payable by Parliament for office equipment that are rented on contractual basis over period of time. Parliament is renting the Parliamentary Democracy Offices (PDO) on month to month basis and therefore there is no commitment to disclose.

37. Budget differences

37.1 Material differences between budget and actual amounts

Parliament's budget is approved on a cash basis by functional classification. The approved budget covered the fiscal period from 1 April 2022 to 31 March 2023. The comparison of Parliament's actual performance with the budget is set out in the statement of comparison of budget and actual amounts.

The budget and the accounting basis differ. The financial statements are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis. The variance of five per cent & above and a value of R500 thousand & above between the budget and the actual amounts prepared on a cash basis is regarded as material and is explained below:

37.1.1 Sale of goods/Departmental revenue

The actual receipts exceed the budgeted revenue because there was more demand for catering by Departments.

37.1.2 Interest received

Received more interest than budgeted due to increase in cash and cash equivalents as a result of underspending detailed below.

37.1.3 Compensation of employees

The underspending on compensation of employees is due to terminations during the year and delays in filling critical vacant positions, delays in the finalisation of the Voluntary Early Retirement and due to non-payment of performance bonuses. The underspending will be part of retained earnings and available for spending in the next financial year, as Parliament is not required to surrender funds appropriated and not spent in line with sections 16(2)(b)(iii) and 23(1) of the FMPPLA.

37.1.4 Compensation of Members

The overspending is due to the payment of loss of office and exit gratuities to retired/resigned/deceased Members over and above the payment of the salaries and benefits of Members of Parliament. This amount will be claimed from NRF in terms of Section 23(4) of the FMPPLA.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
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37. Budget differences (continued)

37.1.5 Goods and services

The underspending is mainly as a result of delays in finalising and spending on the Disaster Management Projects and delays in spending in line with operational plans. All unspent funds will be available for allocation in the next financial year in line with section 16(2) of the FMPPLA.

37.1.6 Transfer to non-profit institutions

The underspending is due to the fact that the increase due to the political parties was not paid at end of March and only paid in April 2023. Also one Political Party that was not paid due to non submission of the audited annual financial statement of the previous year.

37.1.7 Property, plant and equipment

The underspending is due to assets delivered close to year-end and were only paid in the new financial year.

37.2 Changes from the approved budget to the final budget

37.2.1 Revenue

Annual appropriation increase by R155 068 due to additional allocation received from National Treasury, consisting of:

Amount of R118 000 allocated for the rehabilitation of the fire-damaged buildings and alternative office accommodation for the Members of Parliament and

An amount of R37 068 allocated for the increase of salaries of Staff.

37.2.2 Expenses

There is an increase of R291 577 between Parliament's approved and final budget which has been funded as follows:

R155 068 additional appropriation as indicated under note 3.7.2.1 above

R136 509 from retained earnings of previous financial years.

The additional budget has been allocated as follows:

R43 899 allocated to compensation of employee for staff salary increases and group life insurance.

R226 978 allocated to goods and services mainly for the rehabilitation of the fire-damaged buildings and alternative office accommodation for the Members of Parliament, and to fund the increase demand for goods & services due to the increase in oversight, public participation and international relations activities.

R20 700 allocated to property, plant and equipment to replaced assets damaged by fire.

38. Change in estimate

Property, plant and equipment

The useful life of assets with carrying values that were reaching zero in the current year and of those assets that were impaired in the buildings affected by fire were revised. The impact of the change is decrease in depreciation of R1 124 in the current year and increase in depreciation in following years of the same amount.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
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39. Prior period errors

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments and the amounts are presented to the nearest thousand. All errors identified were corrected, however only the overall change of 5 percent and above or R500 thousand in the account balance, class of transactions and cash flow movements are explained.

39.1 Compensation of employees and Members and current Employees and Members benefit obligations

The Compensation of employees and Members were understated by R685 and current Members benefit obligations were understated by R919 mainly due to exit gratuity that was underprovided for, packpay of salary notch for an employee and overtime.

39.2 Transfers to non-profit institutions and Receivables from non exchange transactions

Transfers to non-profit institutions and receivables from non exchange transactions were overstated by R2 132 and R2 366 respectively, mainly due to transfers that were made to political parties represented in Parliament in excess to what is provided for in the policy on transfers to political parties and that excess was not recognised as receivable.

39.3. Repairs and maintenance

Repairs and maintenance were understated by R300 due to the expenses that were incurred and not accounted for.

39.4 General expenses

General expenses were understated by R512 due to the expenses that were incurred and not accounted for.

39.5 Provisions

Provisions were overstated by R6 424 due to over-provision for legal expenses that were expected to have been incurred.

39.6 Payables from exchange transactions

They were understated by R1 757 mainly due to goods received and services rendered that were not accounted for as were not included in the statements during the preparation of the annual financial statements

39.7 Reclassification in Remuneration of Members Note

The current service costs and loss of office gratuity amount to R18 324 and R20 022 were disclosed as Loss of office gratuity instead of current service and interest cost as per GRAP 25 requirements.

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Financial Statements for the year ended 31 March 2023

Notes to the Financial Statements

	2023 '000	2022 '000
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39. Prior period errors (continued)

39.8 Remuneration of key management note

The amounts of the liability for long service awards, one of Parliament's employees obligations, were included as part of management remuneration instead of amounts paid.

39.9 Property, plant and equipment, Impairment loss of assets and Loss on disposal of assets

The property, plant and equipment increased by R1 065, the impairment loss of assets decreased by R12 151 and loss on disposal of asset increased by R11 371 mainly due to fact that all the assets that were in the burnt buildings were impaired to zero, the impairment of assets which are still in good condition was reversed. Also the impairment of assets written-off was re-classified to loss on disposal of assets.

39.10 Cash Flow Statement

Cash flow from operating activities

Departmental revenue decreased by R2 177 due to the overpayment of Political Parties that was not recognised as a receivable.

Payments to suppliers decreased by R2 160 mainly due to the decrease in the provisions, detailed above.

The correction of the error(s) results in adjustments as follows in the Statement of financial positions and Statement of Financial Performance:

Statement of financial position

Increase in receivables from exchange transactions	36
Increase in receivables from non exchange transactions	2 366
Decrease in prepayments	(78)
Increase in property, plant and equipment	1 065
Increase in heritage assets	3
Increase in payables from exchange transactions	(1 757)
Increase in current Employees and Members benefits obligations	(919)
Decrease in provisions	6 424
Increase in non current finance lease obligation	(25)
Total	7 115

Statement of financial performance

Increase in revenue from exchange transactions	20
Increase in interest earned	72
Increase in compensation of employees and Members	(685)
Decrease in transfers to non-profit institutions	2 132
Increase in repairs and maintenance	(300)
Increase in cost of sales	(1)
Decrease in finance costs	61
Increase in general expenses	(512)
Increase in loss on disposal of assets	(11 371)
Decrease in impairment loss of assets	12 151
Increase in depreciation	(17)
Total	1 550

40. Events after reporting date

The President approved the increase of salaries of Members of Parliament on the 01 July 2023 for the 2022/23 financial year and the compensation of Members and current Members benefit obligations were adjusted accordingly. Parliament is not aware of any other events after the reporting date, other than the one disclosed.



7

AUDIT COMMITTEE

Introduction

The Audit Committee (“the Audit Committee”) is established as an independent statutory committee in terms of section 47 of the Financial Management of Parliament and Provincial Legislatures Act (“the FMPPLA”). The Committee’s terms of reference are formalised in the Audit Committee Charter (“the Charter”), which is approved by the Executive Authority (EA). Overall, the Committee operated in terms of its mandate as set out in the FMPPLA and the Charter.

During the 2021-22 financial period, a number of assets could not be verified during the audit process and a limitation was raised as the affected buildings were cordoned off and access to them were restricted as it was an active crime scene and was under investigation by the HAWKS.

The HAWKS concluded their investigation prior to the submission of the annual financial statements, however when the buildings were inspected by experts, it was confirmed that some areas of the burnt buildings were not safe for unauthorised personnel to enter. The buildings were subsequently split into three zones namely “green zone”, “orange zone” and “red zone”. The green zones had little to no safety concerns, the orange zones had safety concerns, but were accessible in the company of a relevant safety official. The red zones are currently still restricted due to the safety concerns in these areas.

Due to the limited time between when the HAWKS concluded their investigation and the legislated deadline for the submission of the annual financial statements for audit, a number of differences were identified between the asset register submitted and the assets that were verified during our physical verification process. The most notable findings included some assets being written-off due to the assumption that they were damaged, however these assets were verified and assessed to be in good working condition. In addition, assets were moved to a restricted zone and were unable to be verified. The limitation raised in the prior year still exists for the assets that are situated in the red zones. Parliament has contracted with the Development Bank of Southern Africa (DBSA) for the refurbishment of the Parliamentary buildings impacted by the fires.

The stabilisation the leadership of is also noted by the Committee with the appointments of Secretary to Parliament and the Chief Financial Officer.

Committee members and meeting attendance

During November 2021, the EA considered and approved the retention of two (2) members of the Committee, namely Ms. P. Mzizi (current interim Chairperson with financial management and reporting specialty) and Mr. A. Amod (auditing specialty) to ensure continuity of the Committee and to protect institutional memory. The EA appointed two (2) Members of Parliament in terms of section 47(3) of the

FMPPLA to serve in the Committee, namely Hon. Hlengwa and Hon. Mente, as an interim solution from 17 January 2022 until the recruitment processes have been finalised. Ms Njozela has joined the Committee as an interim independent member from 19 August 2022, to ensure compliance with the FMPPLA.

The EA approved the recruitment process to fill three vacancies, namely Governance and Legal/Risk and ICT/ Performance and HR Management specialist fields. The process is anticipated to be concluded by the second quarter of the 2023/24 financial year.

The invitees to committee meetings include Executive Management (STP, DSTPs and DMs), Chief Financial Officer, Chief Information Officer, Chief Risk Officer, Chief Audit Executive and the AGSA and any other executives when necessary.

Names, tenure period and qualifications of the Audit Committee Members:

Committee Member	Qualification/s	Term	Meetings Attended
Ms. P Mzizi (Interim Chairperson)	CA (SA)	1 October 2018	5/5
Mr. A Amod	<ul style="list-style-type: none"> • Certified Internal Auditor • Certified Risk Management Assurance • Master of Business Administration Degree • B. Comm Degree 	1 October 2018	5/5
Ms. T Njozela	<ul style="list-style-type: none"> • Certified Internal Auditor • Master of Business Administration Degree • Honours Bachelor of Accounting Science 	19 August 2022	5/5
Hon. V. Mente (Member)	Member of Parliament	1 February 2022	1/5
Hon. M. Hlengwa (Member)	Member of Parliament	1 February 2022	0/5

The members of the Committee met with the STP, Executives, Internal Audit (IA) and the AGSA, individually and collectively to address risks and challenges facing Parliament.

The Audit Committee Chairperson also met with the EA during the prior under review.

Responsibilities and functions

The responsibilities and functions of the Committee are set out in section 48 of the FMPPLA and the Charter. The Committee assessed the performance against its mandate and is satisfied that it has executed its mandate and diligently discharged its responsibilities independently and objectively within the relevant provisions of the FMPPLA and the Charter. The following is a summary of how the Committee carried out its functions:

Internal control framework and Information Communication Technology (ICT) Governance

The Committee reviewed the reports of management, internal and external auditors on the design, implementation, and effectiveness of the systems of internal controls. Based on the reasonable assurance provided by management, Internal Audit and the AGSA, no material breakdown was reported in the system of internal control. The Committee is satisfied with the resilience of internal controls over supply chain management and fraud risk management. Continued efforts to further improve controls over information and communication technology (ICT) and institutional performance management processes are also encouraged.

Risk Governance

Whilst management is ultimately responsible for maintaining an effective risk management process, the Committee assessed the adequacy of the risk management process. The risk management process of Parliament is guided by the enterprise risk management framework. The Risk Management Committee, which comprises senior members of management, was in place.

The Committee is concerned about the lack of capacity to ensure implementation of a robust risk management program for the institution and recommended further improvement of the risk management practices. In particular, management was advised to improve its risk governance processes, including the functioning of the Risk Management Committee and use of the organisational redesign process that is underway to determine the most suitable resourcing model for Parliament's governance, risk management and compliance functions.

Internal Audit

The Internal Audit Unit has been established as an independent function from management in line with section 50 of the FMPPLA. During the reporting period, this Unit operated in terms of the approved Charter, and the risk based annual audit plan. The Unit reported quarterly to the Committee against the approved plan. The Committee is satisfied that the Internal Audit Unit has operated effectively and addressed pertinent risks in its audits. The Committee is encouraged by the AGSA increasing their reliance on the work of the Internal Audit Unit. The Committee remains concerned about the structure and resourcing of the Internal Audit Unit as the frozen positions impact negatively on the Unit's ability to cover the Institution's audit universe and fully deliver on its mandate.

External Audit

The Committee is required in terms of its Charter to evaluate the independence, objectivity and effectiveness of the audit process of the AGSA, and to discuss the audit strategy, the engagement letter and the audit results. The AGSA was represented in all the meetings of the Committee and presented the audit strategy, engagement letter and the audit results for consideration by the Committee. In addition, the Committee concurs with the audit results as reported in the auditor's report.

Combined assurance

The responsibility to oversee combined assurance was delegated to the Committee in terms of the Charter. However, combined assurance is still at an infancy stage and the Committee commits to work with management to further improve this area towards a fully integrated and streamlined assurance provision across all lines of assurance. In this regard, the Draft Combined Assurance and Implementation Plan has been developed for consideration.

The quality of in-year management reports

The Committee reviewed the quality and the content of the quarterly management reports, including financial and non-financial performance. The Committee is encouraged by the progress made in improving the quality of financial and non-financial performance reporting. This includes an increase in the overall achievement of set performance targets as well as the availability of documentation to support the reported performance. The acknowledgement from the AGSA is also noted that an annual performance report free from material misstatements have been submitted.

Performance Information

The performance information was presented to the Audit Committee during the meeting of the 31 May 2023. The Audit Committee supported the submission of the information. The annual performance achieved of Parliament was 100% of the set target for the 2022/23 financial year.

Quality of audited annual financial statements

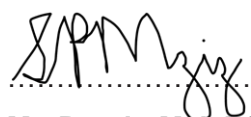
The Committee noted that the Institution submitted its Annual Financial Statements by 31 May 2023 for auditing as prescribed by section 57 of the FMPPLA.

The Audit Committee has reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Secretary to Parliament; reviewed the AGSA's Management and Audit Reports and Management's responses thereto.

The Annual Financial Statements were prepared in accordance with generally recognised accounting practice, and in compliance with the FMPPLA. The Committee reviewed the Annual Financial Statements prior to submission for auditing and considered the audit report by the AGSA. The Committee congratulates Parliament on its clean audit opinion which is the nine consecutive clean audit for the institution. The Committee encourages management to implement action plans to address the concerns raised by the Committee.

Conclusion

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General. As a result, the Committee would like to once again congratulate Parliament on its **clean audit opinion**. We also note the reduction in audit findings identified by the AGSA. In particular, we would like to express our appreciation to the Executive Authority, Accounting Officer, Management and the Parliamentary team. It is through this support that the Committee will continue to work with Management to further enhance the good governance practices. Lastly, we would like to express our appreciation to the AGSA and the internal audit team for their professionalism and support in our oversight role.



Ms Pumla Mzizi CA(SA)

Audit Committee Chairperson (Interim)

Date: 21 August 2023



8

ANNEXURES

8. HUMAN RESOURCES

TOTAL NUMBER OF EMPLOYEES [INCLUDING EMPLOYEES WITH DISABILITIES] IN EACH OF THE FOLLOWING SALARY BANDS ON 31 MARCH 2023

SALARY BAND	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Graduate Trainees	24	4	2		8	2			40
Lower Skilled (Level X)	45	10			18	3			76
Lower Skilled (Level A)	21	23		2	14	16		2	78
Skilled (Level B)	68	35	2	5	54	45	3	8	220
Highly Skilled Production (Level C)	237	104	3	25	192	71	9	11	652
Highly Skilled Supervision (Level D)	53	21	10	15	80	13	7	11	210
Senior Management (Level E)	3	3	1	1	9		2		19
Top Management (Level F)	1				1				2
Grand Total	452	200	18	48	376	150	21	32	1297
Employees with Disability	2	4		1	4	1	1		13

PERSONNEL COST BY PROGRAMME FOR THE PERIOD: 2022 / 2023

PROGRAMME	Staff & Contractors			Graduate Trainees		
	Personnel Expenditure	Total Employees	Average Personnel Cost per Employee	Personnel Expenditure	Total Employees	Average Personnel Cost per Employee
Strategic Leadership and Governance (Programme 1)	R98 166 225,00	84	R 1 168 646,00			
Administration (Programme 2)	R115 929 348,00	119	R 974 196,00			
Core Business (Programme 3)	R509 387 249,00	586	R 869 262,00			
Support Services (Programme 4)	R316 135 379,00	509	R 621 091,00	R6 103 080,00	40	R 152 577,00
Associated Services (Programme 5)						
Grand Total	R1 039 618 201,00	1298	R 800 939,00	R6 103 080,00	40	R 152 577,00

PERSONNEL COST BY SALARY BAND FOR THE PERIOD: 2022 / 2023

SALARY BAND	Personnel Expenditure	% of Total Personnel Cost	Total Employee	Average Personnel Cost Per Employee
Graduate Trainees	R6 103 080,00	0,58%	40	R 152 577,00
X_Lower Skilled (Level X)	R11 353 546,00	1,09%	76	R 149 389,00
A_Lower Skilled (Level A)	R30 628 783,00	2,93%	83	R 369 021,00
B_Skilled (Level B)	R106 319 248,00	10,17%	224	R 474 640,00
C_Highly Skilled Production (Level C)	R525 688 763,00	50,27%	674	R 779 954,00
D_Highly Skilled Supervision (Level D)	R318 174 188,00	30,43%	220	R 1 446 246,00
E_Senior Management (Level E)	R41 547 347,00	3,97%	19	R 2 186 702,00
F_Top Management (Level F)	R5 906 326,00	0,56%	2	R 2 953 163,00
Grand Total	R1 045 721 281,00	100,00%	1338	R 781 556,00

RECRUITMENT / APPOINTMENTS FOR THE PERIOD: 2022 / 2023

Salary Band	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Graduate Trainees	5		1			1			7
Lower Skilled (Level X)									
Lower Skilled (Level A)									
Skilled (Level B)									
Highly Skilled Production (Level C)	8	1		1	2				12
Highly Skilled Supervision (Level D)	3	1	1	1	5		1		12
Senior Management (Level E)									
Top Management (Level F)					1				1
Grand Total	16	2	2	2	8	1	1		32
Employees with Disability									





EMPLOYMENT AND VACANCIES BY PROGRAMME FOR THE PERIOD: 2022 / 2023

Programme	Number of Posts	Number of Filled Posts	Active Vacant	Vacancy Rate
Strategic Leadership and Governance (Programme 1)	89	82	7	0,47%
Administration (Programme 2)	130	113	17	1,14%
Core Business (Programme 3)	684	565	119	7,97%
Support Services (Programme 4)	591	497	94	6,29%
Associated Services (Programme 5)				
Grand Total	1494	1257	237	15,86%
FORMULA FOR CALCULATION OF:				
Vacancy Rate = Number of Active Vacant Post divided by Total Number of Filled & Vacant Posts				

EMPLOYMENT AND VACANCIES BY SALARY BAND FOR THE PERIOD: 2022/ 2023

SALARY BAND	Number of Posts	Number of Filled Posts	Active Vacant	Vacancy Rate
Lower Skilled (Level X)	85	76	9	0,60%
Lower Skilled (Level A)	108	78	30	2,01%
Skilled (Level B)	284	220	64	4,28%
Highly Skilled Production (Level C)	752	652	100	6,69%
Highly Skilled Supervision (Level D)	241	210	31	2,07%
Senior Management (Level E)	22	19	3	0,20%
Top Management (Level F)	2	2		
Grand Total	1494	1257	237	15,86%
FORMULA FOR CALCULATION OF:				
Vacancy Rate = Number of Active Vacant Post divided by Total Number Filled and Active Vacant of Posts				

ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD: 2022/ 2023

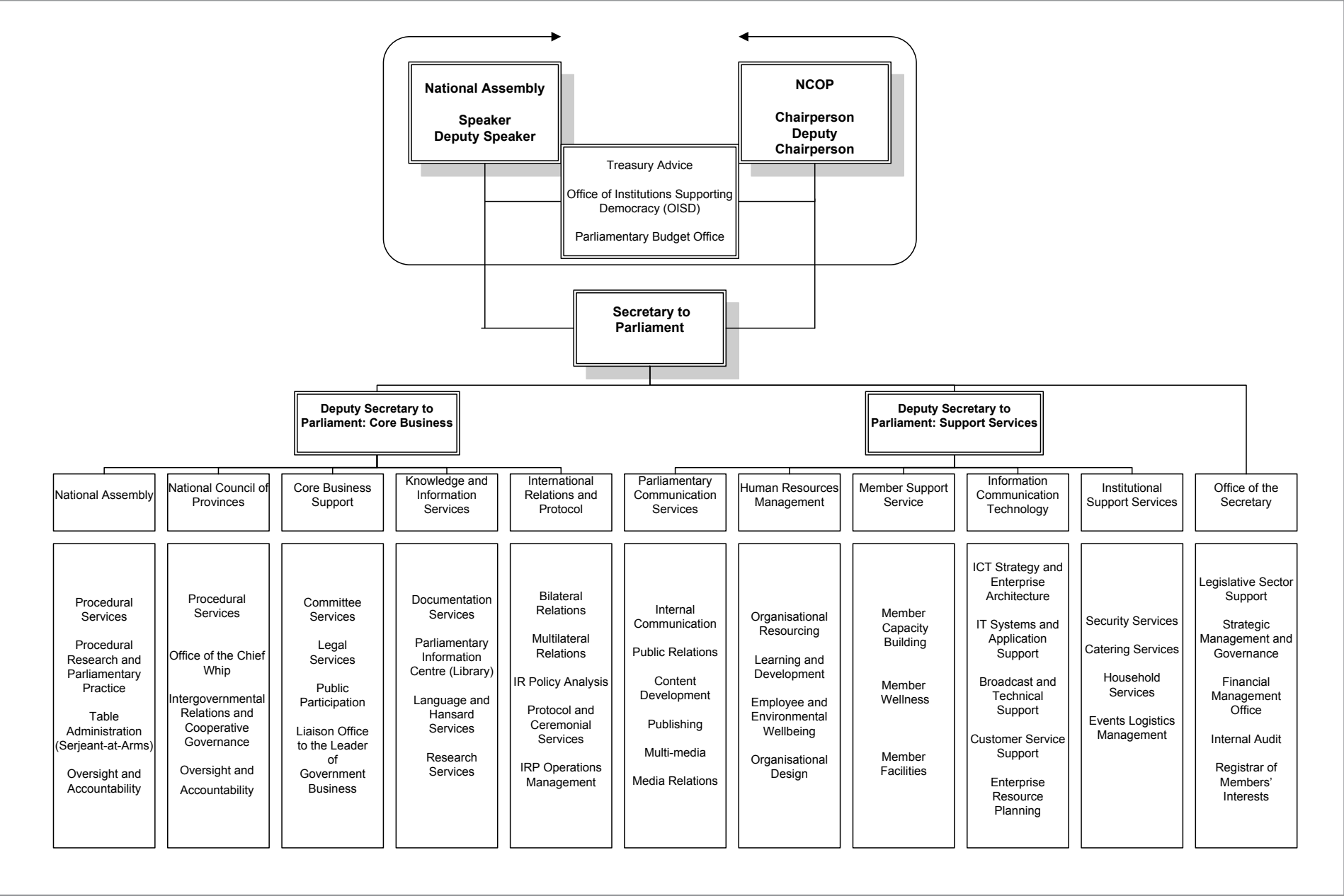
SALARY BAND	Number of Employees per band as on 31 Mar 2021	Resignations	Turnover Rate
Graduate Trainees	40		
X_Lower Skilled (Level X)	76		
A_Lower Skilled (Level A)	78		
B_Skilled (Level B)	220	1	0,08%
C_Highly Skilled Production (Level C)	652	6	0,46%
D_Highly Skilled Supervision (Level D)	210	2	0,15%
E_Senior Management (Level E)	19		
F_Top Management (Level F)	2		
Grand Total	1297	9	0,69%
FORMULA FOR CALCULATION OF:			
Staff Turnover Rate = Total Number of Resignations divided by Total Number of Staff [EE & Contractors] multiply by 100 divided by 1			

REASONS WHY EMPLOYEES ARE LEAVING PARLIAMENT FOR THE PERIOD: 2022 / 2023

Termination Type	Staff & Contractors		Graduate Trainees	
	Number of Terminations	% of Total	Number of Terminations	% of Total
Contract Termination				
Deceased	7	17,07%		
Dismissal	1	2,44%		
End of Contract				
Resignation	9	21,95%		
Retirement	13	31,71%		
Retirement Early	8	19,51%		
Retirement: Due to Ill Health	3	7,32%		
Grand Total	41	100,00%		



8.2 ORGANISATIONAL STRUCTURE



8.3 REFERENCES

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