



REPORT OF THE STANDING COMMITTEE ON APPROPRIATIONS ON ITS ACTIVITIES UNDERTAKEN DURING THE FOURTH PARLIAMENT (MAY 2009-MARCH 2014), DATED 12 MARCH 2014

Key highlights

1. Reflection on committee programme per year and on whether the objectives of such programmes were achieved

The Committee from 2009 to 2011 focussed mainly on the monitoring of expenditure patterns through the reports from National Treasury in terms of section 32 of the PFMA. During this process, emphasis was placed on the monitoring of expenditure related to the attainment of the national priorities of government. As such, major infrastructure delivery was part of the Committee's main focus as it was one of the main job creation drivers. The Committee undertook several oversight visits with a view to improving expenditure on water and schools infrastructure delivery. There were improvements in the expenditure of water infrastructure, whereas the expenditure on schools infrastructure in particular under the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) remains a challenge to date.

The additional mandate of exercising oversight over the Department of Performance Monitoring and Evaluation (DPME) and the National Youth Development Agency (NYDA) was given to the Committee in November 2011. The Committee mainly focussed on the quarterly performance and expenditure reports of the NYDA to date in addition to the consideration of its Annual Performance Plans, Strategic Plans and budgets.

The Committee had more regular briefings with the DPME and looked at matters like the Municipal Assessment Tool, Development Indicators, Mid-Term Review, evaluation reports, amongst others. The Committee envisaged undertaking more regular oversight visits relating to the DPME, for instance on Frontline Service Delivery but could not due to time constraints.

Overall, most of the Committee's objectives were reached but lack of time remained a challenge due to its extended mandate

2. Committee's focus areas during the 4th Parliament

- General spending issues
- Expenditure on infrastructure projects including oversight visits in line with government priorities

- Expenditure on programmes facilitating job creation (EPWP, CWP, Jobs Fund)
- Familiarisation with the mandates of Department of Performance Monitoring and Evaluation and National Youth Development Agency
- In-year monitoring of the performance of DPME and NYDA

3. Key areas for future work

- Strong monitoring of National Departments and their entities towards the achievement of the priorities contained in the National Development Plan and Vision 2030
- Strong collaboration with the Department of Monitoring and Evaluation towards the review of government's performance towards the achievement of the National Development Plan and Vision 2030.
- Strong collaboration with Parliamentary Budget Office and National Treasury to strengthen output oriented budgeting in order to enable the monitoring of value for money for resources allocated.
- Use of evaluation results including commissioning evaluations on key government programmes
- Being able to utilise DPME information such as MPAT, MAT, Development indicators and other related information to strengthen oversight to other departments during the in-year-monitoring
- Create awareness for the portfolio committees for them to benefit from DPME information
- Strengthening oversight over NYDA and DPME
- Undertaking study tour on youth matters

4. Key challenges emerging

- Time & Budget Constraints due to the dualistic function of the Committee as a Standing Committee on Appropriations as well as a Portfolio Committee for Performance Monitoring & Evaluation and National Youth Development Agency.
- Changes in parliamentary programme and their impact on planned committee activities as per the committee programme.
- Late or non-submission of data/information by departments which undermines meaningful engagement during committee meetings and oversight visits.
- Inadequate collaboration with other committees of Parliament mainly due to conflicting schedule of meetings and commitments across committees of Parliament.

- Absence of a dedicated Parliamentary Budget Office to bolster the capacity of the committee in dealing with its new powers and responsibilities contained in the Money Bills Amendment Procedures and Related Matters Act of 2009.

5. Recommendations

- That the membership capacity of the Committee as well as budget allocation be increased in order to enhance its effectiveness in the budget process and in its oversight role for performance monitoring and evaluation as well as youth matters.
- More workshops for members to understand the legislative frameworks that underpin the Committee's mandate.
- Develop a terms of reference in order to establish an effective working relationship with the Parliamentary Budget Office. This relationship should be premised on sound channels of communication and interface. Communication should be regular and there should be a strong understanding of the needs and expectations the committee.
- Foster and maintain effective working relations with other Committees of Parliament concerning matters of common interest. There is a need to strengthen the participatory role of portfolio committees during the budget process. Portfolio Committees should be encouraged to make submissions on their relevant departments' budget allocations to the Standing Committee on Appropriations.

1. Introduction

1.1 Department/s and Entities falling within the committee's portfolio

a) All national departments and national public entities as pertaining to spending issues and appropriations.

b) Department of Performance Monitoring and Evaluation

Department's Core mandate:

- to facilitate the development of plans or delivery agreements for the cross cutting priorities or outcomes of government and monitor and evaluate the implementation of these plans;
- monitor the performance of individual national and provincial government and municipalities;

- monitor frontline service delivery;
- manage the Presidential Hotline;
- carry out evaluations of major and strategic government programmes;
- promote good monitoring and evaluation (M&E) practices in government; and
- provide support to delivery institutions to address backlogs in delivery.

c) National Youth Development Agency:

Core mandate:

- To lobby and advocate for integration and mainstreaming of youth development in all spheres of government, private sector and civil society;
- To initiate, implement, facilitate and coordinate youth development programmes;
- Monitor and evaluate youth development intervention across the board; and mobilise youth for active participation in civil society engagements.

1.2 Functions of committee

➤ To consider and report on the following matters:

- Spending issues;
- Amendments to the Division of Revenue, the Appropriation Bill, Supplementary Appropriation Bill and the Adjusted Appropriation Bill;
- Recommendations of the Financial and Fiscal Commission (FFC);
- Reports on actual expenditure published by the National Treasury (section 32 reports); and
- Any other related matters.

➤ In addition to:

- Monitor the financial and non-financial performance of the Department of Performance Monitoring and Evaluation and the National Youth Development Agency to ensure that national objectives are met.
- Process and pass legislation.

- Facilitate public participation in Parliament relating to issues of oversight and legislation.

1.3 Method of work of the committee (if committee adopted a particular method of work e.g. SCOPA.)

- In 2010, the Committee had deployed members according to the five key priorities. The main intention was to create capacity and ensure that at least there is a lead member for each port folio
- The Committee also invited Portfolio Committees to join it in discussions with the relevant national departments.

1.4 Purpose of the report

The purpose of this report is to provide an account of the Standing Committee on Appropriations' work during the 4th Parliament and to inform the members of the new Parliament of key outstanding issues pertaining to spending patterns of all national departments and public entities, the oversight and legislative programme of the Department of Performance Monitoring and Evaluation and the National Youth Development Agency.

This report provides an overview of the activities the committee undertook during the 4th Parliament, the outcome of key activities, as well as any challenges that emerged during the period under review and issues that should be considered for follow up during the 5th Parliament. It summarises the key issues for follow-up and concludes with recommendations to strengthen operational and procedural processes to enhance the committee's oversight and legislative roles in future.

2. Key statistics

The table below provides an overview of the number of meetings held, legislation and international agreements processed and the number of oversight trips and study tours undertaken by the committee, as well as any statutory appointments the committee made, during the 4th Parliament:

Activity	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Meetings held	27	48	42	63	66	246

Activity	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Legislation processed (considered)	2	4	6	4	4	20
Oversight trips undertaken	0	3	1	3	2	9
Study tours undertaken	0	0	0	1	1	2
International agreements processed	0	0	0	0	0	0
Statutory appointments made	0	0	0	0	1	1
Interventions considered	0	0	0	0	0	0
Petitions considered	0	0	0	0	0	0

3. Stakeholders:

- National Treasury,
- Financial and Fiscal Commission,
- Public Service Commission,
- Human Science Research Council,
- Parliamentary Budget Office

4. Briefings and/or public hearings

- Payments of invoices within 30 days
- Disjuncture between national departments' budget and performance on targets
- Briefing on the EPWP with all stakeholders including provinces and municipalities
- Briefing on the revised model of EPWP by the Department of Public Works
- Briefing by National Treasury on the old conditional grant called water, sanitation and electricity backlog infrastructure for schools and clinics,
- Briefing on Jobs Fund by National Treasury and Development Bank of Southern Africa
- Briefing on the National Health Insurance Scheme by the Department of Health

- Briefing the Department of Water Affairs on the Municipal Water Infrastructure Grant (MWIG)
- Briefing by DECOG on the Community Works Programme (CWP) an EPWP
- Briefing by the metropolitan municipalities on the state of readiness around the accreditation to build housing infrastructure
- Briefing with the Department of Energy and Earth life Africa around the Nuclear Procurement Programme.
- Public hearings on: Division of Revenue, Appropriation Bill, Amendments to the Division of Revenue, Adjusted Appropriation Bill, Medium Term Budget Policy Statements
- Quarterly expenditure hearings for all departments
- Annual Performance Plans and Annual Reports of DPME
- Annual Performance Plans and Annual Reports of NYDA
- Quarterly expenditure and performance reports by DPME and NYDA
- Engagement with the Department of Women, Children and People with Disabilities around its excessive over expenditure under Programme 1, Administration
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5. Legislation

The following pieces of legislation were referred to the committee and processed during the 4th Parliament:

Year	Name of Legislation	Tagging	Objectives	Completed/Not Completed
2009/10	Appropriation Bill [B5 – 2009]	S77	To appropriate money from the National Revenue Fund for the requirements of the State for the 2009/10 financial year; to prescribe conditions for the spending of funds withdrawn for the 2010/11 financial year before the commencement of the Appropriation Act for the 2010/11 financial year; and to provide for matters incidental thereto.	Completed
	Adjustments Appropriation Bill [B13 –	S77	To effect adjustments to the appropriation of money from the National Revenue Fund for the requirements of the State in respect of the 2009/10 financial year; and to provide for	Completed

	2009]		matters incidental thereto.	
	Western Cape Inherited Debt Relief Bill [B6-2009]		To authorise the discharge of certain debts of the former Cape Provincial Administration and the former House of Representatives, which have devolved upon the Western Cape Province in terms of the Constitution of the Republic of South Africa, 1993, and are still outstanding; to make arrangements for the settling of accounts in relation to the debts; and to provide for matters incidental thereto.	Completed
2010/11	Division of Revenue Bill [B4 -2010]	S76	To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2010/11 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.	Completed
	Appropriation Bill [B3 – 2010]	S77	To appropriate money from the National Revenue Fund for the requirements of the State for the 2010/11 financial year; to prescribe conditions for the spending of funds withdrawn for the 2011/12 financial year before the commencement of the Appropriation Act for the 2011/12 financial year; and to provide for matters incidental thereto.	Completed
	Division of Revenue Amendment Bill [B35 – 2010]	S76	To amend the Division of Revenue Act, 2010, in accordance with the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No.9 of 2009); and to provide for matters connected therewith.	Completed
	Adjustments Appropriation Bill [B34 – 2010]	S77	To effect adjustments to the appropriation of money from the National Revenue Fund for the requirements of the State in respect of the 2010/11 financial year; and to provide for matters incidental thereto.	Completed
2011/12	Appropriation Bill [B3-	S77	To appropriate money from the National Revenue Fund for the requirements of the State for the 2011/12 financial year;	Completed

	2011]		to prescribe conditions for the spending of funds withdrawn for the 2012/13 financial year before the commencement of the Appropriation Act for the 2012/13 financial year; and to provide for matters incidental thereto.	
	Division of Revenue Amendment Bill [B17-2011]	S76	To amend the Division of Revenue Act, 2011, in accordance with the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No.9 of 2009); and to provide for matters connected therewith.	Completed
	Adjustments Appropriation Bill [B18-2011]	S77	To effect adjustments to the appropriation of money from the National Revenue Fund for the requirements of the State in respect of the 2011/12 financial year; and to provide for matters incidental thereto.	Completed
	Division of Revenue Bill [B4-2012]	S76	To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2012/13 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.	Completed
	Finance Bill [B5-2012]		To approve unauthorised expenditure; and to provide for matters connected therewith.	Completed
	Additional Adjustments Appropriation Bill [B6-2012]	S77	To appropriate an additional amount of money for the requirements of the Department of Transport in respect of the 2011/12 financial; and to provide for matters incidental thereto.	Completed
2012/13	Appropriation Bill [B3-2012]	S77	To appropriate money from the National Revenue Fund for the requirements of the State for the 2012/13 financial year; to prescribe conditions for the spending of funds withdrawn for the 2013/14 financial year before the commencement of the Appropriation Act for the 2013/14 financial year; and to provide for matters incidental thereto.	Completed
	Division of Revenue Amendment Bill [B33-2012]	S76	To amend the Division of Revenue Act, 2012, in accordance with the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No.9 of 2009); and to provide for	Completed

	Adjustments Appropriation Bill [B33- 2012	S77	matters connected therewith. To effect adjustments to the appropriation of money from the National Revenue Fund for the requirements of the State in respect of the 2012/13 financial year; and to provide for matters incidental thereto.	Completed
	Division of Revenue Bill [B2-2013]	S76	To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2013/14 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.	Completed
2013/14	Appropriation Bill [B1- 2013]	S77	To appropriate money from the National Revenue Fund for the requirements of the State for the 2013/14 financial year; to prescribe conditions for the spending of funds withdrawn for the 2014/15 financial year before the commencement of the Appropriation Act for the 2014/15 financial year; and to provide for matters incidental thereto.	Completed
	Division of Revenue Amendment Bill [B38- 2013]	S76	To amend the Division of Revenue Act, 2013, in accordance with the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No.9 of 2009); and to provide for matters connected therewith.	Completed
	Adjustments Appropriation Bill [B33- 2012	S77	To effect adjustments to the appropriation of money from the National Revenue Fund for the requirements of the State in respect of the 2013/14 financial year; and to provide for matters incidental thereto.	Completed
	Division of Revenue Bill [B5-2014]	S76	To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2014/15 financial year and the responsibilities of all three spheres pursuant to such division; and to provide for matters connected therewith.	

a) Challenges emerging

The following challenges emerged during the processing of legislation:

- Limited time to process the often detailed and complex information contained in money bills
- Limited inputs from stakeholders, citizens and civil society in response to advertisements placed calling for submissions
- Lack of input from Portfolio Committees on the Budget of their relevant departments

b) Issues for follow-up

The 5th Parliament should consider following up on the following:

- Amendment of the National Youth Development Agency Act
- Results Bill
- Amendment of the Money Bills as pertaining to the following:
 - Timeframes for processing and finalisation of money bills
 - Terms of Reference for the interaction between PBO and four committees

6. Oversight trips undertaken

The following oversight trips were undertaken:

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
14 to 18 March 2010	Limpopo and Mpumalanga	The Committee undertook the oversight visit with the view to determine the extent to which reported expenditure translated into service delivery.				Adopted, Atced and considered by the House
19 to 23	KwaZulu-Natal	To engage with the provincial departments				Adopted, Atced and

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July 2010		of public works and Transport on best practices in respect of the financial and non-financial performance of the Expanded Public Works Programme Incentive Grant. Provincial treasuries and public works departments from other provinces were part of the visit.				considered by the House
2 to 5 August 2010	Eastern Cape	To engage with the national and provincial departments of Education and Health on the extent to which schools and clinics have received electrification, water and sanitation services.				Adopted, Atced and considered by the House
5 -9 September 2011	(1) Nandoni Dam (Thohoyandou, Limpopo) (2) De Hoop Dam (Steelpoort, Limpopo) (3) Inyaka Water Treatment Works	To do a follow up on the progress made since the Committee's last oversight visit to the same to the Nandoni and De Hoop Dams (Limpopo) and Inyaka	The Minister of Finance should ensure the following: • That the National			Adopted, Atced and considered by the House

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
	(Bush Buck Ridge, Mpumalanga)	Dam (Mpumalanga) from 14 to 18 March 2010.	Treasury assists the Department of Water Affairs to ensure compliance with the Public Finance Management Act and the National Treasury Regulations by ensuring that all committees required to comply with supply chain management procedures are in place;			
23 – 25 January 2012	Eastern Cape, East London	To investigate the progress made by the Department of Basic Education with regard to the construction of 50 schools in the Eastern Cape.	That the Minister of Basic Education should ensure the following: <ul style="list-style-type: none"> The National Department of Basic Education 			Adopted, Atced and considered by the House

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>should submit to the National Assembly a detailed report on the dates that the 49 schools budgeted for in the 2011/12 financial year would be completed and the plans and timeframes for rolling out the balance of the project and the anticipated budget requirements and availability, indicating any shortfalls if any.</p> <ul style="list-style-type: none"> <li data-bbox="1077 1182 1330 1287">• The National Department of Basic Education 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>should submit to Parliament a report indicating how many jobs would be created through the Eastern Cape component of the Accelerated Schools Infrastructure Initiative (ASIDI) programme.</p> <ul style="list-style-type: none"> The National Department of Basic Education should submit a report to the National Assembly on the reasons for awarding a tender to a contractor without 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			obtaining the necessary guarantees and what it intended to do ensure that this did not reoccur.			
18 – 22 June 2012	Kwazulu-Natal & Eastern Cape	<p>To engage with the National Youth Development Agency (NYDA) on the youth development programmes that it was offering and to inspect the 12 months call centre training and internship programme in Kwazulu-Natal.</p> <p>To discuss the progress re the Hospital Revitalisation Grant and Health Infrastructure Grant in the King Edward VIII Hospital, Rietvlei Hospital and</p>	<ul style="list-style-type: none"> • That the Minister of Health ensures that the Department of Health submit a report to the National Assembly on its recruitment strategy for doctors relating to the Rietvlei Hospital in uMzimkhulu, Kwazulu-Natal. • That the Minister of Health ensures that the 			Adopted, Atced and considered by the House

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<p>Nelson Mandela Academic Hospital.</p> <p>To investigate whether there was progress on the implementation of the Accelerated School Development Programme (ASIDP) under which 49 schools would be built by the Department of Education by the end of August 2012</p>	<p>Department of Health submit a report on the extent to which the budget cuts in the Eastern Cape Department of Health would impact on the roll-out of the National Health Insurance pilot phase in the province.</p> <ul style="list-style-type: none"> • That the Minister of Basic Education should ensure that the Department of Basic Education submit a report on the envisaged cost escalations that would arise as a 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>result of the shifting of the completion date for construction of the 49 schools in the Eastern Cape Province as part of the Accelerated Schools Infrastructure Development Initiative. In this report, the Department should indicate whether provisions were made in tenders for the payment of penalties in the event of delays that came as a result of non-performance.</p>			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<ul style="list-style-type: none"> <li data-bbox="1088 323 1323 922">• That the Minister in the Presidency for Performance Monitoring and Evaluation should ensure that the National Youth Development Agency (NYDA) in the next budgeting cycle prepare a separate budget for each of its provincial and national offices. <li data-bbox="1088 959 1323 1248">• That the Members of Executive Committee (MECs) for Public Works should ensure that the Provincial 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>Departments of Public Works improve the Management of contractors together with other departments particularly when implementing capital projects.</p> <ul style="list-style-type: none"> • That contractors be properly scrutinized before awarded or given any government work or tender in order to identify the non performing contractors. And those that are not performing must be black listed. 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
30 July – 03 August 2012	Eastern Cape	<p>The Committee made an undertaking to the public that it would return to the province to follow-up on the progress regarding the Hospital Revitalisation Grant and the Health Infrastructure Grant.</p> <p>Part of the follow-up visit to the Eastern Cape Province was to evaluate the progress that has been made by the Department of Basic Education on the implementation of the Accelerated Schools Infrastructure Development Initiative (ASIDI) programme and School Infrastructure Programme.</p> <ul style="list-style-type: none"> The Committee also engaged 	<ul style="list-style-type: none"> The Member of Executive Council (MEC) for Health in the Eastern Cape ensures that the Eastern Cape Provincial Department of Health submit a comprehensive report on the rationale behind the revitalization of the Cecilia Makhiwane Hospital from a level 4 to a level 2 or regional hospital. This report needs to be submitted within 30 days of adoption of this report by the National Assembly. 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<p>with the National Youth Development Agency (NYDA) on the youth development programmes that were offered in the Eastern Cape Province.</p>	<ul style="list-style-type: none"> • The Provincial Department of Health to provide both the Standing Committee on Appropriations and Portfolio Committee on Health with an action plan on how it proposes dealing with challenges facing the department before December 2012. • The Member of Executive Council (MEC) for Education in the Eastern Cape ensures that the Provincial 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>Department of Basic Education provide the Standing Committee on Appropriations with progress reports on the two education grants, i.e. the Schools Infrastructure Grant and the Technical Secondary Schools Recapitalisation Grant. This report needs to be submitted within 30 days of adoption of this report by the National Assembly.</p> <ul style="list-style-type: none"> • That the Minister of 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>Basic Education ensures that the National Department of Basic Education submit roll-out plans on the Accelerated Schools Infrastructure Delivery Initiative the 2012/13 financial year as well as the 2013/14 financial year within 30 days of adoption of this report by the National Assembly.</p> <ul style="list-style-type: none"> • That the Minister in the Presidency for Performance Monitoring and 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>Evaluation ensures that the National Youth Development Agency (NYDA) develop and report on a plan on how it proposes to address the challenges relating to the accessibility of NYDA services in the deep rural areas. This report needs to be submitted within 30 days of adoption of this report by the National Assembly.</p> <ul style="list-style-type: none"> • That the Minister in the Presidency for Performance 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>Monitoring and Evaluation ensures that the National Youth Development Agency develop and report on a strategy on how it proposes to address the communication, integration and coordination channels between its national, provincial and branch structures. This report needs to be submitted within 30 days of adoption of this report by the National Assembly.</p>			
02-03 May 2013	1) NYDA Head Office, Gauteng	<ul style="list-style-type: none"> To engage with the National 	That the Minister in			Adopted, Atced and

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
	2) Presidential Hotline, SITA Offices, Pretoria, Gauteng	<p>Youth Development Agency (NYDA) in order to meet the new board members and establish a mutual understanding of the Board's vision and strategy with emphasis on key interventions for the medium term. Furthermore, to conduct a tour of the business divisions of the NYDA to obtain a firsthand understanding of the NYDA operations and services so as to facilitate better oversight.</p> <ul style="list-style-type: none"> To conduct a site inspection of the Presidential Hotline in order to ascertain the effectiveness of 	<p>the Presidency for Performance Monitoring and Evaluation as well as Administration ensure the following:</p> <ul style="list-style-type: none"> That the National Youth Development Agency develops and implements a targeted strategy to improve its turnaround times in resolving queries and complaints referred to it at the NYDA's Call Centre. That the National Youth Development 			considered by the House

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<p>the call centre, and engage the Department of Performance Monitoring and Evaluation (DPME) on the processes followed to ensure that citizens' concerns and queries are resolved by the responsible departments.</p>	<p>Agency in consultation with relevant government departments develops an implementation strategy in establishing youth desks in all municipalities.</p> <ul style="list-style-type: none"> • That the National Youth Development Agency fills all funded vacant posts in the 2013/14 financial year. • That the Department of Performance Monitoring and Evaluation ensures that all capacity 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>challenges (i.e. vacancies and system limitations) related to the Presidential Hotline's Service Delivery Level Agreement with SITA are addressed so as to improve resolution outcomes.</p> <ul style="list-style-type: none"> • That the Department of Performance Monitoring and Evaluation improves the categorisation and structure of Presidential Hotline cases captured in order to 			

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			enhance the usefulness of the data.			
22-26 July 2013	1) Nandoni Dam (Thohoyandou, Limpopo) 2) De Hoop Dam (Steelpoort, Limpopo) 3) Inyaka Water Treatment Works (Bush Buck Ridge, Mpumalanga)	To conduct a second follow-up visit to the water projects, Nandoni Bulk Water Distribution Scheme and Inyaka Water Treatment Works in the Limpopo and Mpumalanga provinces from 22 to 26 July 2013 in order to assess the extent to which basic water services are being delivered to communities in these vulnerable areas	That the Minister of Water and Environmental Affairs should ensure the following: <ul style="list-style-type: none"> • That the Department of Water Affairs submit a detailed progress report for the construction of the Nandoni pipeline, inclusive of the targeted dates for the completion of the reticulation 	None		Adopted, ATced and Considered by House

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>of water from the Nandoni bulk water distribution system to communities . This report should be inclusive of possible challenges that could delay progress.</p> <ul style="list-style-type: none"> • That the Department of Water Affairs consider the development of a comprehensive skills plan for its entire water infrastructure programme. • That the 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>Department of Water Affairs submit a report on the litigation case on the Nandoni Distribution Network.</p> <ul style="list-style-type: none"> The Department of Water Affairs consider developing an operational mechanism in its planning and implementation procedures to incorporate the outcomes of the study and 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>research activities of the Water Research Commission</p> <ul style="list-style-type: none"> • That the Department of Water Affairs consider extending partnership agreements such as the concluded Memorandums of Understanding (MoUs) between Mpumalanga Province and the Department of Water Affairs, to other provinces as well, so as to expedite 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>the rollout of water services infrastructure.</p> <ul style="list-style-type: none"> The Department of Water Affairs consider putting in place measures to ensure that capacity for operations and maintenance of water infrastructure is in place following the installation and completion of the bulk water infrastructure in the Nandoni Water 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			Scheme (Vhembe District Municipality) and Inyaka Water Scheme (Ehlanzeni District Municipality)			

a) Challenges emerging

The following challenges emerged during the oversight visit:

- Some 4* Hotels were not of a sufficient standard and this has placed stress on both Members of the Committee and Support Staff. This challenge was compounded when a disabled Member was allocated to serve on the Committee.
- There were instances where the Committee lost its bookings in hotels as a result of the long processes involved in the approval of applications, both politically and financially.

b) Issues for follow up

The 5th Parliament should consider following up on the following:

- Follow up on the remaining batch of schools which are part of the ASIDI programme being implemented by the Department of Basic Education (DBE) in the Eastern Cape and other provinces,
- Follow up on the implementation of the MWIG project in the 24 prioritised districts,
- Follow up on EPWP implementation in various provinces to make sure that beneficiaries are paid according to the prescribed formula,
- Follow on the water projects to ensure that ultimately water reaches every household in Limpopo and Mpumalanga

- Check whether the conflict around the land issue between the farmers and the Department of Water Affairs has been resolved in Limpopo, Ensure that poor households are benefiting from the bulk water infrastructure projects built in Limpopo, Mpumalanga and Hluhluwe,
- Follow up on the National Health Insurance implemented by the Department of Health (DoH) to ensure universal access to the health care,
- Visits to sites which fall under the Frontline Service Delivery Monitoring programme by DPME.

7. Study tours undertaken

The following study tours were undertaken:

Date	Places Visited	Objective	Lessons Learned	Status of Report
30 September -10 October 2012	United States of America and Canada	For the Committee to gain an in-depth understanding of the issues underlying successful monitoring and evaluation (M&E) systems, and in particular the appropriate role of Parliament/Congress in effective performance M&E.	<ul style="list-style-type: none"> • The United States of America has managed to build and consolidate strong institutions to support Congress to evaluate and monitor government programmes. However, it can be stated that even though they have such strong institutions (i.e. the number of Committee support staff, Congressional Budget Office, Government Accountability Office, Congressional Research Services, and Inspectors-General in Agencies) they have no power to enforce agencies to implement their recommendations. 	Adopted and ATced and considered by the House on

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			<ul style="list-style-type: none"> <li data-bbox="1182 268 1536 528">• Congressional Committees make use of the media as an incentive to highlight any poor performance of agencies, therefore encouraging agencies to ensure that their performance is of an acceptable standard. <li data-bbox="1182 564 1536 852">• There is a coordinated approach to evaluate the performance of programmes in the US, i.e. GAO, CBO, Congressional Research Service, and Inspectors-General have an integrated approach and they share performance information. <li data-bbox="1182 888 1536 1176">• The GAO produces a High Risk Series on a bi-annual basis which highlights all the major problems that are a high risk for waste, fraud, mismanagement or in need of broad reform. This is used by the Committees for improved oversight of agencies. <li data-bbox="1182 1212 1536 1265">• The budget proposals as introduced by the US 	

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			<p>President fundamentally can be amended or rejected by Congress.</p> <ul style="list-style-type: none"> • The World Bank plays an important role in supporting M&E implementation system across democracies. An offer was made by the World Bank to build the capacity of the Parliament of the Republic of South Africa on PM&E and how best Government systems could be co-ordinated. • The US Parliamentary Committees can request that performance audits be done whereas in SA, AGSA usually initiates performance audits. The GAO focuses more on performance audits whilst AGSA focuses more on financial audits. • With regard to Canada, the Treasury Board Secretariat 	

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			<p>(TBS) seems to be the most powerful institution for PM&E since it prescribes the Performance Measurement Framework (PMF) and the Programme Alignment Architecture (PAA).</p> <ul style="list-style-type: none"> • Canada's Parliamentary Budget Office is not sufficiently capacitated like their American counterpart; as a result more focus is given to the Auditor-General's work. • The Treasury Board in Canada performs the combined functions of which are separated in other democracies, such as Public Service and Administration, National Treasury and Performance Monitoring and Evaluation in South Africa. • The Programme Alignment Architect (PAA) assists Members of Parliament to increase their 	

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			<p>understanding of Government programmes hence it improves the Committee oversight function. There is however no requirement in provinces for departments to develop PAAs since they have their own jurisdiction over the matter as per the provisions of the Canadian Constitution.</p> <ul style="list-style-type: none"> • There is a lack of integration between the Federal and Provincial PM&E Units in Canada as these institutions are not aligned. The provinces usually conduct their own M&E of programmes even in cases of transfers and subsidies from the Federal Departments. • The programmes are evaluated on a five year basis in Canada to assess whether the desired impact or outcome was reached. There are monitoring systems in place during that five year period that are used to measure the 	

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			<p>outputs or performance of programmes in the short and medium term period (quarterly and annually).</p> <ul style="list-style-type: none"> • There is a lack of the alignment of programme planning and resources in Canadian Departments which makes it difficult to measure performance against the resources used. • The Canadian Parliament utilises information published by the Auditor-General, unlike the US which uses Government Accountability Oversight (GAO). • There is no Standing Committee on Auditor-General in Canada which ensures that AG executes its duties in line with the mandate. 	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<ul style="list-style-type: none"> • Federal government can have national priorities which do not necessarily align with the provincial priorities. Those responsible for federal-provincial relations have to find a means to align the priorities but there is often tension. • The participatory evaluation models are not widely used but there are instances when representatives from the community are part of the Steering Committees. The surveys of citizens are however an essential source of data with regard to performance information. 	
29 June -06 July 2013	Uganda and Kenya	For the Committee to gain an in-depth understanding of the issues underlying successful monitoring and	<ul style="list-style-type: none"> • M&E in Uganda is linked closely to planning and is highly institutionalised because every ministry 	Adopted, and ATced and considered by the House on

Date	Places Visited	Objective	Lessons Learned	Status of Report
		<p>evaluation (M&E) systems, and in particular the appropriate role of Parliament in effective performance M&E</p>	<p>has an M&E unit that is responsible for the collection of data on all the indicators and reports on a quarterly basis to the Office of the Prime Minister.</p> <ul style="list-style-type: none"> • Uganda has a National M&E Policy which is being considered by Parliament and they regard this policy as the legal framework for M&E. • The Office of the Prime Minister (OPM) utilises the Prime Minister's Integrated Management Information System (PMIS) which enables interfacing with all relevant and expected government information systems to facilitate the fulfilment of its M&E mandate. It also serves as a single point of storage of all M&E information. • The Ministry of Finance, Planning and Economic 	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<p>Development (MFPED) have an automated Output Budgeting Tool which provides a systematic link between funds and outputs. The OBT is a reporting mechanism for all departments to the MFPED and the OPM and it provides the framework for budget formulation & execution, performance reports, and performance contracting. The tool enables them to track budgets, expenditure, key outputs, project procurement, implementation timelines, contract management and progress against the work plan as per performance contract.</p> <ul style="list-style-type: none"> • The Office of the Prime Minister does reporting bi-annually to reduce the reporting load. • The Ugandan budget cycle was amended to afford 	

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			<p>Parliamentary Committees an active participatory role in the budget process. In addition, there are plans of bringing the budget process to complete prior to the beginning of the financial year.</p> <ul style="list-style-type: none"> • Uganda has successfully reconciled the financial years between national and local government for better reporting, oversight and accountability. • The Ugandan Parliamentary Budget Office (PBO) has contributed significantly towards the empowerment of Parliament to be actively and continuously involved in the budget cycle. • The PBO has been instrumental in the shaping of output oriented budgeting in order to enable the monitoring of value for money for 	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<p>allocated resources. As a result thereof, there have been improvements in the accuracy of the budget and the nature of reporting on the budget and budget implementation. The PBO has also been integral in identifying inefficiencies within departments and in the improvement of the accuracy of the budget.</p> <ul style="list-style-type: none"> • There is some evidence that recommendations from parliamentary committees in Uganda are quite strong and that a significant proportion of recommendations are implemented by the executive authority e.g. Public Accounts Committee's recommendations for recovery of funds from officials. • Uganda utilises the Baraza system as a public accountability forum which 	

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			<p>brings together central government (policy-makers) and local governments (public service providers) to report to citizens (public service users) on services and projects and citizens have an opportunity to ask questions. The Baraza experience is relevant to the citizen-based monitoring project that DPME is initiating.</p> <ul style="list-style-type: none"> • Portfolio committees in Kenya have a stronger link to the budget or appropriations process by making submissions on their relevant departments' budget allocations to the Budget and Appropriations Committee. In addition, the Budget and Appropriations Committee has a large number of committee members which enables it to review all submissions and thus be more efficient and 	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<p>effective in its oversight role.</p> <ul style="list-style-type: none"> <li data-bbox="1137 347 1525 576">• The Budget and Appropriations Committee is able to make amendments to the budget because of the Parliamentary Budget Office's support and the close link with portfolio committees. <li data-bbox="1137 619 1525 1054">• Kenya has developed a number of tools for M&E, including performance contracts of Cabinet Secretaries and Public Expenditure Tracking Surveys which are a useful form of economic evaluation. They also conduct Ministerial Public Expenditure Review (PER) and Comprehensive Expenditure Review (CER) which are used by sector workgroups when developing programmes and budgets. <li data-bbox="1137 1098 1525 1303">• There seem to be efforts to ensure integration of systems e.g. e-Promis, to enable easy tracking of the implementation and performance (financial and non-financial) of various 	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			government programmes.	

<p>a) Challenges emerging</p> <ul style="list-style-type: none"> • Delays experienced with approval of political applications which places pressure on logistical arrangements • Time constraints was a bit of a challenge during the study tour <p>b) Issues for follow-up</p> <p>The 5th Parliament should consider following up on the following:</p> <ul style="list-style-type: none"> • African Parliamentarians Forum on Development Evaluations: The African Development Bank's initiative of establishing a forum of parliamentarians in Africa interested in sharing experience on using evaluation in parliament

8. **International Agreements:** None

9. **Statutory appointments:**

The following appointment processes were referred to the committee and the resultant statutory appointments were made:

Date	Type of appointment	Period of appointment	Status of Report
May 2013	Director of Parliamentary Budget Office	5 years	Adopted

10. **Petitions:** None

11. **Obligations conferred on committee by legislation:**

a) **Budgetary Review and Recommendations Report on the Department of Performance Monitoring and Evaluation**

12. Summary of outstanding issues relating to the department/entities that the committee has been grappling with

The following key issues are outstanding from the committee's activities during the 4th Parliament:

Responsibility	Issue(s)
National Youth Development Agency	<ul style="list-style-type: none"> • Establishment of local youth offices in municipalities. Committee to intervene to expedite the establishment of local youth offices in municipalities. • Amendment of National Youth Development Agency Act
Department of Performance Monitoring and Evaluation and National Treasury	Disjuncture between national departments budgets and performance on targets
Dep. of Basic Education	The finalisation of ASIDI programme in the Eastern Cape and other provinces
Dep. of Higher Education and Training	The finalisation of the building of two universities in the Northern Cape and Mpumalanga provinces and the new 12 FET colleges which will begin this year.
Dep. of Water Affairs	The finalisation of water projects in Limpopo and Mpumalanga
Water Affairs	The finalisation of the MWIG pilot in the 24 identified district municipalities
Dep. of Rural Development	The costing of the outstanding land claims and fast tracking the issue of land reform
SAPS	The increasing expenditure on the civil claims due to the human error/ police not following the correct procedure to arrest and this is one of the items which is not easy to budget for.
National Treasury	Money for infrastructure being allocated to departments without proper planning being put forward and this causes delays in the project implementation
Dep. of Health	The finalisation of the NHI pilot in the 10 identified sites

13. Recommendations

- The Committee should employ a focused approach to its mandate whereby members are allocated into different areas of key priorities of government to strengthen oversight. Members should be deployed according to their competency as well as experience on these priority areas.

- The Committee should strengthen and enhance beneficial partnerships with internal and external stakeholders such as Parliamentary Budget Office, Financial and Fiscal Commission, National Treasury, Public Service Commission and others.
- The Committee should strengthen links with international bodies such as World Bank, OECD, APAC, etc in terms of regular capacity building initiatives.
- The membership capacity of the Committee as well as budget allocation be increased in order to enhance its effectiveness in the budget process and in its oversight role for performance monitoring and evaluation as well as youth matters.
- There should be more workshops for members to understand the legislative frameworks that underpin the Committee's mandate.
- A Terms of Reference should be developed in order to establish an effective working relationship with the Parliamentary Budget Office. This relationship should be premised on sound channels of communication and interface. Communication should be regular and there should be a strong understanding of the needs and expectations the committee.
- The Committee should foster and maintain effective working relations with other Committees of Parliament concerning matters of common interest. There is a need to strengthen the participatory role of portfolio committees during the budget process. Portfolio Committees should be encouraged to make submissions on their relevant departments' budget allocations to the Standing Committee on Appropriations.

14. Committee strategic plan

The Committee drafted Annual Strategic Plans but these plans were not adopted. The activities of the Committee per term were guided by these Annual Strategic Plans which also needed to be in line with the focus areas as directed by the House Chairperson. These plans were however not informed by the budgetary allocation to the Committee per annum as the allocations were only made in April of each year while the Strategic Planning Sessions were usually held at the end of January or beginning of February. The Committee was not able to undertake such sessions in 2013 and 2014. The key strategic goals of the Committee as per the Strategic Plan of 2012 were as follows:

- Orientation of Members by Committee Section, National Treasury, FFC, and AGSA (This is an ongoing exercise);
- Motivation for the recruitment of additional support staff (This was achieved as an additional Researcher and Content Advisor was appointed);
- Consideration and reporting on the Money Bills as tabled by the Minister of Finance (These were achieved);
- Enhance level of cooperation with other Standing Committees of Parliament;
- Assess and obtain an accurate reflection of expenditure of government departments;
- Ensure that the Committees goals are achieved in terms of processing of legislation;

- Conduct effective oversight over the executive;
- Conduct oversight over the DPME; and
- Conduct oversight over the NYDA.

15. **Master attendance list (hereto attached)**



Mr EM Sogoni, MP
Chairperson: Standing Committee on Appropriations

12/03/2014

Date